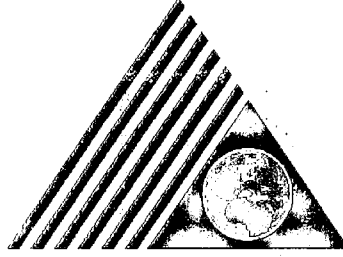


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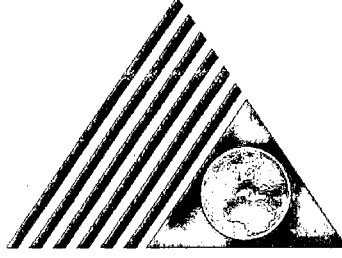
**AFTER COLD WAR NEW DIMENSIONS OF JAPANESE
FOREIGN POLICY**

by

Atilla BAYRAKDAR

**Submitted to the Graduate Institute of Social Sciences
In partial fulfillment of the requirements for the degree of
Master of
Business Administration**

İSTANBUL, 2005



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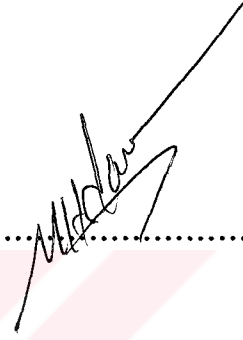
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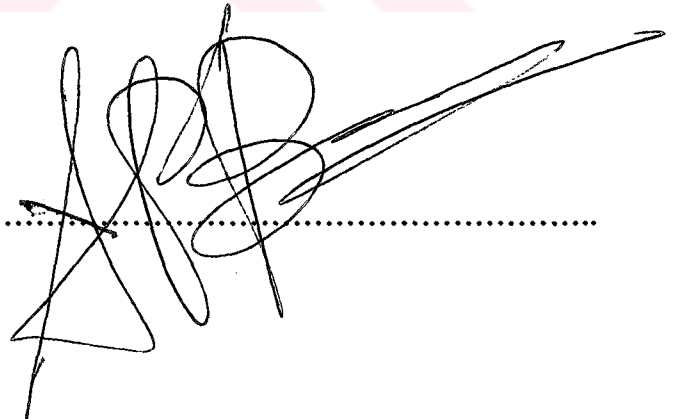
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LIST OF ABBREVIATIONS

ACSA	Acquisition and Cross-Serving Agreement
AMS	Academy of Military Science
APEC	Asia Pacific Economic Cooperation forum
ARF	ASEAN Regional Forum
ASEAN	Association of Southeast Asian Nations
ASEM	Asia-Europe Meeting
CCP	Chinese Communist Party
CGP	Clean Government Party
CMC	Central Military Commission
COCOM	Coordinating Committee for Export Control
COSTIND	Commission of Science, Technology, and Industry for National Defense
CPU	Central Processing Unit
CSCAP	the Council on Security and Cooperation in the Asia Pacific
CTBT	Comprehensive Test Ban Treaty
DPJ	Democratic Party of Japan
DPRK	Democratic People's Republic of Korea
EI	Economic Interdependence
EPA	Economic Planning Agency
FALSG	Foreign Affairs Leading Small Group
FAO	Foreign Affairs Office
FETC	Foreign Economic and Trade Commission
ILD	International Liaison Department
JBIC	Japan Bank for International Cooperation
JCIF	Japan Center for International Finance
JCP	Japan Communist Party
JDA	Japan Defense Agency
JDIH	Japan Defense Intelligence Headquarters
JETRO	Japan External Trade Organization
JIIA	Japan Institute for International Affairs
JSP	Japan Socialist Party
LD	Liaison Department
LNG	Liquid Natural Gas
LSG	Leading Small Group
MAFF	Ministry of Agriculture, Forestry and Fisheries
METI	Ministry of Economy, Trade, and Industry
MFA	Ministry of Foreign Affairs
MFN	Most Favored Nation
MITI	Ministry International Trade and Industry
MND	Ministry of National Defense
MOF	Ministry of Finance
MOFTEC	Ministry of Foreign Trade and Economic Cooperation
MOFA	Ministry of Foreign Affairs

NGO	Nongovernmental Organization
NDPO	National Defense Program Outline
NPC	National People's Congress
OECD	Organization for Economic Cooperation
ODA	Official Development Assistance
PBEC	Pacific Basic Economic Council
PTBT	Partial Test Ban Treaty
SCAP	Supreme Commander for Allied Power
SCFAO	State Council Foreign Affairs Office
SCTAO	State Council Taiwan Affairs Office
SDF	Self Defense Forces
SDPJ	Social Democratic Party of Japan
SETC	State Economic and Trade Commission
SEZ	Special Economic Zone
SII	Strategic Impediment Initiatives
SNG	Subnational Government
SODECO	Sakhalin Oil and Gas Development Cooperation
TALSG	Taiwan Affairs Leading Small Group
TMD	Theater Missile Defense
WTO	World Trade Organization

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ABSTRACT

Japan is one of the most leading countries in the world and a very important actor of a international organizations which influences the world history and foreign policies. One of the prominent reasons of choosing this subject is that under the platform of changing world conjecture after Cold War, Japan contains very powerful dynamics in its structure which impacts regional and global power balances in the world. Recognizing Japan from the perspective of academics, and analyzing its tendencies in region and in the world are supposed to affect power balances now and in the future. In order to understand better the probable position of Japanese Foreign Policy now and in the future, and to make some predictions, first of all Political Structure of Japanese of Foreign Policy and the Organs of Foreign Policy Decision-Making Structure must be known. For better understand the actual and future position of Japan in the world, first of all, we have to learn its political structure and foreign policy decision-making mechanism.

In this thesis, I intended to examine historical background of Japan, physical setting and education structure, foreign policy decision making structure, foreign policy actors and all decision-making ranks from the national leader and his nuclear circle to underlevel ranks.

Finally, I examined Japanese foreign and economic relations toward other countries and its foreign policy toward the three major powers in Asia-Pacific Region. (Russia, China and U.S.A.)

ÖZET

Japonya dünya tarihi ve dış politikalarına yön veren başlıca devletler arasında yer alan,uluslararası ortamın önemli bir aktörüdür.Bu araştırma konusu seçiminde temel nedenlerden biriside soğuk savaş sonucunda değişen uluslararası konjüktür zemininde,Japonya'nın değişen dış politika önceliklerinin bölgesel ve küresel ölçekli güç dengelerini yakından ilgilendirebilecek sonuçlara bakıp güçlü dinamikleri bünyesinde barındırmasıdır.Akademik açıdan bakıldığında Japonya'yı tanımak,eğilimlerini analiz edebilmemiz,günümüz ve geleceğin güç dengelerini etkileyebileceği varsayılmaktadır. Japon Dış Politikasının mevcut ve gelecekteki muhtemel durumunu daha iyi anlayabilmek ve bazı tahminlerde bulunabilmek için, öncelikle bu ülkenin politik yapılanması ve dış politika karar alma organlarının çalışma dinamiklerini bilmek gerekmektedir.

Bu çalışmada Japonya'nın günümüze kadar tarihsel gelişimi,inişleri ve çıkışları,fiziksel yerleşim özellikleri,eğitim yapısı,dış politika karar verme süreçleri ve yapısal kadrosu, en önemli karar alma organı olan ulusal meclisi (Diet) ve onun çekirdek kadrosu (nuclear circle) ndan başlayarak daha aşağıdaki seviyelere kadar dış politika karar alma mekanizmaları incelenmiştir.

Son olarak da; Japonya'nın diğer ülkelerle yürüttüğü ekonomik ilişkiler ve Asya-Pasifik'teki üç büyük devletle(Rusya,Çin,ABD) olan dış politikası tarihsel gelişimleri içinde soğuk savaş ertesinden günümüze kadar incelenmiştir.

INTRODUCTION

Japan is a modern, thriving democracy in twenty first century, it retained a long esteemed imperial tradition .The Japanese takes great pride in being “unique,” yet much of Japanese civilization is composed of selective borrowings. Japan is one of the richest countries in the world, ranking first among major industrial nations in per capita gross domestic product.

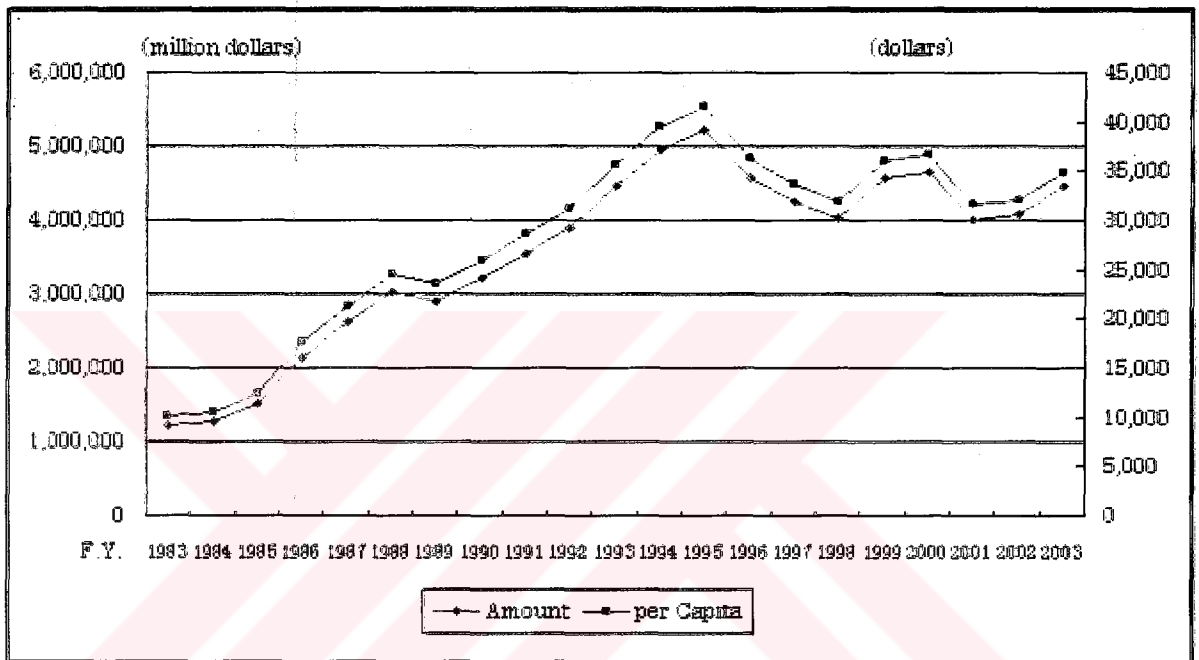


Table 1.1 Nominal Gross Domestic Product (GDP) in dollars (F.Y.1983-2003)

Source: <http://web-jpn.org/stat/stats/html>.

Deciphering the Japanese Phenomenon after defeat in World War-II, and rising its body from the ashes of war is the main issue of most of the intellectuals in the world. Japan avoided playing a prominent role in international affairs. Japan’s relations with other nations were guided by the principle of omni-directional foreign policy, a risk-free formula that suggested no national strategy at all. To the extent there was an international security strategy, it was directed from Washington, not Tokyo-“when you want shade, find the largest tree,” as some politicians put it in the 1950s. Japanese passivity in postwar international affairs was reinforced by a cumbersome, consensus-oriented political system in Tokyo. Prime ministers were only first among equals in the ruling Liberal Democratic

Party (LDP). Bureaucracies and industrial groupings struggled to protect turf. Japan was, in the words of one Western critic, a state which “has no top,” where the “buck” stops “nowhere.” It is no wonder that many observers have despaired that Japanese foreign policy is “mired in immobilisms” and that Japan is a “reactive state,” unwilling to take risk or assert its interests in the world.

More sophistication is seen to Japanese foreign policy, however. Today, most of the leaders argue that Japan’s apparent passivity in international affairs is, in fact a **“low-cost, low-risk, benefit-maximizing strategy that has served national self-interest extraordinarily well.”** If one assumes that Japanese national self-interest is determined in terms of economic power, Japan’s foreign policy has indeed been impressive for many decades. In this view, Japan’s model of foreign policy should be seen as incorporating “techno-economic security interests—including, but not limited to, those associated with military security—as central considerations in state policy.” Based on this focus on techno-economic security, Japan has come to influence its environment through foreign direct investment and overseas development assistance (ODA), as “the network organization that characterizes the Japanese state” has “gone regional.”

Traditional military and political instruments of state power may therefore be less important, since “Japan will have more influence over international security relations in the years to come by virtue of its economic and technological strengths alone.”

Still observers find unsatisfactory the argument that Japan will continue to express its national interests exclusively through economic power. They argue that economic growth, rather than offering a new definition of national security will eventually drive Japan to pursue independent military power including possibly nuclear weapons. This view of an economic superpower transforming inevitably into a military superpower emerged with Japan’s amazing economic growth in the 1960s and expanded with the appreciation of the yen in the 1980’s. More recently, it has been reinforced by the perceived emergence of multipolar rivalry in Asia and “the rise of China as a major industrial and military power.” which will “slowly but inevitably produce a reappraisal of the security strategy that Japan has followed for the past 50 years.”

The end of the Cold War appears to have added little clarity to which view of Japan is correct. Compared with the sweeping changes that have occurred in Eastern Europe, South Africa, or Germany the parameters of Japanese foreign policy have been remarkably consistent since the fall of the Berlin Wall. Japan has reaffirmed its alliance with the United States. The Japanese Peace Constitution remains intact. Japan continues to focus its international activities on economic trade, investment, and aid.

At the same time, however, we do know that the domestic Japanese political economy is undergoing a painful transformation in the post-Cold War period-that economic growth has been essentially flat for a decade; that rival industrial groupings have been forced to merge their core banks; and that the Socialist Party has collapsed while the LDP struggles to survive through shaky coalitions. We also know that the world is changing around Japan in important ways-that Russian power is declining while Chinese power is on the rise; that information technologies and currency flows have heralded a new era of globalization; and that the United States has emerged from the Cold War as an unchallenged superpower. Is it possible that Japanese foreign policy can remain immune to these changes?

This is not the first time that Japanese policies and institutions have appeared stubbornly resistant to change. A special thing must be pointed out: The problem faced by any conception of Japanese history is to explain the lastingness, the conspicuous durability, of Japan's institutional structures, often to the point that they seem to violate historical common sense. Although the Tokugawa Shoguns remained in power from 1600 to 1868, the shogunal ending played itself out slowly over a half-century.

But if one cannot see changes clearly in a new constitution, new political leadership, or a new foreign policy doctrine, how is one to make judgments about the future direction of Japanese foreign policy? The answer lies in "loose changes that lie around at present."

My research goes through the "loose changes" of Japanese foreign policy in the decade since the end of the Cold War. It recognizes that the bilateral relationship with the United States is the indispensable core of Japan's position in the world. One of the main lessons is for the U.S.-Japan alliance. The studies examine not U.S.-Japan bilateral trade and security negotiations, but rather how the United States and Japan interact in relations with the rest of the world. In each case, Japan is conducting foreign policy with one eye carefully on

Washington, but it remains, nevertheless, Japanese foreign policy. This foreign policy still converges with the United States on fundamental issues, but it is also increasingly independent. While it remains low risk, it is more sensitive to balance of power considerations. And while it is still reactive, it is far less passive. In short, it is time to recognize Japan as an independent actor in Northeast Asia and to assess Japanese foreign policy on its own terms.

In order to understand patterns that are emerging in Japanese foreign policy since the end of the Cold War, I try to explain the followings:

- Japanese objectives
- The effectiveness of Japanese diplomacy in achieving those objectives
- The domestic and external pressures on policymaking
- The degree of convergence or divergence with the United States in both strategy and implementation
- Lessons for more effective U.S.-Japan diplomatic cooperation in the future

To provide context for the case studies, the second chapter looks at the historical background and the setting of Japan and its social structure and society. Before understanding “Japan Foreign Policy”, I tried to explain brief settling and historical background of Japan, this chapter shows their foibles and triumphs with their laughter and tears. Today we often hear of the excellence of Japanese management. One of its most frequently discussed features is their ability to reach a consensus. That ability can be traced back to the Goseibai Shikimaku of 1232. That what is past is prologue. This second chapter allows us to probe deeply in the roots of contemporary Japanese Civilization, History and Settling.

Today Japan has a truly global presence and can not be ignored, its phenomenal rise from the ashes of war and defeat. The third chapter then dissects the domestic institutions that conduct foreign policy in Japan and explores the implications of their current transformation. In this chapter, I try to emphasize the foreign-policy and decision-making

structures, foreign policy actors, organs of government, Japanese party system, political dynamics, these ideas and institutions are important. While the studies demonstrate that the broad parameters of Japanese foreign policy are shaped primarily by material factors is, the balance between state resources and external threats and opportunities-foreign policy choices are filtered through the powerful ideational lens of Japanese norms, aspirations, and insecurities and are implemented by divided and often dysfunctional institutions. These ideational and institutional factors are a drag on the state's response to external changes the "immobilist" and "reactive state" labels for Japan as we will see; they are not impervious to shifts in Japan's material position in the world. They are necessarily perpetual determinants of Japanese preferences or behavior.' After the two background chapters, the research turns to the case studies.

Chapters 5 through 7 analyze Japanese Foreign Policy toward Russia, China and U.S.A.. It also considers the longer term implications of Japan's emerging diplomacy, drawing from the case studies to explore what variables might lead to more revolutionary change in Japan's world role.

Japan has become one of the three major Asia-Pacific Powers with an evident aspiration to assume a global role; the case studies examined in these pages demonstrate strong continuity in the parameters of Japanese foreign policy since the end of the Cold War. Specifically:

1. **The centrality of the United States.** Japanese foreign policy continues to take its bearings from Washington, in spite of growing independence at the margins (particularly in Southeast Asia). On issues of fundamental interest to the United States, Japan remains deferential and cautious. In terms of security in East Asia, there is a broader consensus on the need for the U.S.-Japan alliance than at any previous disagreement on the specifics of issues like U.S bases. Japan remains dependent on American hegemony for its own security in East Asia. While Japan is pressing for greater influence and recognition in international organizations and in the region, it is not challenging U.S. primacy in these settings. Indeed, much of Japanese diplomacy is aimed at buttressing U.S. leadership in the United Nations and the international financial institutions.

2. **The primacy of economic tools.** Despite a growing focus on traditional security concerns and recognition of declining relative economic resources, Japanese foreign policy continues to rely primarily on economic tools for power and influence. These tools include **foreign aid and contributions to international organizations** as well as overseas foreign direct investment. In response to regional political and security crises in the 1990s, Japan's first responses have usually been financial.

3. **Constraints on the use of force.** The normative and institutional constraints on the use of force remain strong, though more flexible. New missions and capabilities for peacekeeping, noncombatant evacuation operations, space surveillance, and logistical support for U.S. forces in regional contingencies all give Japan more tools in its security kit bag. However, the use of force—whether in peacekeeping or in support of U.S. forces—is highly contentious and strictly controlled by the rulings of the Cabinet Legal Affairs Bureau. Consequently, the Japanese government has deployed military forces only against clear violations of Japanese territory or with the unambiguous permission of countries receiving the forces (whether for United Nations-mandated peacekeeping or for humanitarian relief or emergency evacuation). This is both a matter of ideology and a policy of continuing risk aversion by the political elite in Tokyo.

4. **No alternate strategic vision.** No political leader has articulated a clear alternative to the current doctrine of Japanese foreign policy. Political leaders have heralded new initiatives toward Russia or Southeast Asia, but there has been no political mandate for bolder reformulation of Japan's world role. In part this reflects the weakness of the current senior leadership in Japanese political parties, but it also is based on the conservatism of the Japanese public about international affairs and a distrust of demagogues. In the current climate of political realignment, leaders who take clear ideological stands on foreign policy have difficulty building a broad enough coalition to govern.

Within these areas of continuity, however, the case studies reveal new ideas and new patterns of diplomacy since the end of the Cold War that represents a pronounced departure from the past. These are changes that are occurring not because of the growth of Japanese economic power, as many predicted, but instead because of the demise of the Japanese economic model. They are occurring not because of the decline of U.S. influence,

but because of **anxiety about the rise of Chinese power** and the unilateralism of the United States. And they are occurring not because of a great national debate, but instead because of a growing **consensus among a new generation that Japan must assert its own identity in international society**. There are six trends worth watching:

1-A greater focus on balance of power Japanese foreign policy is increasingly being shaped by strategic considerations about the balance of power and influence in Northeast Asia, particularly China. Where Japan's relations in East Asia were primarily determined by the conjunction of mercantile interests and U.S. strategy in the past, they now tend also to reflect a self-conscious **competition with China for strategic influence in the region**. Confidence that Japanese economic leadership would integrate China on Japan's terms has ebbed and a new realism has emerged regarding the limits of Japanese economic influence and the growing power aspirations of Beijing.

2. **With growing realism, fraying idealism**. With this growing realism about power relations in the region and the threat diminishing indigenous economic resources. Japan has less room for sentimentality, idealism, or guilt in its foreign policy in Asia. Where the Japanese debate about a world role in the 1980s was framed in terms of the international obligation" (kokusai koken) or "obligation" of the world's largest creditor nation, today foreign policies must be justified to the public in term of "national interest" (kokueki). Japanese host-nation support for U.S. bases in Japan, apologies to China for historical transgression even dues to the United Nations-all are under increasing domestic scrutiny and pressure, as politicians call for an end to Japan's international "taxation without representation."

3. **A higher sensitivity security**. Japanese body politic is far more sensitive external security threats an even during the Cold War. This reflects the external shocks of the 1995 Chinese nuclear tests, the 1996 Taiwan Straits crisis, the 1998 N.Korean missile launch. as well as uncertainties about Japan's own economic future. With the collapse of the old Socialist Left the emergence of a new generation of political leaders unburdened by war guilt, there is a more permissive political environment for advancing the national security agenda. As a result, U.S. gaiatsu (external pressure) on Japan has less saliency in Japan's own defense debate, while U.S. failure to respond to perceived security threats has a more

deleterious impact on Japanese confidence in the U.S. security commitment. Increasingly, Japan has demonstrated a readiness to take unilateral actions in response to perceived threats when the United States has been passive.'

4. A more determined push for "independent" foreign policy. Japan is pushing harder for a more independent diplomatic identity in the world. This reflects the confidence of a new generation of politicians in international affairs as well as the search for national purpose and identity after the demise of the Japanese economic model. It also reflects the Japanese people's growing focus on the integrity of the nation-state. This ideational drive for independence collides with the practical need for a close alliance with the United States to manage the rise of China and security threats from North Korea. Thus, while reaffirming alliance ties with the United States, Japan has simultaneously attempted to expand its own influence and agenda in East Asia and in international organizations. In the 1990s Tokyo proposed a string of new initiatives toward Southeast Asia, Russia, and in the international financial institutions. Whether these initiatives are truly "independent" is debatable, since they represent more of a tactical divergence from the United States than a competitive strategy. Nevertheless, Tokyo is clearly placing a higher premium on raising Japan's international political profile.

5. A focus on Asia. To the extent Japanese foreign policy has developed "independent" characteristics; it has done so by highlighting differences between Washington and the nations of East Asia. Japanese divergence with the United States over Burma and Cambodia in the 1990s reflected Association of Southeast Asian Nations (ASEAN) concerns that Washington was emphasizing human rights at the expense of regional stability. Similarly, Japanese initiatives in response to the 1997 financial crisis reflected Asian alarm at the insensitivity of the International Monetary Fund to regional conditions and political stability. The expansion of trade and investment in East Asia has naturally heightened Japanese sensitivity to the region's priorities, particularity in Southeast Asia. This is true both because of the exposure of Japanese firms to political and economic developments in the region and because of the Asian dimension of the Japanese identity. However, the "Asianization" of Japanese foreign policy should not be overstated. As we will see, the security and financial crises of the 1990s reinforced for Japanese policymakers the indispensable nature of U.S. military deterrence and U.S.-led global financial

institutions for Japan's own position in the region, while the legacy of Japan's wartime history hampers the growth of a new pan-Asian identity.

6 A more fluid foreign policy making process. The transitional state of Japanese domestic politics has done more to complicate foreign policymaking than add clarity. The dominant institutions of government in Japan—the LDP, the factions, the bureaucracy—are still in charge, but they have all become more brittle, less cohesive, and less hierarchical. Meanwhile, the limitations of coalition government and the pressing challenges of domestic economic restructuring have prevented sustained attention to international problems by senior political leaders. Finally, media and Diet scrutiny of foreign policy has increased as the Japanese polity develops a stronger sense of civil self-determination, both nationally and at the local level. Together, these trends have created a more pluralistic and less predictable foreign policy-making process, where contentious policies are more difficult to sustain and reactions to external shocks are often more assertive and even nationalistic. Because this is a transitional period, however, the patterns of interaction between the United States and Japan are quietly shaping the worldview of a new generation of politicians and bureaucrats who will not be captive to the current sources of immobilism in the future.

In short, Japan is changing. After years of cautious international behavior and paralyzing domestic debates about security policy, a broad consensus is forming that Japan asserts its national interests more forcefully. While there is not yet a coherent strategy there is an emerging strategic view—a reluctant realism—that is being shaped by the combination of external material changes in Japan's international environment, insecurity about national power resources, and aspirations for a national identity that moves beyond the legacies of World War-II. Japan in spite of its economic travails, is set to be a larger actor in international actors

2. HISTORICAL BACKGROUND

Although Japan's culture developed late in Asian terms and much influenced by China and later the West, its history, like its art and literature, is special among world civilizations. As some scholars have argued, these outside influences may have "corrupted" Japanese traditions, yet once absorbed they also enriched and strengthened the nation, forming part of a vibrant and unique culture.

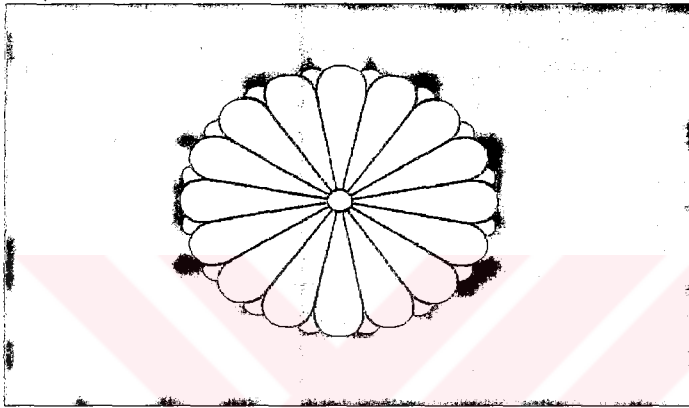


Figure 2.1: The Imperial Standard

Early in Japan's history, society was controlled by ruling elite of powerful clans. The most powerful emerged as a kingly line and later as the imperial family in Yamato (modern Nara Prefecture or possibly in northern Kyushu) in the third century AD., claiming descent from the gods who created Japan. An imperial court and government shaped by Chinese political and social institutions were established. Often powerful court families affected hereditary regency, having established control over the emperor. The highly developed culture attained between the eighth and the twelfth centuries was followed by a long period of anarchy and civil war, and a feudal society develop in which military overlords ran the government on behalf of the emperor, his court, and the regent. Although the Yamato court continued control of the throne, in practice a succession of dynastic military regimes ruled the decentralized country. In the late sixteenth century, Japan began a process of reunification followed by a period of great stability and peace, in which contact with the outside world was united and tightly controlled by the government.

Confronted by the West, inopportunately during the economically troubled late eighteenth and early nineteenth centuries, Japan emerged gradually as a modern, industrial power, exhibiting some democratic institutions by the end of World War I. Beginning in the mid-nineteenth century, phenomenal social upheaval, accompanied by political, military, and economic successes, led to an over abundance of nationalist pride and extremist solutions, and to even faster modernization. Representative government was finally replaced by increasingly authoritarian regimes, which propelled Japan into World War II. After the cataclysm of nuclear war, Japan rebuilt itself based on a new earnest desire for peaceful development, becoming a superpower in the twenty first century.¹

Table 2.1: Chronology of Major Historical periods

Dates	Persons
CA 10,000-100 B.C.	Jomon
CA 100-B.C.-A.D. 300	Yavon
CA A.D 300-710	Kofun (also called Yamato)
A.D. 710-794	Nara
A.D. 794-1185	Heisan
1185-1333	Kamakura
1333-1336	Kemmu Restoration
1336-1573	Muromachi(called Ashiikaga)
1573-1600	Azuchi –Movomama
1600-1867	Edo (called Tokugawa)
1868-1912	Meiji
1912-1926	Taisho (Yoshihito)
1926-1989	Showa(Hirohito)
1989-	Akihito

¹ Ronald E. Dolan and Robert L. Worden “ Japan A Country Study ” Headquarters, Department of Army (Washington D.C. 1992),p.3

2.1 THE FEUDAL AGE

Two major factors dominate the history of the twelfth century in Japan. One was the breakup of the monopoly of power held since the eighth century by the court-based aristocracy and the central monasteries. The second was the appearance of the new institutions of political authority and land control to which historians have given the name feudalism. By the end of twelfth century Japanese society and its manner of government had changed significantly. The agents of this change were clearly visible: the increasing role of a provincial military aristocracy in national affairs (the bushi or samurai), the establishment of a military headquarters with broad civil powers (the Shogunate), and the increased reliance on the lord-vassal relationship in the exercise of power.²

The Japanese feudal system, like that of Europe depended on bonds personal loyalty. Loyalty was in actuality the weakest link in both systems, and the medieval histories of both Japan and Europe are full of cases of turncoats and traitorous betrayals. In Europe, with its background of Roman law the lord-vassal relationship was seen as mutual and contractual—in other words, as legalistic, in Japan, the Chinese system had placed less emphasis on law and more on morality—that is, on the subordination of law to the moral leadership of the ruler, since his right to rule was theoretically based on his superior wisdom and morality. Hence, the lord-vassal relationship was seen as one of unlimited and absolute loyalty on the part of the vassal, not merely one of legal contract between the two. There was thus no room for the development of the concept of political rights, as happened in the West.

Loyalty to the ruler was important in the Chinese Confucian system, but it was usually overshadowed by loyalty to the family. In fact three of the five basic Confucian ethical relationships had to do with filial piety and other family loyalties. In Japan, loyalty to the lord was more central to the whole system and, despite the importance of the family took precedence over loyalty to it. Thus in Japan the suprafamily group early became established as more fundamental than the family itself, and this made easier the transition in modern times to loyalty to the nation and to other nonkinship groupings.

² John Whitney Hall “Japan From Prehistory to Modern Times” Center For Japanese Studies , The Universities of Michigan,(New York 1991),p.75

Still, family lineage and honor were of great importance in medieval Japanese society, because inheritance determined power and prestige as well as the ownership of property. Family continuity was naturally a matter of vital concern. The Japanese avoided many of the problems of Western hereditary systems by permitting a man to select among his sons the one most suitable to inherit his position and also by using adoption when there was no male heir by birth. The husband of a daughter, a young relative, or even some entirely unrelated person could be adopted as a completely acceptable heir. While inheritance is no longer a key stone of Japanese society, these types of adoption are still common.

Japanese feudal society differed from that of Europe in two other revealing ways. In Japan there was no cult of chivalry that put women on a romantic pedestal, though as fragile, inferior beings. The Japanese warriors expected their women to be as tough as they were and to accept self-destruction out of loyalty to lord or family. Also, Japanese warriors, though men of the sword like their Western counterparts, had none of the contempt that the Western feudal aristocracy often showed for learning and the gentler arts. They prided themselves on their fine calligraphy or poetic skills. Perhaps the long coexistence of the culture of the imperial court with the rising warrior society of the provinces had permitted a fuller transfer of the arts and attitudes of the one to the other.

The political and social organization of medieval Japan is extremely remote from that of contemporary Japanese society, but many of the attitudes developed then, and preserved and reshaped in the later phases of Japanese feudalism, have survived into modern times. Thus the warrior spirit and its sense of values were easily revived by the modern Japanese army, and a strong spirit of loyalty, duty, self-discipline, and self denial still lingers on from feudal days, shaping the contemporary Japanese personality.³

2.1.1. Kamakura and Muromachi Periods, 1185-1573

2.1.1.1. The Bakufu and the Hojo Regency

Nearly 700-year period in which the emperor, the court and the traditional central government were left intact, but were largely relegated to ceremonial functions. Civil, military, and judicial matters were controlled by the bushi class, the most powerful of

³ Edwin O. Reischauer "The Japanese Today" Harvard University Press , (London, England 1988) ,p.58

whom was the de facto national ruler. The term feudalism is generally used to describe this period, being accepted by scholars as applicable to medieval Japan as well as medieval Europe. Both had land-based economies, vestiges of a previously centralized state, and a concentration of advanced military technologies in the hands of a specialized fighting class. Lords required the loyal services of vassals, who were rewarded with fiefs of their own. The fief holders exercised local military rule and public power related to the holding of land. This period in Japan differed from the old shoen system in its pervasive military emphasis.

Once Minamoto Yoritomo had consolidated his power, he established a new government at his family home in Kamakura. He called his government a bakufu (tent government), but because he was given the title “seii taishoigun” by the emperor, it is often referred to in Western literature as the shogunate. Yoritomo followed the Fujiwara form of house government and had an administrative board, a board of retainers, and a board of inquiry. After confiscating Taira estates in central and western Japan, he had the imperial court appoint stewards for the estates and constables for the provinces. As shogun, Yoritomo was both the steward and the constable-general. The Kamakura bakufu was not a national regime.

Despite a strong beginning, Yoritomo failed to consolidate the leadership of his family on a lasting basis. Intrafamily contention had long existed within the Minamoto, although Yoritomo had eliminated most serious challengers to his authority. When he died suddenly in 1199, his son Yoriie became shogun and nominal head of Minamoto, but Yoriie was unable to control the other eastern bushi families. By the early thirteenth century, regency had been established for the shogun in 1180, the bakufu became powerless, and the shogun was merely a figurehead.

Several significant administrative achievements were made during the Hojo regency. In 1225 the Council of State was established, providing opportunities for other military lords to exercise judicial and legislative authority at Kamakura. The Hojo regent presided over the council, which was a successful form of collective leadership. The adoption of Japan's first military code of law- the Juei Code- in 1232 reflected the profound transition from court to militarized society. While legal practices in Kyoto were still based on 500-year-

old Confucian principles, the Jōei Code was a highly legalistic document that stressed the duties of stewards and constables provided means for settling land disputes and established rules governing inheritances. It was clear and in effect for the next 635 years.⁴

One of the most impressive features of the Kamakura administration was the relatively impartial and effective attention; it gave the maintenance of peace and the keeping of order within the provinces. The members of the Shōgun's vassals band, serving as provincial officers or as military governor and land stewards developed a rough and empirical system of administration particularly when it came to enforcing the rights of proprietorship and tenure. By this time the technical provisions of the old Taiho Codes had little application to conditions in the provinces. And for this reason the Hojo drew up in 1232 a simple code of administrative principles and regulations for the guidance of serving under the shōgunate. This was the Jōei Code which became the first codification of customary "feudal law" in Japan. It established as basic principles that the interests of religious institutions and court proprietors should be protected; it enjoined the warrior aristocracy to abide by the provisions of shōen law and to respect higher authority and it clarified the duties of jito and shugo and the functions of the Kamakura courts.⁵

2.1.1.2 Mongol Invasions

The repulsions of two Mongol invasions were momentous events in Japanese history. Japanese relations with China had been terminated in the mid-ninth century after the deterioration of late Tang China and the turning inward of the Heian court. Some commercial contacts were maintained with southern China in later centuries, but Japanese pirates made the open seas dangerous. At a time when the bakufu had little interest in foreign affairs and ignored communications from China and Koryo (as Korea was then known), news arrived in 1268 of a new Mongol regime in Beijing. Its leader, Khubilai Khan demanded that the Japanese pay tribute to the new Yuan Dynasty (1279-1368) and threatened reprisals if they failed to do so. Unused to such threats, Kyoto raised the diplomatic counter of Japan's divine origin, rejected the Mongol demands, dismissed the

⁴ Ronald E. Dolan and Robert L. Worden "Japan A Country Study" Headquarters, Department of Army (Washington D.C. 1992),p.17

⁵ John Whitney Hall "Japan From Prehistory to Modern Times" Center For Japanese Studies ,The Universities of Michigan,(New York 1991),p.92

Korean messengers, and started defensive preparations. After further unsuccessful entreaties the first Mongol invasion took place in 1274. More than 600 ships carried a combined Mongol, Chinese and Korean force of 23,000 troops armed with catapults, combustible missiles, and bows and arrows. In fighting, these soldiers grouped in close cavalry formations against samurai accustomed to one-on-one combat. Local Japanese forces at Hakata, on northern Kyushu, defended against the superior mainland force, which, after one day of fighting was decimated by the onslaught of a sudden typhoon. Khubilai realized that nature, not military incompetence, had been the cause of his forces' failure so, in 1281, he launched a second invasion. Seven weeks of fighting took place in northwestern Kyushu before another typhoon struck, again destroying the Mongol fleet.

Although Shinto priests attributed the two defeats of the Mongols to a "divine wind" (kamikaze), a sign of heaven's special protection of Japan, the invasion left a deep impression on the bakufu leaders. Long-standing fears of the Chinese threat to Japan were reinforced and the Korean peninsula became regarded as "an arrow pointed at the heart of Japan." The Japanese victory, however, gave the bushi a sense of fighting superiority that remained with Japanese soldiers until 1945. The victory also convinced the bushi of the value of the bakufu form of government.

The Mongol War had been a drain on the economy, and new taxes had to be levied to maintain defensive preparations for the future. The invasions also caused disaffection among those who expected recompense for their help in defeating the Mongols. There were no lands or other rewards to be given, however, and such disaffection, combined with overextension and the increasing defense costs, led to a decline of the Kamakura bakufu. Additionally, inheritances had divided family properties, and landowners increasingly had to turn to moneylenders for support.⁶

One of the fascinating and seemingly paradoxical aspects of the history of the fourteenth and fifteenth centuries in Japan is that, despite the instability of the political order, the country at large gave the evidence of remarkable cultural and economic growth. When viewed across the subsequent stretch of time, these centuries stand out as having produced the art

⁶ Ronald E. Dolan and Robert L. Worden "Japan A Country Study" Headquarters, Department of Army (Washington D.C. 1992), p.21

forms and clarified the aesthetic values which to this day are most admired by the Japanese. The same centuries saw Japan emerge as a major maritime power in East Asia activated by a vigorous internal economic expansion. It has been tended to exaggerate the destructive extent of the warfare which prevailed during these centuries and has too readily assumed that decentralization of political power was necessarily bad for the country. Yet decentralization was undoubtedly one of the contributing factors to the cultural and economic growth of these centuries. For it was under patronage that Japan became a multi-centered economy and was able to support new cultural capitals in the distant provinces.⁷

2.1.2 Reunification, 1573-1600

Between 1560 and 1600, powerful military leaders arose to defeat the warring and unify Japan. Three major figures dominated the period in succession: Oda Nobunaga (1534-1582), Toyotomi Hideyoshi (1536-98), and Tokugawa Ieyasu (1542-1616), each of whom emerged as a major over with large military forces under his command. As their power increased, they looked to the imperial court in Kyoto for sanction. In 1568 Nobunaga, who had defeated another over attempt to attack Kyoto in 1560, marched on the capital, gained the support of the emperor, and installed his own candidate in the succession struggle for shogun. Backed by military force, Nobunaga was able to control the bakufu.

Initial resistance to Nobunaga in the Kyoto region came from the Buddhist monks, rival daimyo, and hostile merchants. Surrounded by his enemies, Nobunaga struck first at the secular power of the militant Tendai Buddhists, destroying their monastic center at Mount Hiei near Kyoto and killing thousands of monks in 1571. By 1573 he had defeated the local daimyo, banished the last Ashikaga shogun, and ushered in what historians call the Azuchi-Momoyama period (1573—1600), named after the castles of Nobunaga and Hideyoshi. Having taken these major steps toward reunification, Nobunaga then built a seven-story castle surrounded by stone walls at Azuchi on the shore of Lake Biwa. The castle was able to withstand firearms and became a symbol of the age of reunification. Nobunaga's power increased as he enforced the conquered daimyo, broke down the barriers to free commerce, and drew the humbled religious communities and merchants

⁷ John Whitney Hall "Japan From Prehistory to Modern Times" Center For Japanese Studies ,The Universities of Michigan, (New York 1991) ,p.115

into his military structure. He secured control of about one-third of the provinces through the use of large-scale warfare and he institutionalized administrative practices, such as systematic village organization, tax collection and standardized measurements. At the same time, other daimyo, both those Nobunaga had conquered and those beyond his control built their own heavily fortified castles and modernized their garrisons. In 1577 Nobunaga dispatched his chief general, Hideyoshi, to conquer twelve western Honshu provinces. The war was a protracted affair, and in 1582, when Nobunaga led an army to assist Hideyoshi, he was assassinated.



Toyotomi Hideyoshi



Tokugawa Ieyasu
Established the Tokugawa
Shogunate in Edo (now Tokyo).

Figure 2.2: Picture of Hideyoshi and Tokugawa

Source: <http://www.fpcj.jp/e/shiryō/pocket/culture/index.html>

After destroying the forces responsible for Nobunaga's death, Hideyoshi was rewarded with a joint guardianship of Nobunaga's heir, who was a minor. By 1584 Hideyoshi had eliminated the three other guardians, taken complete control of Kyoto and become the undisputed successor of his late overlord. In 1577 Hideyoshi had seized Nagasaki, Japan's major point of contact with the outside world. He took control of the various trade associations and tried to regulate all overseas activities. Although China rebuffed his efforts to secure trade concessions, Hideyoshi succeeded in sending commercial missions to Philippines, Malaya, and Siam (present-day) Thailand. He was suspicious of Christianity, however, as potentially subversive to daimyo loyalties and he had some missionaries crucified.

Hideyoshi major ambition was to conquer China, and in 1592, with an army of 200,000 troops, he invaded Korea, then a Chinese vassal state. His armies quickly overran the peninsula before losing momentum in the face of a combined Korean-Chinese force. During peace talks, Hideyoshi demanded a division of Korea, free trade status, and a Chinese princess as consort for the emperor. The equality with China sought by Japan was rebuffed by the Chinese and peace efforts ended. In 1597 a second invasion was begun, but it abruptly ended with Hideyoshi death in 1598.⁸

2.1.3 Centralized Feudalism

In the sixteenth century, the more efficient of the new type of tightly organized feudal domains grew through the subjugation and incorporation of less successful ones, until by the end of the century. Japan had again become politically unified. It had in fact achieved a type of centralized feudal system that seems almost the antithesis of the decentralized feudalism that had existed in Europe. The basic pattern was the one attempted but never attained by the Ashikaga. A supreme overlord kept close rule over a large number of vassal lords, who in turn controlled their respective vassals and samurai retainers.

The appearance of the Europeans at this time may have contributed to the process of reunification, because they brought with them new military technology. After rounding Africa and reaching India in 1498, the Portuguese pushed on rapidly eastward, and in 1542 or 1543 some reached an island off the southern tip of Kyushu. The Portuguese were seeking trade, but they were accompanied by Jesuit priest, who embarked on missionary activities, winning close to half million converts by the early seventeenth century. This was a much larger percentage of the Japanese population of the time than are Christian today.

The Japanese however showed an even greater interest in the guns the Portuguese brought with them. Firearms spread rapidly throughout Japan, contributing to the success of the more efficient feudal realms. Castle building also increased possibly under European influence. The white-walled wooden structures of the castles of this period were largely

⁸ Ronald E. Dolan and Robert L. Worden “ Japan A Country Study ” Headquarters, Department of Army (Washington D.C. 1992) ,p.27

decorative and they were earth-backed stone walls that were quite impervious to the cannon fire of the time.

The political reunification of Japan was largely the work of three successive military leaders. The first, Oda Nobunaga, seized Kyoto in 1568, ostensibly in support of the last Ashikaga shogun, and then subjugated the lesser lords of central Japan and destroyed the power of the great Buddhist monasteries. After Nobunaga was assassinated in 1582, his mantle fell to the ablest of his generals. This was Hideyoshi, who once had been a common foot soldier and was of such humble origin that he originally lacked a family name. By 1590 Hideyoshi had established his authority over the whole country, destroying all his rival lords or forcing them to become his vassals.

Hideyoshi never took the title of shogun, but he did assume high posts in the old imperial government and by his patronage brought it back into modest affluence. He monopolized foreign trade, which by this time had become very lucrative. He had the whole land surveyed and assigned fiefs on the basis of a clear knowledge of the areas and agricultural yields involved. He confiscated the arms of the peasantry, drawing a sharp line between them and the samurai, who were increasingly becoming a salaried, professional military, living not on the land but at the castle towns of their respective lords.

Hideyoshi also embarked in 1592 on the conquest of Korea, ostensibly as the first step in an effort to conquer the world, which to him really meant China. The Japanese were stopped by Chinese armies in northern Korea and, after a long stalemate, withdrew upon Hideyoshi's death in 1598. This Japanese invasion has been emphasized in the historic memories of the Koreans and still contributes to the bitterness between them and the Japanese. Since Hideyoshi did not leave an adult heir, a scramble for power followed his death. The victor at a great battle in 1600 was his foremost vassal. Tokugawa Ieyasu instead of moving to Kyoto retained his base of power in eastern Japan and devoted his energies to consolidating the supremacy of his family on the basis of the pattern already established by Hideyoshi. He was successful in this, and his heirs remained the ruler of Japan until the middle of the nineteenth century.⁹

⁹ Edwin O. Reischauer "The Japanese Today" Harvard University Press ,(London, England 1988),p.64

2.2 TOKUGAWA PERIOD, 1600—1867

2.2.1 Establishment of the Baku-han System

The third of the great unifiers had the good fortune to outlive his rivals and the stubborn presence of mind to wait for the opportune moment to grasp control of the country. Tokugawa Ieyasu career paralleled that of both Nobunaga and Hideyoshi, with whom he had been allied, but it extended eighteen years beyond Hideyoshi death. He thus inherited the unity which his predecessors had created and went far beyond it to fashion a stable hegemony, one which was to last over two hundred and fifty years past the end of his own life. Tokugawa regime claims that its conservative social policies brought about a “return to feudalism.” or that its strenuous measures of political control imposed a tyrannous and despised garrison state upon the Japanese people. The final suppression of Christianity and the policy of seclusion adopted by the Tokugawa are pointed to as deliberate attempts to take Japan out of the mainstream of world history, so that two centuries Japan literally stagnated in isolation.

There is no denying the conservative and restrictive nature of the Tokugawa regime. And there is no telling how differently Japanese history might have run had not the Portuguese and Spanish been expelled from Japan and had the daimyo of western Japan remained free to send their ships across the seas. Three points are so important. First, the disappearance of Western traders from Japanese waters reflected to a large extent Japan’s geographical isolation from the main trade routes of the world and diminution of Western interest in the remote eastern fringe of Asia after 1600. Second, the Tokugawa desire to prevent the daimyo of Western Japan from engaging in private trade reflected the degree to which central authority was still struggling against daimyo local autonomy. And third the consequences of the seclusion policy were not so comprehensive that the entire age was determined by them.

The Tokugawa age proved to be a period of noticeable cultural and institutional development despite its seclusion from the rest of the world. To be sure, Japan was not strongly touched by those key scientific and political conceptions which in Europe laid the

basis for modern society. But in a wide variety of other ways Japan strengthened its national and cultural foundations during these years. The “great peace” as it came to be called, permitted the Japanese to heal the wounds of civil conflict and to turn their attention to the peaceful needs of the country. While government remained in the hands of the military aristocracy, the samurai themselves underwent a radical change in their style of life and thought. They became in effect bureaucratic elite under whose guidance the administration of the country was markedly systematized and rationalized. New laws and regulations clarified the status and responsibilities of the several estates and defined a philosophy of government, which though authoritarian, emphasized as well the responsibility of the rulers towards the welfare of the people.

Under the Tokugawa regime, the trend toward urbanization continued, and the economy was for the first time fully knit into a national entity. In the realm of thought, the spread of Confucianism affected the spiritual orientation of the entire Japanese people, laying the foundation of a more secular approach to life. The growth of educational facilities converted the samurai into a literate class and provided schooling for elements of lower classes as well. In cities the increasingly affluent merchants began to develop their own leisure pastimes, so that for the first time a “bourgeois element” was added to Japanese culture.¹⁰

¹⁰ John Whitney Hall “Japan From Prehistory to Modern Times” Center For Japanese Studies ,The Universities of Michigan,(New York 1991),p.160-162



Figure 2.3: Tokugawa in 1868

Source: www.japan-101.com/photos

The laws of Tokugawa Japan have been called minatory and repressive, even unnatural and reactionary. It is generally assumed that they were imposed upon a reluctant country largely to safeguard a rigid, unchanging political and social regime. Yet Tokugawa law was based upon certain broad principles which gave to it universality not found in the localized rule of custom that had obtained during the previous centuries. Tokugawa legislation rested upon the philosophical premise of a natural order. Assuming that society by nature formed a hierarchy of classes, laws were directed toward fundamental social divisions and applied to individuals in terms of formally recognized status groups. Tokugawa government came to recognize four major estates and several minor groups as functionality and legally separate. The result has been called “rule by status,” a legal practice considerably more impersonal in its application to the individual than the exercise

of direct personal authority which had characterized the political system of the previous century.¹¹

2.2.2 Samurai Culture and Thought

The class-based legal concepts and separate living conditions of Tokugawa society affected the cultural style of the several classes profoundly. Tokugawa culture was class-based both in theory and to a large extent in practice for samurai, chonin, and peasants necessarily lived in different environments and according to different routines and values. Admittedly there were large areas of fusion, particularly in the new urban environment where samurai and commoner shared a variety of interests and pastimes. Yet in the minds of the Japanese, and particularly the authorities, the line between noble and vulgar ways of life and between rural and urban remained strongly drawn. That later generations have looked upon the achievements of the Tokugawa bourgeois society as more noteworthy than those of the samurai would have startled the people of the time, for the aristocratic ideal still lingered, and the products of the “floating world” of the urban lower classes were considered beneath the dignity of cultivated society. Yet like samurai government, samurai culture has been harshly dealt with by modern historians and connoisseurs who have found in bourgeois activities of the age the most dynamic and creative impulses of the time.

Certainly one of the distinguishing features of Tokugawa life was the emergence of a bourgeoisie into national prominence for the first time. The creation of a distinct cultural style which was of and by the common classes illustrated as nothing else the growth in urban population, its affluence and its energy. And it was characteristic of bourgeois culture, produced as it was by a stratum within Tokugawa society which was less tied to the necessity of keeping up a noble, and at times artificial, tradition that its content dealt largely with matters of the moment and of the heart, Undoubted it is this more common or universal quality which has proved so attractive to later observers. Yet the achievements of the samurai class were both considerable and important. Their poor reputation or neglect by later writers is due largely to the fact that much of the samurai’s effort were directed to the more esoteric fields of philosophy and classical scholarship and that in strictly artistic

¹¹ John Whitney Hall “Japan From Prehistory to Modern Times” Center For Japanese Studies ,The Universities of Michigan,(New York 1991),p.178

fields the scale of creativity feel off considerably. Moreover the whole aristocratic class structure, the metaphysical concepts of Confucianism, and the bushi military values which supported the samurai mode of life were gradually to be discarded after 1868 .And so the chonin culture of entertainment, with its less particularistic concerns, was to find more ready appeal in the twentieth century.

The military houses of the Tokugawa age maintained a cultural life based upon a distinct consciousness of what was “appropriate to the bushi status.” Its elements were not by any measure new. In architecture, painting, and drama the patronage of daimyo and Shogun did little more than perpetuate without great modification the genre and styles which had originated in the Ashikaga age. Tokugawa architectural monuments were not greatly inspired and tended toward the heavy and ornate. The great mausoleum at Nikko and Kan may be admired for their grandeur and obvious display of conspicuous wealth and power. The Yomei gate at Nikko, so intricately carved in flowers and figures, may elicit wonder from the untrained eye, but to a Bruno Taut it seems a barbaric and ostentatious sepulcher. Nijo castle in Kyoto exemplifies the high residential style using lacquered pillars, richly decorated and gilded ceilings and elaborately painted wall screens. Castle architecture in its use of massive stone walls and gateways of blackened wood studded with iron reinforced the feeling of authority and strength. Daimyo and Shogun also built spacious gardens set with tea houses and outdoor stages for the performance of drama. In their Edo residences and their castled headquarters they patronized the visual and performing arts which had become the mark of aristocratic culture since Ashikaga days. Their level of living gave impetus, as well, to the production of fine porcelain, lacquer ware, silk brocade, and metal work in large quantities. In the minor arts where lower class craftsmanship met aristocratic patronage, in fact, some truly remarkable artistic achievements became possible.¹²

2.2.3 Rule of Shogun and Daimyo

An evolution had taken place in the centuries from the time of the Kamakura bakufu, which existed in equilibrium with the imperial court, to the Tokugawa, when the bushi

¹² John Whitney Hall “Japan From Prehistory to Modern Times” Center For Japanese Studies ,The Universities of Michigan, (New York 1991) ,p.214

became the unchallenged rulers whom they were called a ‘centralized feudal’ form of government. Instrumental in the rise of the new was Tokugawa Ieyasu, the main beneficiary of the achievements of Nobunaga and Hideyoshi. Already powerful, Ieyasu profited by his transfer to the rich Kanto area. He maintained 2.5 million koku of land, had a new headquarters at Edo, a strategically situated castle town (the future Tokyo), and had an additional 2 million koku of land and thirty—eight vassals under his control. After Hideyoshi death, Ieyasu moved quickly to seize control from the Toyotomi family.

Ieyasu’s victory over the western daimyo at the battle of Sekigahara (1600) gave him virtual control of all Japan. He rapidly abolished numerous enemy daimyo houses, reduced others, and redistributed the spoils of war to his family and allies. Ieyasu still failed to achieve complete control of the western daimyo, but his assumption of the title of shogun helped consolidate the alliance system. After further strengthening his power base, Ieyasu was confident enough to install his son Hidetada 1579—1632 as shogun and himself as retired shogun in 1605. The Toyotomi were still a significant threat, and Ieyasu devoted the next decade to their eradication. In 1615 the Toyotomi stronghold at Osaka was destroyed by the Tokugawa army. The Tokugawa (or Edo) period brought 200 years of stability to Japan. The political system evolved into what historians call bakuhan, a combination of the terms bakufu and han (domains) to describe the government and society of the period. In the bakuhan, the shogun had national authority and the daimyo had regional authority, a new unity in the feudal structure, which had an increasingly large bureaucracy to administer the mixture of centralized and decentralized authorities. The Tokugawa became more powerful during their first century of rule: land redistribution gave them nearly 7 million koku, control of the most important cities, and a land assessment system reaping great revenues.

The Tokugawa not only consolidated their control over a reunified Japan, they also had unprecedented power over the emperor, the court, all daimyo, and the religious orders. The emperor was held up as the ultimate source of political sanction for the shogun, who ostensibly was the vassal of the imperial family. The Tokugawa helped the imperial family recapture its old glory by rebuilding its palaces and granting it new lands. To ensure a close tie between the imperial clan and the Tokugawa family, Ieyasu’s granddaughter was made an imperial consort in 1619.

A code of laws was established to regulate the daimyo houses. The code encompassed private conduct, marriage, dress, and types of weapons and numbers of troops allowed; required alternate-year residence at Edo; prohibited the construction of ocean-going ships; proscribed Christianity; and stipulated that bakufu regulations were the national law. Although the daimyo were not taxed perse, they were regularly levied for contributions for military and logistical support and such public works projects as castles, roads, bridges, and palaces. The various regulations and levies not only strengthened the Tokugawa but depleted the wealth of the daimyo thus weakening their threat to the central administration. The Han, once military centered domains, became mere local administrative units. The daimyo did have full administrative control over their territory and complex systems of retainers, bureaucrats and commoners. Loyalty was exacted from religious foundations, already greatly weakened by Nobunaga and Hideyoshi, through a variety of control mechanisms.¹³

The national economy developed during the Tokugawa period, villagers in the more advanced central parts of Japan increasingly shifted from subsistence farming to the growing of commercial crops, and richer peasants often found it more advantageous to let out much of their land to tenant farmers and concentrate their own energies on the processing of foodstuffs, silk, and other agricultural products. In the late eighteenth century there was a veritable outburst of entrepreneurial activity of this sort in rural Japan ,and poorer peasants increasingly became accustomed to supplementing their incomes by working for wages in the enterprises of their richer neighbors .Thus rural as well as urban Japan was developing far beyond the normal limit of a feudal society.

During the long Tokugawa peace the warrior class too underwent great changes. It constituted about 6 percent of total population, including as it did the common soldiery and the clerks and underlings of feudal establishment. Although it was basically a fighting force at the outset of the Tokugawa period, it became in time more a hereditary civil bureaucracy than a standing army. The samurai wore their traditional two swords as their

¹³ Ronald E. Dolan and Robert L. Worden “ Japan A Country Study ” Headquarters, Department of Army (Washington D.C. 1992),p.29

badges of rank, and they still attempted to maintain their martial prowess, but in actuality they had become men of the writing brush rather than sword.¹⁴

2.2.3 Decline of the Tokugawa

The Tokugawa did not eventually collapse simply because of intrinsic failures. Foreign intrusions helped to precipitate a complex political struggle between the bakufu and a coalition of its critics. The continuity of the anti- movement in the mid-nineteenth century would finally bring down the Tokugawa. From the out set, the Tokugawa attempted to restrict families' accumulation of wealth and fostered a "back to the soil" policy, in which the farmer, the ultimate producer, was the ideal person in society. Despite these efforts to restrict wealth, and partly because of the extraordinary period of peace, the standard of living for urban and rural dwellers alike grew significantly during the Tokugawa period. Better means of crop production, transportation, housing, food, and entertainment were all available, as was more leisure time, at least for urban dwellers. The literacy rate was high for a preindustrial society, and cultural values were redefined and widely imparted throughout the samurai and chonin classes. Despite the reappearance of guilds, economic activities went well beyond the restrictive nature of the guilds, and commerce spread and a money economy developed. Although government heavily restricted the merchants and viewed them as unproductive and usurious members of society, the samurai, who gradually became separated from their rural ties, depended greatly on the merchants and artisans for consumer goods, artistic interests, and loans. In this way, a subtle subversion of the warrior class by the chonin took place.

A struggle arose in the face of political limitations that the shogun imposed on the entrepreneurial class. The government ideal of an agrarian society failed to square with the reality of commercial distribution. A huge government bureaucracy had evolved, which now stagnated because of its discrepancy with a new and evolving social order. Compounding the situation, the population increased significantly during the first half of the Tokugawa period. Although the magnitude and growth rates are uncertain, there were at least 26 million commoners and about 4 million members of samurai families and their attendants when the first nationwide census was taken in 1721. Drought, followed by crop

¹⁴ Edwin O. Reischauer "The Japanese Today" Harvard University Press , (London, England 1988) ,p.72

shortages and starvation, resulted in twenty great famines between 1675 and 1837. Peasant unrest grew, and by the late eighteenth century, mass protests over taxes and food shortages had become commonplace. Newly landless families became tenant farmers while the displaced rural poor moved into the cities. As the fortunes of previously well-to-do families declined, others moved in to accumulate land, and a new, wealthy farming class emerged. Those people who benefited were able to diversify production and to hire laborers, while others were left discontented. Many samurai fell on hard times and were forced into handicraft production and wage jobs for merchants.

By the 1830s, there was a general sense of crisis. Famines and natural disasters hit hard, and unrest led to a peasant uprising against officials and merchants in Osaka in 1837. Although it lasted only a day, the uprising made a dramatic impression. Remedies came in the form of traditional solutions that sought to reform moral decay rather than institutional problems. The shogun's advisers pushed for a return to the martial spirit, more restrictions on foreign trade and contacts, suppression of Rangaku, censorship of literature, and elimination of "luxury" in the government and samurai class. Others sought to overthrow the Tokugawa and espoused the political doctrine of sonnojoi (revere the emperor, expel the barbarians), which called for unity under imperial rule and opposed to foreign intrusions. The bakufu persevered for the time being amidst growing concerns over Western success in establishing colonial enclaves in China following the Opium War of 1839-42. More reforms were ordered, especially in the economic sector, to strengthen Japan against the Western threat.

The strong measures the bakufu took to reassert its dominance were not enough. Revering the emperor as a symbol of unity, extremists wrought violence and death against the bakufu and han authorities and foreigners. Foreign naval retaliation led to still another concessionary commercial treaty in 1865, but Yoshitomi was unable to enforce the Western treaties. A bakufu army was defeated when it was sent to crush dissent in Satsuma and Choshu Han in 1866. Finally, in 1867, the emperor died and was succeeded by his minor son Mutsuhito; Keiki reluctantly became head of the Tokugawa house and shogun. He tried to reorganize the government under the emperor while preserving the shogun's leadership role. Fearing the growing power of the Satsuma and Choshu daimyo, other daimyo called for returning the shogun's political power to the emperor and a council of

daimyo chaired by the former Tokugawa shogun. Keiki accepted the plan in late 1867 and resigned, announcing an “imperial restoration.” The Satsuma, Choshu, and other han leaders and radical courtiers, however, rebelled and seized the imperial palace, and announced their own restoration on January 3, 1868. The bakufu was abolished, Keiki was reduced to the ranks of the common daimyo, and the Tokugawa army gave up without a fight (although other Tokugawa forces fought until November 1868, and bakufu naval forces continued to hold out for another six months).¹⁵

Briefly there were seven reasons for the end of the Tokugawa Rule. These are as in following: 1-Luxurious Living of Samurai, 1816. 2-Corruption of Samurai, 1855. 3-Family Budget of a Hatamoto, 1845. 4-Decline in Samurai Morale, 1796. 5- Economic Conditions in Edo and in the Countryside, 1798. 6- Tax Burdens Suffered by the Farmers, 1781. 7-Oshio Heihachiro’s Manifesto, 1837. ¹⁶

2.3 THE EMERGENCE OF MODERN JAPAN, 1868—1919

2.3.1 The Meiji Restoration

Despite the many problems and tensions within the Tokugawa system, it still showed no signs of collapse in the first -half of the nineteenth century, and it might have continued for much longer if Japan could have maintained its isolation. But rapid technological advances in the West made this no longer possible. Industrialization and steam powered ships were beginning to bring Western economic and military power around the shores of Japan with a pressure incomparably greater than that exercised by the early seventeenth-century Europeans, whom the Tokugawa had driven away.

By the middle of the nineteenth century the European maritime powers had completed the subjugation of the Indian subcontinent, had taken over much of Southeast Asia, and were beating down the doors of China and foisting on it a semi colonial system of unequal treaties. The Russians had extended their hold over all of Siberia and were pushing south

¹⁵ Ronald E. Dolan and Robert L. Worden “ Japan A Country Study ” Headquarters, Department of Army (Washington D.C. 1992),p.34-35

¹⁶ David J. Lu “ Japan A Documentary History” Volume II The Late Tokugawa Period to the Present (New York 1997),p.276

ward into the islands north of Japan. American ships sailed past the shores of Japan on their way to the China trade on frequented Japanese coastal waters in search of whales.¹⁷

Figure 2.3: Emperor Meiji in 1872 at the age of 20

Source: Stuart Fewster, Tony Corton “Japan From Shogun to Sperate” (Library of Congress New York, 1988), p.5



The nineteenth century “Western impact” on Japan led first to the opening of the country to foreign commerce and then in 1868 to the end of the Tokugawa hegemony. By 1871 the last remnants of the Tokugawa system went out with the abolition of the daimyo domains. The new leadership which seized power in 1858 proceeded to create a unified nation state and to enact fundamental reforms calculated to put Japan on the road to rapid modernization. These events are known as the Meiji Restoration.¹⁸

¹⁷ Edwin O. Reischauer “The Japanese Today” Harvard University Press ,(London, England 1988),p.78

¹⁸ John Whitney Hall “Japan From Prehistory to Modern Times” Center For Japanese Studies ,The Universities of Michigan,(New York 1991),p.253

Those people who wanted to end Tokugawa rule did not envision a new government or a new society; they merely sought, the transfer of power from Edo to Kyoto while retaining all their feudal prerogatives. Instead, a profound change took place. The emperor emerged as a national symbol of unity in the midst of reforms that were much more radical than had been envisioned.

The first reform was the promulgation of the Charter Oath in 1868, a general statement of the aims of the Meiji leaders to boost morale and win financial support for the new government. Its five provisions were the establishment of deliberative assemblies, the involvement of all classes in carrying out state affairs, freedom of social and occupational mobility, replacement of “evil customs” with the ‘just laws of nature.’ and an international search for knowledge to strengthen the foundations of imperial rule. Implicit in the Charter Oath was an end to exclusive political rule by the bakufu and a move toward more democratic participation in government. To implement the Charter Oath, an eleven-article constitution was drawn up. Besides providing for a new Council State, legislative bodies, and systems of ranks for nobles and officials, it limited office tenure to four years, allowed public balloting, provided for a new taxation system, and ordered new local administrative rules.

The Meiji government assured the foreign powers that would abide by the old treaties negotiated by the bakufu and announced that it would act in accordance with international law. Mutsuhito, who was to reign until 1912, selected a new reign title—Meiji, or Enlightened Rule—to mark the beginning of a new era in Japanese history. To further dramatize the new order, the capital was relocated from Kyoto, where it had been situated since 794, to Tokyo (Eastern Capital), and the new name for Edo. In a move critical for the consolidation of the new regime, most daimyo voluntarily surrendered their land and census records to the emperor, symbolizing that the land and people were under the emperor’s jurisdiction. Confirmed in their hereditary positions, the daimyo became governors, and the central government assumed their administrative expenses and paid samurai stipends. The Han were replaced with prefectures in 1871, and authority continued to flow to the national government. Officials from the favored former han, such as Satsuma, Choshu, Tosa, and Hizen, staffed the new ministries. Formerly out-of-favor court

nobles and lower-ranking but more radical samurai replaced bakufu appointees, daimyo, and old court nobles as a new ruling class appeared.

Inasmuch as the Meiji Restoration had sought to return the emperor to a preeminent position, efforts were made to establish a Shinto-oriented state much like the state of 1,000 years earlier. An Office of Shinto Worship was established, ranking even above the Council of State in importance. The kokutai ideas of the Mito school were embraced, and the divine ancestry of the imperial house emphasized. The government supported Shinto teachers, a small but important move. Although the Office of Shinto Worship was demoted in 1872, by 1877 the Home Ministry controlled all Shinto shrines and certain Shinto sects were given state recognition. Shinto was at last released from Buddhist administration and its properties restored. Although Buddhism suffered from state sponsorship of Shinto, it had its own resurgence. Christianity remained an important ethical doctrine. Increasingly, however, Japanese thinkers identified with Western ideology and methods.¹⁹

In the early Meiji period, there were persistent questions of how to make the government stable, how to catch up with Western nations, and how to enrich the nation through industrialization. The terms of intellectual debates reflected these concerns as seen in the slogans of “civilization and enlightenment”, “rich nation, strong army” and “encouragement of industries”. Industrialization was agreed upon as a necessary goal, but the means of its implementation still remained a big question. The term “encouragement of industries” would suggest that the government continue to extend its benign protection over industries, but no one was certain what form it should take. Laissez-faire as a policy option was never seriously discussed. On the part of industries protected by the government, there was a sense of serving the nation and demanding sacrifice from their employees in return. Most industrial leaders came from the former samurai class. They had to find justification for assuming the new profession that had been the bane of their class in earlier days.

With the victory over China in 1895, Japan began a process of establishing a colonial empire. With the victory over Russia in 1905, Japan joined the ranks of great powers. As

¹⁹ Ronald E. Dolan and Robert L. Worden “Japan A Country Study” Headquarters, Department of Army (Washington D.C. 1992),p.38

the government became stable, concern over political issues subsided. In contrast, debates over social and economic issues intensified, reflecting the fast pace of industrialization. There was a constant search for models to follow, and West continued to provide sources of inspiration. Some sought answers in Christianity, while others found viable alternatives in socialism, Marxism, and even anarchism.²⁰

The Meiji leaders established foreign relations also modernized foreign policy, an important step in making Japan a full member of the international community. The traditional East Asia world view was based not on an international society of national units but on cultural distinctions and tributary relationships; monks, scholars, and artists, rather than professional diplomatic envoys, had generally served as the conveyors of foreign policy. Foreign relations were related more to the sovereign's desires than to the public interest. For Japan to emerge from the feudal period, it had to avoid the fate of other Asian countries by establishing genuine national independence and equality. The Meiji oligarchy was aware of Western progress, and "learning missions" were sent abroad to absorb as much of it as possible. One such mission, led by Iwakura, Kido, and Okubo, and containing forty-eight members in total, spent two years (1871-73) touring the United States and Europe, studying government institutions, courts, prison systems, schools, the import-export business, factories, shipyards, glass mines, and other enterprises. Upon returning, mission members called for domestic reforms that would help Japan catch up with the West. The revision of unequal treaties forced on Japan became a top priority. The returned envoys also sketched a new vision for a modernized Japan's leadership role in Asia, but they realized that this role required that Japan develop its national strength, cultivate nationalism among the population, and carefully craft policies toward potential enemies. No longer could Westerners be seen as "barbarians," for example. In time, Japan formed a corps of professional diplomats.²¹

²⁰ David J. Lu "Japan A Documentary History" Volume II The Late Tokugawa Period to the Present (New York 1997),p.346

²¹ Ronald E. Dolan and Robert L. Worden "Japan A Country Study" Headquarters, Department of Army (Washington D.C. 1992),p.40

2.3.2 Modernization and Industrialization

Japan emerged from the Tokugawa-Meiji transition as the first Asian industrialized nation. Domestic commercial activities and limited foreign trade had met the demands for material culture in the Tokugawa period, but the modernized Meiji era had radically different requirements. From the onset, the Meiji rulers embraced the concept of a market economy and adopted British and North American forms of free enterprise capitalism. The private sector—in a nation blessed with an abundance of aggressive entrepreneurs—welcomed such change. Economic reforms included a unified modern currency based on the yen, banking, commercial and tax laws, stock exchanges, and a communications network. Establishment of a modern institutional framework conducive to an advanced capitalist economy took time, but was completed by the 1890s. By this time, the government had largely relinquished direct control of the modernization process, primarily for budgetary reasons. Many of the former daimyo, whose pensions had been paid in a lump sum, benefited greatly through investments they made in emerging industries, while those who had been informally involved in foreign trade before the Meiji Restoration also flourished. After the first twenty years of the Meiji period, the industrial economy expanded rapidly through to about 1920 with inputs of advanced Western technology and large private investments. Stimulated by wars and through cautious economic planning, Japan emerged from World War I as a major industrial nation.²²

By 1877 the new Meiji state had weathered its crisis of domestic order. Already it had sanctioned momentous changes in social and economic institutions and had adopted a vigorous policy of modernization under Western influence. The process of Westernization was soon to hit full stride. Yet the interaction between Japanese tradition and Western influence was never to be completely one-sided. From the beginning there had been a dialectic process at work in the relationship between Western impact and Japanese response, and this was to continue in the years that lay ahead.

The process of Westernization began early. Once Japan's doors had been opened there was little hesitancy about going abroad. The bakufu in 1860 had sent a mission of 80 samurai

²² Ronald E. Dolan and Robert L. Worden “Japan A Country Study” Headquarters, Department of Army (Washington D.C. 1992),p.45

officials to the United States to ratify the commercial treaty. The group was accompanied by the ship *Kan'in Maru*, a Dutch built warship which made the trip to San Francisco and back with a Japanese captain and crew. One of its passengers was Fukuzawa Yukichi, later to distinguish himself as one of Japans prime advocates of modernization. A second bakufu embassy traveled to England, Holland and France in 1862 and 1863. In 1863 Choshu had secretly sent five of its young samurai to England. The group included Ito Hirobumi and Inoue Kaoru. In 1865 Satsuma sent 19 men abroad including Terashima Munenori and Godai Tomoatsu. In the wake of these early bakufu and han ventures came an immediate stimulus to the creation of Western-style armament and ship building works and military and language schools. After the Restoration the tempo of exchange picked up. The most conspicuous of the official trips abroad undertaken by the Meiji government was the Iwakura Mission of 1872—1873 when Iwakura, Okuba, Kido, Ito, and more than forty other government leaders traveled to the United States and Europe ostensibly to seek revision of the 1858 “unequal treaties.”

The lengthy report prepared by the mission emphasized Japan's backwardness and the need to learn from the West, but it also pointed out Japans strong points (such as freedom from religious bigotry and the fact that the nations of the West had acquired their power only in the last fifty or one hundred years. Japanese went at the task of modernization with confidence and a sense of purpose.

After the Iwakura Mission the government systematically began to hire foreign advisers in anticipation of needed reforms. The practice had already been started by the bakufu and some han before the Restoration and ultimately by 1875 there were to be some five or six hundred foreign experts hired by the Japanese government. All told, perhaps 3,000 foreign government advisors were brought to Japan between the signing of the commercial treaties and 1890. German experts were used to organize new universities and medical schools, and somewhat later men like Hermann Roesler and Albert Mosse (1846-1925) were to help in the drafting of a constitution. A German scholar, Ludwig Reiss (1861—1928), was to establish a school of historical studies at Tokyo University. American advisors helped to set up agricultural stations and a national postal service. Horace Capron became a senior advisor in the development of Hokkaido. David Murray of Rutgers invited to Japan in 1873, helped establish the new elementary school system. Erasmus P. Smith, as an advisor

to the Foreign Ministry, taught the Japanese a new diplomatic technology. British advisors were active in railway development, telegraph and public works. The navy was almost entirely based on the English system. The army, meanwhile, depended on French military instructors. The French jurist Gustave Boissonade served as advisor in adapting the French legal codes to Japanese use. Even Italian painters and sculptors were employed to reveal the secrets of Western art. It was characteristic of Japan's jealous concern over its own identity that all such advisors were placed in Japanese administrative organs under Japanese supervisors. Their services were also terminated as quickly as the Japanese felt they could manage by themselves.

The Japanese search for national identity in the face of Western influence had thus gone through three distinct phases— from eager all- advocacy of Westernization to assimilation and modification, to a return to certain aspects of Japanese tradition. The resultant amalgam of thought typified the enlightened conservatism of the late Meiji intellectual. Still desirous of the elements of Western progress, he had begun to turn some of his sense of shame in his country's backwardness into a new nationalistic pride which fed both on the evidence of Japan's success in mod and on the deeply felt sense of attachment to traditional values. Confucian social attitudes and Shinto political ideas were thus drawn to the support of a new sense of national prestige.²³

2.3.3 The Meiji Constitution and the Emergence of Imperial Japan

By the 1880s Japan had survived the birth pangs of its new order, and its leaders, now settling into middle age, were eager to consolidate the gains of two decades of rapid improvisation into a permanent system that would continue after they were gone. Born in the stable certainties of Tokugawa days, they longed to have once again an unchanging order that would be clearly known to all and accepted by everyone. Influenced by the experience of the leading countries of the West, they decided that such a system should be embodied in a constitution.

A more surprising decision was to include in the new constitutional system a popular assembly on the Western model Popular political movements had always been regarded as

²³ John Whitney Hall "Japan From Prehistory to Modern Times" Center For Japanese Studies ,The Universities of Michigan,(New York 1991),p.285

subversive in Japan, but Western experience suggested that an elected assembly strengthened a government by giving it wide popular support or at least served as an ingenious safety valve for popular discontent. A parliament would also be useful in gaining the respect of the Western powers, which was needed if Japan was ever to get out from under the unequal treaties that had been imposed on it. Another factor was the need to broaden the base of government. Under the old system a large proportion of the samurai class had been involved in the administration of the shogunate or the domains, but in the new system many former leaders had been frozen out of the government and were demanding a chance to participate.

One of the original leaders of the Meiji Restoration, a man named Itagaki Taisuke from the Tosa domain in, Shikoku, fell out with his colleagues in 1873 and, returning to Tosa, formed his samurai supporters into a political party, which was soon joined by urban merchants and peasant taxpayers. Drawing its ideas from liberal French thought, this group came to be known as the freedom and people's rights movement. A second popular party, which gained considerable support from the rising business community, was founded by Okuma Shigenobu, another government leader, who was ousted by his colleagues in 1881 because he had advocated immediate adoption of British parliamentary system.

The Constitution naturally centered on the emperor and his authority since a restoration of his supposedly direct rule had been the justification or the overthrow of the Tokugawa. In actuality, however, the emperor was not expected to rule but merely to validate the decisions made by his ministers. There was an ambiguity as to who appointed the ministers., but this was not perceived at first, because the surviving members of the group who had been in control since 1868 went on performing this task in the emperor's name, even though the constitution made no mention of them. Their numbers reduced through deaths and their prestige greatly enhanced by their long leadership, this select group was in effect a Satsuma and Choshu oligarchy, as its critics claimed, and it came in time to be known as the genro, or "elder statesmen".²⁴

Despite the many institutional innovations adopted by the Meiji government, the task of creating a new political system remained unresolved for some years. The Dajokan system

²⁴ Edwin O. Reischauer "The Japanese Today" Harvard University Press ,(London, England 1988),p.87

had brought into effect by 1873 a highly centralized government in a style particularly congenial to the Japanese political leaders. This essentially authoritarian structure had proved effective in the early years of rapid social and economic reform, and by 1877 it had even defended itself against armed rebellion. Yet it still faced opposition from a variety of quarters, and it still had not solved two fundamental problems; that of meeting the expectations of the Western powers through the adoption of some form of constitutional structure, and that of winning the popular endorsement of the nation as a whole.²⁵

Historically, Japan's main foreign preoccupation has been China. The Korean Peninsula, a strategically located feature critical to the defense of the Japanese archipelago, greatly occupied Japan's attention in the nineteenth century. Earlier tension over Korea had been settled temporarily through the Treaty of Kanghwa in 1876, which, opened Korean ports to Japan, and in 1885 the Tianjin Convention had provided for the removal from Korea of both Chinese and Japanese troops sent to support contending factions in the Korean court. In effect, the convention had made Korea a co-protectorate of Beijing and Tokyo at a time when Russian, British, and United States interests in the peninsula also were on the increase. A crisis was precipitated in 1894 when a leading pro-Japanese Korean political figure was assassinated in Shanghai with Chinese complicity. Pro-war elements in Japan called for a punitive expedition, which the cabinet resisted. With assistance from several Japanese rationalistic societies, the illegal Tonghak (Eastern Learning) nationalistic religious movement in Korea staged a rebellion that was crushed by Chinese troops. Japan responded with force and quickly defeated China in the First Sino-Japanese War (1894—95). After nine months of fighting, a cease-fire was called and peace talks were held. The victor's demands were such that a Japanese protectorate over China seemed in the offing, but assassination attempt on Li Hongzhang, China's envoy to the peace talks, embarrassed Japan, which then quickly agreed to an armistice. The Treaty of Shimonoseki recognized Korean independence.²⁶

From 1894 Japan entered a new phase in its international relations, a phase which began with its war with China and ended eleven years later with a military victory over Russia. It

²⁵ John Whitney Hall "Japan From Prehistory to Modern Times" Center For Japanese Studies, The Universities of Michigan, (New York 1991), p.295

²⁶ Ronald E. Dolan and Robert L. Worden "Japan A Country Study" Headquarters, Department of Army (Washington D.C. 1992), p.46

is an unavoidable fact that the 1894-95 war with China marked Japan's coming of age in the eyes of the world. The relatively easy victory which the Japanese won caught the world by surprise and demonstrated to the Western powers Japan's quick mastery of the modern weapons of warfare. The war also proved that Japan was a power to contend with in the Far Eastern arena. For, despite its still relatively modest forces, its geographical location gave it the capacity to place troops on the continent with great speed. The possible threat which Japan posed to the Western powers gained quick recognition in the Triple Intervention of 1895. Alarmed by the prospect of Japan's further expansion into mainland Russia, Germany and France moved to block Japan's acquisition of the Liaotung Peninsula as part of the spoils from war with China.

In 1900 the Japanese joined the Allied relief expedition to Peking at the time of the Boxer Uprising. Again the Japanese impressed Western observers, especially the British, by the excellent discipline and training of their troops and by their qualities of heroism. Two years later Japan made world history by signing a treaty of alliance with Britain. By this, it was the first such treaty between a Western Power and an Asian nation. Japan secured its most tangible recognition of diplomatic equality. Fear of Russian expansion into Manchuria and Korea still haunted Japan's leaders, however. In 1904 Japan attacked the Russians at Port Arthur and, after two years of savage warfare, inflicted the first major Asian defeat of a European power.

Japan's ability to win its international security and to compete successfully among the imperialist powers was not simply the result of its dramatic political reorganization after 1868 and its skill in the diplomatic game. Underlying these achievements were far-reaching institutional and technological reforms which started Japan on a remarkable course of economic growth and provided the means of competition in the spheres of international trade and industrial development as well. Japan's success in becoming a modern economic complex was less dramatically apparent in these early years but nonetheless remarkable.

The real start of Japan's modern economic growth can be placed in the twenty year period between 1856 and 1905. The former date marks the end of the so-called Matsukata deflation, by which time Japan came into possession of a sound monetary system capable

of sustaining large-scale industrial growth. Between 1876 and 1881 the government had been obliged to expand its note issue dangerously to cover expenses of the war in Satsuma and the program of commutation of samurai stipend. A sharp inflation created a serious budgetary crisis and caused a severe shift in the balance of payments. Matsukata, on becoming Finance Minister in 1881, instituted a strenuous deflationary policy, reorganized the banking system by creating the Bank of Japan, and put the government on a sound budgetary system. Under his direction the government became financially solvent and the country at last was given a modern currency system.

By the end of the Russo-Japanese war Japan had become a regional power in the true sense of the term. Japan was now with justice called “imperial Japan” (Dai Nippon Teikoku). Possessing an empire consisting of Formosa, acquired in 1895, and the Liaotung Peninsula acquired in 1905, and shortly to acquire Korea, Japan was a full partner in the imperialist rivalries on the continent. At the head of state was the imposing figure of Emperor Meiji, now grown in stature to fill out the symbol of national dignity. A mature man, heavysset with a strong profile, and generally seen on horseback in his Field Marshal’s uniform, he symbolized to the world Japan’s new found national strength, while to his people he became a benevolent father-figure.

Toward this emperor the Japanese people directed their sense of nationalism, which now for the first time welded them into a national community. By 1905 Japan had fought and won two wars against foreign enemies. The wars against China and Russia had been total wars, requiring total national effort. Conscription had cut through all classes; the newspapers and government propaganda had dramatized the national effort and the national aims for which Japanese youth were dying. A new shrine to the war dead, Yasukuni Jinja, became the focus of a new feeling of patriotic sacrifice. Not only had Japan developed a formidable military machine, it had also created a nation unified behind that machine and behind its government as symbolized in the emperor.²⁷

The Meiji era ended with the death of the emperor in 1912 and the accession of Crown Prince Yoshihito as emperor of the Taisho period (Great Righteousness, 1912-26). The end

²⁷ John Whitney Hall “Japan From Prehistory to Modern Times” Center For Japanese Studies, The Universities of Michigan, (New York 1991), p.305

of the Meiji era was marked by huge government domestic and overseas investments and defense programs, nearly exhausted credit, and a lack of foreign exchange to pay debts. The beginning of the Taisho era was marked by a political crisis that interrupted the earlier politics of compromise. When Saionji tried to cut the military budget, the army minister resigned, bringing down the Seiyukai cabinet. Both Yamagara and Saionji refused to resume office and the genro was unable to find a solution. Public outrage over the military manipulation of the cabinet and recall of Katsura for a third term led to still more demands for an end to genro politics.²⁸



Figure 2.5: Yoshihito Harunomiyo

Source: www.japan-101.com/photos/

²⁸ Ronald E. Dolan and Robert L. Worden “Japan A Country Study ” Headquarters, Department of Army (Washington D.C. 1992),p.50

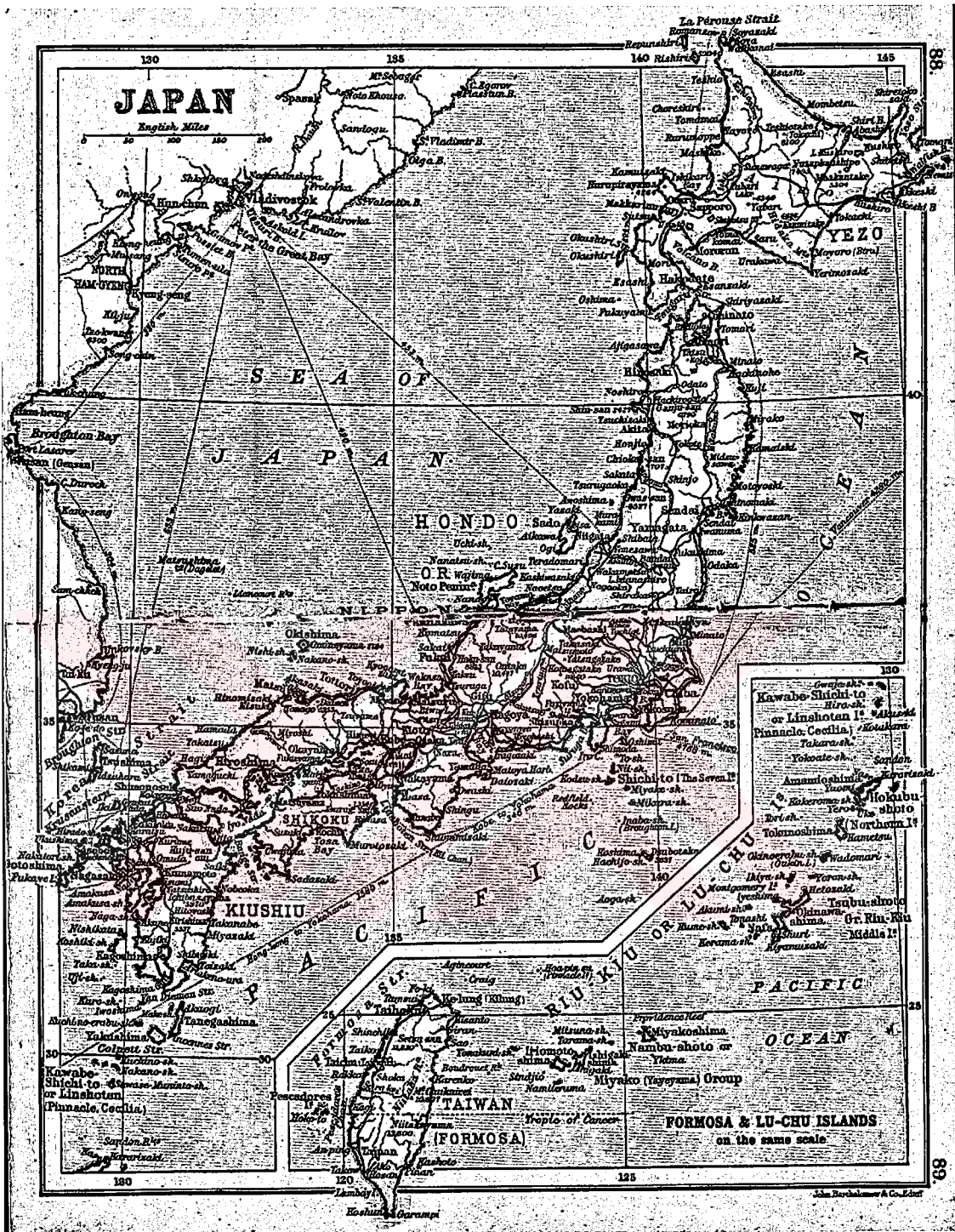


Figure 2.6: Map of Japan in 1911

Source: <http://www.lib.msu.edu/harris23/govdocs/areastud.htm>

2.3.4 World War-I

Seizing the opportunity of Berlin's distraction with the European War, and wanting to expand its sphere of influence in China, Japan declared War on Germany in August 1914 and quickly occupied German-leased territories in China's Shandong Province and the Mariana, Caroline, and Marshall islands in the Pacific. With its Western allies, heavily involved in the war in Europe, Japan sought further to consolidate its position in China by presenting the Twenty-One Demands to China in January 1915. Besides expanding its control over the German holdings, Manchuria, and Inner Mongolia, Japan also sought joint ownership of a major mining and metallurgical complex in central China, prohibitions on China ceding or leasing any coastal areas to a third power, and miscellaneous other political, economic, and military controls, which if achieved, would have reduced China to a Japanese protectorate. In the face of slow negotiations with the Chinese government, widespread anti-Japanese sentiments in China, and international condemnation, Japan withdrew the final group of demands and treaties were signed in May 1915. Agreements with France, Britain and the United States in 1917 recognized Japan's territorial gains in China and the Pacific.

Japan's power in Asia grew with the demise of the tsarist regime in Russia and the disorder the 1917 Bolshevik Revolution left in Siberia. Wanting to seize the opportunity, The Japanese Army planned to occupy Siberia as far west as Lake Baikal. Japan had to negotiate an agreement with China allowing the transit of Japanese troops through Chinese territory, more than 70,000 Japanese troops joined the much smaller units of the Allied Expeditionary Force sent to Siberia in 1918. The year 1919 saw Japan sitting among the "Big Five" powers at the Versailles Peace Conference. Tokyo was granted a permanent seat on the Council of the League of Nations, and the peace treaty confirmed the transfer to Japan of Germany's rights in Shandong, a provision that led to anti-Japanese riots and a mass political movement throughout China. Similarly, Germany's former Pacific Islands were put under a Japanese mandate. Despite its small role in World War I, Japan emerged as a major actor in international politics at its close.²⁹

²⁹ Ronald E. Dolan and Robert L. Worden "Japan A Country Study" Headquarters, Department of Army (Washington D.C. 1992),p.51

2.4 BETWEEN THE WARS

2.4.1 Taisho Democracy

The Taisho period (1912) began with a political crisis involving the Third Katsura Cabinet, and its fall signified decline of the old order in which a handful of oligarchs dominated and manipulated Japanese politics. The new era brought a sense of popular participation and created an expanding intellectual horizon. In political theory, Yoshino Sakuzo became an advocate of *minpon shugi*, which is somewhat comparable to Lincoln's government by the people and for the people, without including government of the people. The freer air, as represented in Yoshino's pronouncements, made it possible for popular demonstrations against the government, including rice riots, and unhampered criticisms of the Terauchi Cabinet's "unconstitutional" behavior and of the Siberian expedition. It was also a motivating force in the enactment of the universal suffrage law of 1925. Intellectually the period was dominated by the neo-Kantian school of idealism and culturalism. Immanuel Kant (1724-1804) became the philosopher most admired by the Japanese, and many of his works were translated into Japanese. With each work published came a new corps of adherents. Henri Bergson's (1859-1941) "elan vital" deeply influenced many philosophers, including Nishida Kitaro (1870-1945).

In labor relations, *Yuaikai* (Friendship Association) began in the spirit of conciliation. However, with the rapid changes in the industrial production caused by World War I, labor disputes became frequent. Radicalism, including left-wing socialism, Marxism, and anarchism, also became part of the intellectual tradition. It was the success of the Bolshevik revolution in Russia in 1917, along with the intensification of radical agitation, which caused the Japanese government to adopt the most stringent peace preservation law, replacing milder earlier versions. This, incidentally, was enacted in the same year as the universal suffrage law.

In the face of radicalism, some idealism also survived. Mushanokoji Saneatsu (1885-1976) and Arishima Takeo (1878-1923) established their farm communes and cooperative farms in the same humanistic spirit that influenced Leo Tolstoy (1817-75). There was also a movement toward women's liberation.

Politically, it was the formation of a Cabinet headed by a prime minister without nobility rank. Hara Takashi (1856-1921) gave a sense of progress toward democracy. It also ushered in a brief period of party government. In foreign relations, Japan experienced participation in World War I and the Siberian expedition. There was also an imperialistic misadventure in China represented in her twenty-one demands to Yuan Shikai's government. Inclusion of the twenty-one demands in this chapter celebrating various phases of Taisho democracy may appear an oddity.

However, chronologically it was part of the Taisho legacy, and the demands to China remained one of the major problems that the intellectuals had to face. Advocates of democracy at home, including Yoshino Sakuzo, did not find it inconsistent to support military expansion over seas. This intellectual ambivalence may explain why military fascism could so easily take hold in the next decade.

The Taisho era ended with some sad notes, the infirmity of the Emperor and the catastrophe of the great Kanto earthquake of 1923. It was a brief era lasting only a little over fourteen years. It is sometimes likened to a valley between the great peaks of Meiji (1868-1912) and Showa (1926-1989). Yet it was a period that showed significant progress toward the direction of democracy, from which post-World War II Japan continues to seek inspiration.³⁰

2.4.2 From Manchuria to War in the Pacific

During the 1920s, Japan seemed to be approaching the norms of the democracies of the West, but beneath the surface lurked grave problems. For one thing, the Japanese version of the British parliamentary system had certain notable imperfections. Prime ministers were not produced by parliamentary majorities but were chosen by the few men who exercised the imperial prerogative, and only after appointment they held elections in which they usually won their parliamentary majorities. The king makers were the remnants of the old oligarchy- principally Yamagata until his death in 1922 and thereafter the court noble Saionji, who came to be classed with them as the "last genro." In other words, Diet control

³⁰ David J. Lu "Japan A Documentary History" Volume II The Late Tokugawa Period to the Present (New York 1997),p.375

over the prime ministership and cabinet was by no means part of the established constitutional system but merely a political convenience.

An even more serious imperfection was the division between the military and civil branches of government which the “Taisho political change” had revealed. Army and navy ministers remained military men, outside party discipline. To be sure the Diet was gradually establishing control over the military, since it had to vote the military as well as the civilian budgets. Ambitious military men, like civil bureaucrats, some times joined the parties after retirement in order to achieve ultimate political power, as happened in the case of General Tanaka Giichi, who as president of the Seiyukai party became prime minister in 1927. Still, the armed forces were in theory and in their actual internal operations completely free of civilian control.

Japan’s economic underpinnings were also far from firm. World War I had permitted phenomenal industrial growth, but the adjustment after the war to resume competition by European industry proved extremely painful. Japan grew economically more slowly during the 1920s than at any time in its modern history, except for the period of World War II and its immediate aftermath.³¹

The year 1931 stands as a major turning point in Japans modern history, for in September of that year Japanese armed forces overran southern Manchuria, committing their government to a course of direct action on the continent and, ultimately , to the rejection of the entire structure of international relations which had come into being during the 1920’s. The Manchurian Incident, of course, was less the cause of Japan’s turn toward military expansion than a symptom of deep-set domestic problems and of mounting world tensions. Nor was Japan alone among the world’s nations in taking the course it did. Superficially at least, the similarities with Germany and Italy, with which Japan entered a military alliance in 1940, were strong. Like the Axis powers of Europe, Japan in the 1930’s underwent a drastic political transformation which stirred its people to a frenzy of ultra-national spirit while offering them expectations of prosperity through foreign expansion and of solace through the achievement of an integrated welfare state.

³¹ Edwin O. Reischauer “The Japanese Today” Harvard University Press ,(London, England 1988),p.96

Japan's alienation from the community of democratic powers with their "Open Door" protestations toward China had been growing since the end of World War I. Disillusionment with the United States grew rapidly after the Washington Conference, which the Japanese interpreted as an effort at containment by the Western powers. The 1924 Exclusion Act and high tariff policy adopted by the United States in the wake of the Great Depression further strained Japan's relations with America. Simultaneously Japan's "special interests" in China were being thwarted by a stubborn Britain and a resurgent Nationalist government in China. Depression had tarnished the prestige of the democracies and their economic and political systems. Japan's destiny lay on the continent, not in cooperation with the Western powers.

The demand for "positive policies" abroad and at home came from many quarters. For Japan depression had been a bitter experience. The failure of many small businesses and the impoverishment of the lower levels of the farming populace created social welfare problems of vast proportions. Party leaders, its image damaged by its reputation for corruption and opportunism had failed to secure the confidence of the people. Yet fear of communism inhibited most Japanese from following left-wing leaders. For many segments of the country, the crying need seemed to be strong authoritarian government, aggressive military preparedness and humane concern for the underprivileged masses. For while social and communism would have destroyed the emperor and the Japanese polity in the name of the masses, state socialism and militarism would deify the state in the name of its concerned subjects. Japan's drift towards extreme military mobilization came both as a result of an aggressive determination to go it alone in East Asia and a mounting sense of national insecurity, as Japan felt itself placed on the defensive by what it judged to be the growing hostility of the Western powers.

The group that eventually became the most powerful vehicle for the spread of nationalist-militarist thinking in Japan was the military establishment always a powerful political interest group, the armed forces had become increasingly critical of and even alienated from the politics of party government during the 20's. At the top of the military hierarchy, high officers of the Army and Navy became disillusioned by the willingness of the civilian-led government to cut military appropriations or to compromise Japan security interests, among the middle and lower-grade officers many came from families which had

suffered during the depression and as a consequence they remained acutely conscious of the economic problems of the country's farmers and factory workers and of the danger of communist thinking. The armed forces were in a particularly sensitive position to influence the nation's politics. At the top, the Army and Navy commands could touch government policy directly without being subjected to civilian control. They could exploit large areas of independent influence, for instance in the field of military training and in the colonial areas. Moreover, through its conscript system and an extensive reservist organization, the armed forces affected growing segment of the population. The military man exploited as well a sentiment in his favor which persisted from the mystique which had once surrounded the samurai class. Officers, by contrast with the "corrupt politicians," were considered by definition pure of private motivation, "above politics" and filled with a sense of responsibility for the welfare and security of the country.³²

A secret society founded by army officers seeking to establish a military dictatorship-the Sakurakai (Cherry Society, the cherry blossom being emblematic of self-sacrifice)-plotted to attack the Diet and political party headquarters, assassinate the prime minister, and declare martial law under a "Showa Restoration" government led by the army minister. Although the army cancelled its coup plans (to have been carried out in March 1931), no reprisals were taken and terrorist activity was again tacitly condoned.

The Manchurian Incident of September 1931 did not fail and it set the stage for the eventual military takeover of the Japanese government. Guangdong Army conspirators blew up a few meters of South Manchurian Railway Company track near Mukden (now Shenyang), blamed it on Chinese saboteurs, and used the event as an excuse to seize Mukden. One month later, in Tokyo, military figures plotted the October Incident, which was aimed at setting up a national socialist state. The plot failed, but again the news was suppressed and the military perpetrators were not punished. Japanese forces attacked Shanghai in January 1932 on the pretext of Chinese resistance in Manchuria. Finding stiff Chinese resistance in Shanghai, the Japanese waged a three-month undeclared war there before a truce was reached in March 1932. Several days later, Manchukuo was established, Manchukuo was a Japanese puppet state headed by the last Chinese emperor, Puyi, as chief

³²John Whitney Hall "Japan From Prehistory to Modern Times" Center For Japanese Studies ,The Universities of Michigan,(New York 1991),p.325

executive and later emperor. The civilian government in Tokyo was powerless to prevent these military happenings. Instead of being condemned, the Guangdong Army's actions enjoyed popular support back home. International reactions were extremely negative, however. Japan withdrew from the League of Nations, and the United States became increasingly hostile.

The Japanese system of party government finally met its demise with the May 15th Incident in 1932, when a group of junior naval officers and army cadets assassinated Prime Minister Inukai Tsuyoshi (1855-1932). Although the assassins were put on trial and sentenced to fifteen years' imprisonment, they were seen popularly as having acted out of patriotism. Inukai's successors, military men chosen by Saionji, the last surviving genro, recognized Manchukuo and generally approved the army's actions in securing Manchuria as an industrial base, an area for Japanese emigration, and a staging ground for war with the Soviet Union. Various army factions contended for power amid increasing suppression of dissent and more assassinations. Japan's civilian leadership capitulated to the army's demands in the hope of ending domestic violence.³³

National euphoria over the seizure of Manchuria strengthened the hand of the military leaders immensely and pressures by rightist zealots, particularly among the younger officers, gave them arguments for tilting national policies in the directions these men advocated. The ultra rightists tended to champion the impoverished peasantry, who provided the bulk of the soldiers, and to excoriate the privileged classes of rich businessmen and powerful politicians. They saw their own function to be the assassination of "evil leaders" around the throne, thus clearing the way for a military seizure of power and an undefined "Showa restoration," named for the year period of the new emperor, which had started in 1926. Young army officers almost brought off a coup on the 26th of February, 1936, when they killed a number of government leaders and seized part of downtown Tokyo, after some indecision the army and navy commands suppressed the movement and executed its leaders. The more moderate element in the army then reimposed sterner control over its officers and put an end to the factionalism among the higher officers, which had become severe in recent years. At the same time, the 1936

³³ Ronald E. Dolan and Robert L. Worden "Japan A Country Study" Headquarters, Department of Army (Washington D.C. 1992),p.58

incident resulted in another decline in the powers of the Diet, and in 1937 all party participation in the cabinet was eliminated under a prime minister who was an army general.



Figure 2.7: Japan-China Battle

The army- meanwhile had been extending its control over parts of Inner Mongolia and North China. On the night of 7th of July, 1937, unplanned fighting broke out between Japanese and Chinese forces near Peking. Chiang Kai-shek's government demanded an overall settlement of Japan's creeping aggression, and the Japanese military dug in its heels in response. World War II had started. The Japanese military machine won an almost uninterrupted series of victories, pushing deep into North and Central China and seizing the southern coast in an effort to knock out or strangle the Chinese government, but the Chinese kept fighting on as they withdrew inland, and guerilla warfare and lengthening

lines of communication began to take their places. The Japanese army was sinking into what subsequently came to be known as the quagmire of Asian nationalism.³⁴

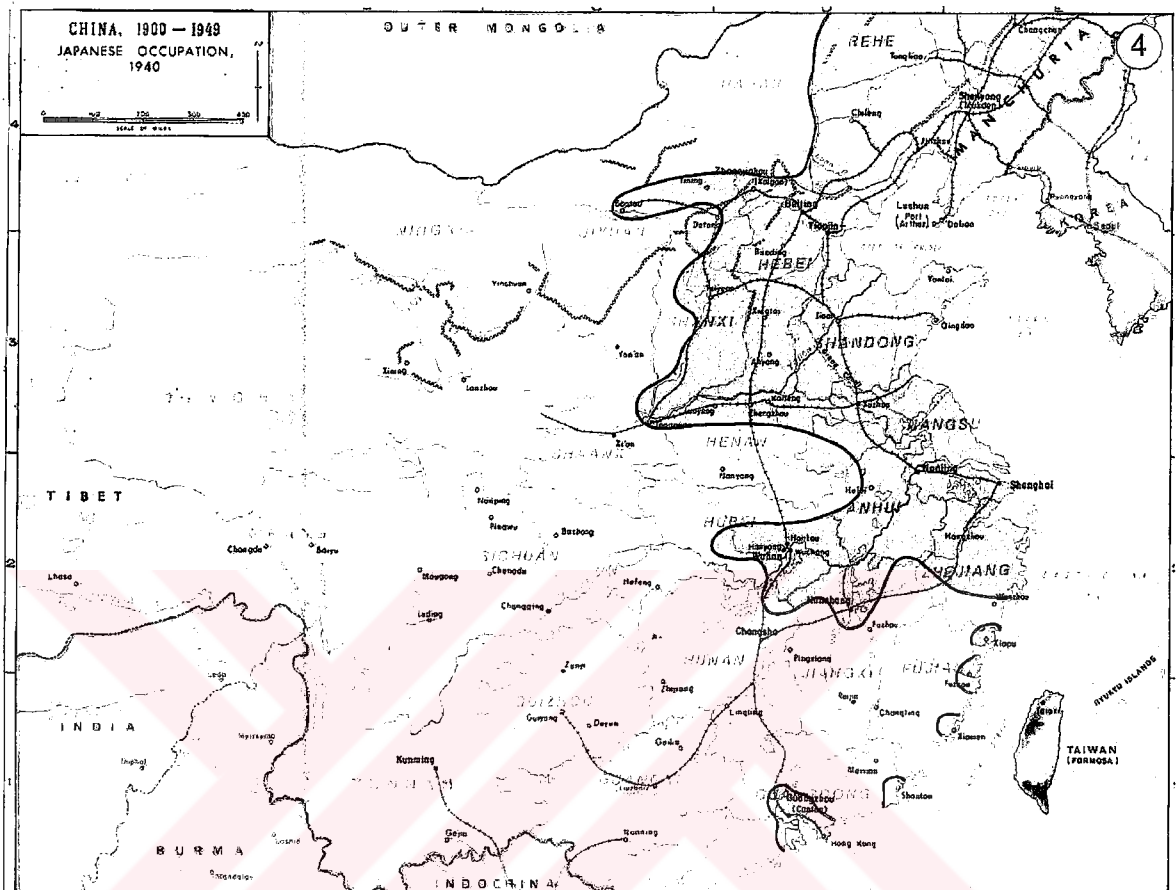


Figure 2.8: Japanese Occupation in 1940

Source: <http://www.dean.usma.edu/history/web03/atlas/chinese>

There had been a long-standing and deep-seated antagonism between Japan and the United States since the first decade of the twentieth century, each perceived the other as a military threat, and trade rivalry was carried on in earnest. The Japanese greatly resented the racial discrimination perpetuated by United States immigration laws, and the Americans became increasingly wary of Japan's interference in the self-determination of other peoples. Japan's military expansionism and quest for national self-sufficiency eventually led the United States in 1940 to embargo war supplies, abrogate a long-standing commercial treaty, and

³⁴ Edwin O. Reischauer "The Japanese Today" Harvard University Press ,(London, England 1988),p.101

put greater restrictions on the export of critical commodities. These American tactics, rather than forcing Japan to a standstill, made Japan more desperate. After the signing of the Japanese-Soviet Neutrality Pact in April 1941, and while still actively making war plans against the United States, Japan participated in diplomatic negotiations with Washington aimed at achieving a peaceful settlement. Washington was quite concerned about Japan's role in the Tripartite Pact and demanded the withdrawal of Japanese troops from China and Southeast Asia. Japan countered that it would not use force unless "a country not yet involved in the European war" (that is, the United States) attacked Germany or Italy, and demanded that the United States and Britain not interfere with a Japanese settlement in China (a pro-Japanese puppet government had been set up in Nanjing in 1940). Because certain Japanese military leaders were working at cross-purposes with officials seeking a peaceful settlement, talks were deadlocked. On October 15, 1941, army minister Tojo Hideki (1884-1948) declared the negotiations ended. Konoe resigned, replaced by Tojo, and after one final United States rejection of Japan's terms of negotiation, on December 1, 1941, the Imperial Conference ratified the decision to embark on a war of "self-defense and self-preservation" and to attack the United States naval base at Pearl Harbor.³⁵

³⁵ Ronald E. Dolan and Robert L. Worden "Japan A Country Study" Headquarters, Department of Army (Washington D.C. 1992),p.59

Photo # 80-G-19949 USS Maryland and capsized USS Oklahoma. 7 December 1941

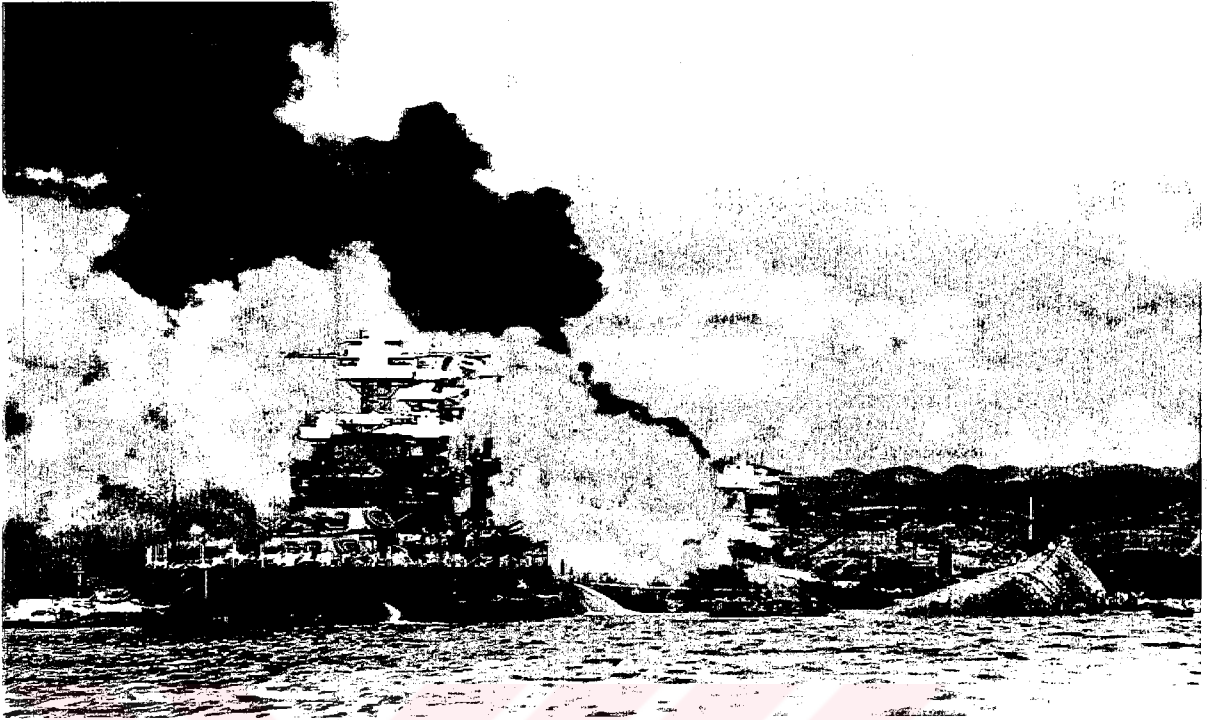
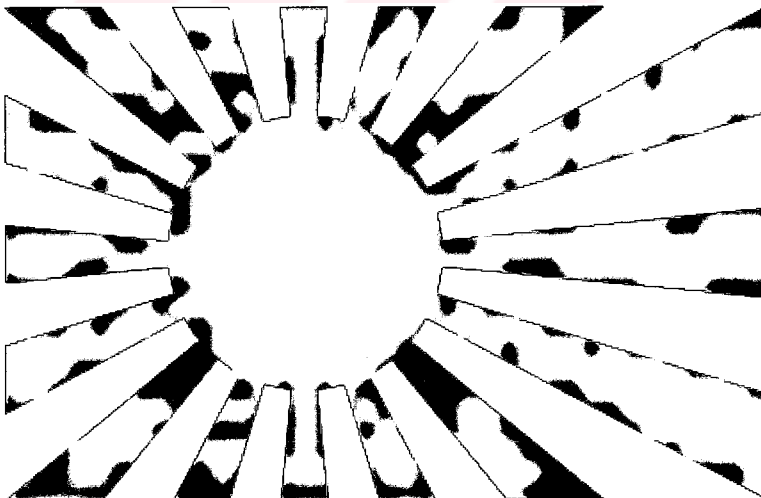


Figure 2.9: Pearl Harbor Attack

Source: <http://www.history.navy.mil/photos/images/>

2.5 Territorial Expansion 1875-1941



After the un-invited opening of Japan by the West, Japan found it had to find ways to deal with westerners and their way of doing things. There were events between the western countries that spilled over into relations with Japan. The western countries were colonizing

areas all around the world and Japan wished to preserve what it considered its sphere of influence, particularly the islands near Japan, and Korea. Both China and Russia were beginning to place pressure on these areas Japan considered important to its national existence.

Russia with the fur trade in Sakhalin and on into the islands north of what was then Japan proper including that which has become Hokkaido was considered an intrusion and with the building of the trans - Siberian railroad it was obvious it was only going to get worse. Japan secured a treaty with Russia in 1875 yielding any claim to the Sakhalin peninsula in return for possession of all the Kurile Islands all the way to the Kamchatka peninsula. Previously Japan controlled only the Kurile islands up to Etorofu.

In 1879 Japan, which had previously weaned the Ryukyu Islands away from China by placing a strong Japanese presence on the islands, officially declared them Japanese territory as the Okinawa Prefecture.

Pressure with China and Russia was thus relieved in two areas that had been a problem between the nations and Japan. One area was un-resolved, Korea.

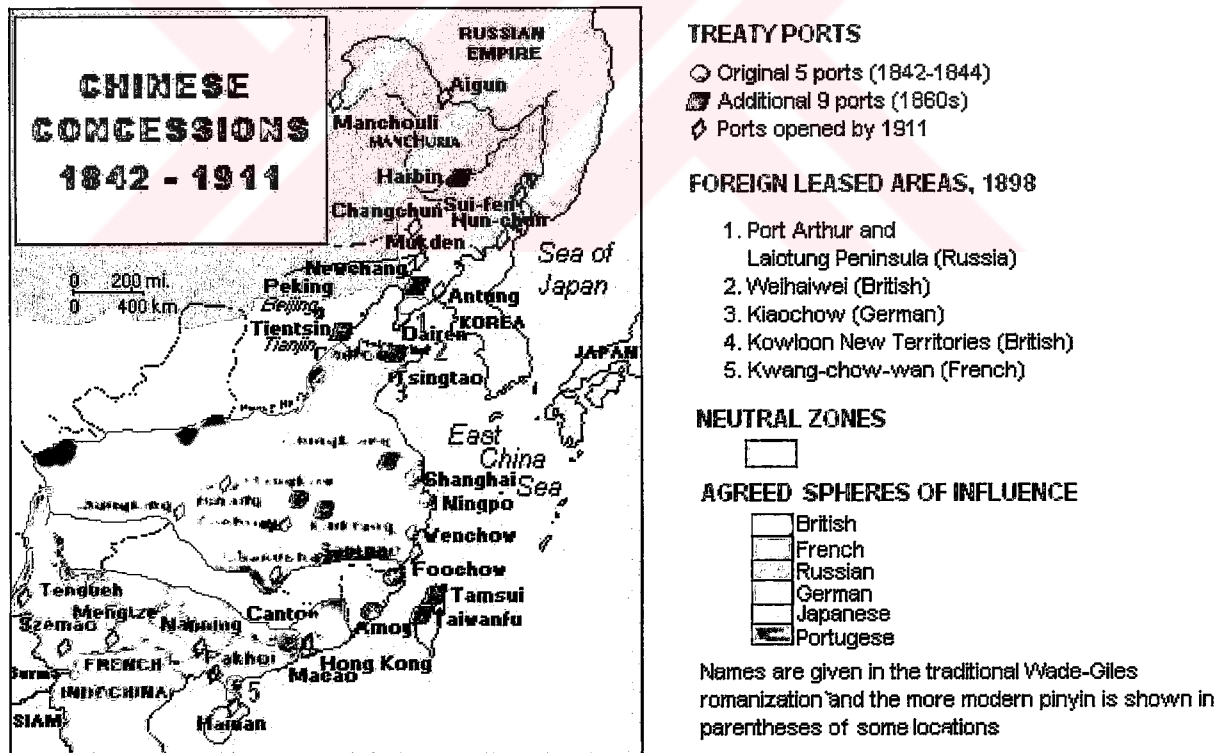
In 1882 there was what was called the Imo Military Rebellion in Korea when elements of the Korean military participated in a situation that led to a faction in Korean politics which looked to China for support taking control of the Korean government. When China came under attack by the French in 1884, Korean politicians of the reform or Independence Party which was supported by Japan led a coup d'etat at Hansong (Seoul). This was quickly suppressed by Chinese troops. Japanese troops were sent. Both sides backed off and signed the Tianjin Convention which cooled the situation for the short term.

In 1894, a large peasant rebellion against corruption arose in Cholla province on the lower western side of Korea on the Yellow Sea. China again sent in troops. The Japanese seeing this as a provocation sent in its own troops. This led to a war with China which Japan won. Japan successfully invaded Korea, the Liaodong and Shandong peninsulas of China before China halted the war. In the Treaty of Shimonoseki signed in 1895, China agreed to grant Korea its independence, cede to Japan the Liaodong peninsula, Taiwan, the Pescadores

(islands in the strait of Taiwan), pay a large indemnity and open several Yangtze river ports to Japanese shipping.

Russia reacted quickly to the treaty by asking France and Germany to assist in calling for Japan to give up the provision asking for the Liaodong peninsula. This was done in an act known as the Tripartite Intervention. The Japanese accepted the objection in return for an even larger indemnity from China but held antipathy toward Russia for interfering.

The western countries noting China's weaknesses in the war pushed China for concessions. The Russians, the Japanese noted with anger, established leased territory on Liaodong peninsula. The Japanese obtained a lease right on the China mainland (Fujian) opposite its new possession, Taiwan. Other countries receiving such concessions were France (Indochina and Chinese area north) and England (Hong Kong, Kowloon, Guandong, an area on the mainland opposite Hong Kong and a large area either side of Hangchow and continuing inland more than 600 km) and Germany (Shandong peninsula).



Japan assisted the European powers in sending troops to participate in the relief column that broke up the Boxer siege of the diplomatic compound in Peking. When the Boxer

Rebellion was suppressed by the Allied troops they remained in China, each sending them to protect their concessionary areas.³⁶

The Russians occupied Manchuria after the Boxer Rebellion in 1900 and placed pressure on Korea. Japan attempted to trade recognition from Russia that Japanese had political hegemony over Korea in return for the Japanese stating that Manchuria lay outside of its sphere of interest. The English, in hopes of checking the Russian expansion in Asia, concluded an alliance treaty with Japan in 1902.

No agreement was reached with Russia over their troops staying in Manchuria and the Japanese attacked the Russians on Liaodong and at Mukden (now Shenyang) as well from Korea. The Russians transferred their Baltic Fleet to the Orient to win the war but the Japanese countered in the Tsushima strait which separates Japan and Korea with a brilliant victory.

Neither side having the resources to continue the war, the Japanese prevailed on the United States to intervene and mediate a peace agreement. This was done by President Theodore Roosevelt. The Treaty of Portsmouth was signed in September of 1905 in Portsmouth, New Hampshire. Korea was recognized as being under Japanese hegemony and the Russian possessions on Liaodong peninsula were ceded to Japan as well as a railway there and the southern half of Sakhalin peninsula and certain fishing rights off Russia. Japan had also asked for indemnities but Russia would not yield any. The railway went from Lushun (Port Arthur) all the way up the Liaodong peninsula on into the interior of Manchuria above Mukden.

Japan immediately consolidated its hold on Korea through a series of agreements with Korea whereby Japan assumed Korea's foreign relations, domestic affairs and military affairs and disbanded the Korean army. In 1910, Japan concluded the Japanese-Korean Annexation Treaty whereby Korea became a part of Japanese territory. All during this time the Japanese military dealt harshly with any Korean demonstrations against this. Japan also concluded an agreement with Russia which divided the two countries spheres of influence in Manchuria and Inner Mongolia. The operation of the Manchurian Railway by the

³⁶ David J. Lu "Japan A Documentary History" Volume II The Late Tokugawa Period to the Present. "Good-bye Asia 1885" (New York 1997),p.351

Japanese from the Liaodong peninsula on into Manchuria became a vehicle to control Manchuria. After the Russo-Japanese War, the Japanese began to earn respect and wariness from the European powers. While England was willing to continue its alliance, the United States and others were questioning Japan's action in Manchuria.³⁷



Figure 2.10: Japanese Emperor Taisho leading his troops in the early 1900s.

Source: www.mofa.go.jp

In 1912, the most immediate flash point was generated not by Chinese, Koreans, Russians or the Europeans but by Californians.

³⁷ Ronald E. Dolan and Robert L. Worden "Japan a Country Study ". Political Rivalries. Headquarters, Department of Army (Washington D.C. 1992), p.48

The Japanese, after the Russo-Japanese War began to adopt at a quicker pace, much of the western styles and way of life. Some wished to go to the source of the new way. Emigration to the United States increased and the Japanese congregated in Hawaii and California.

Beginning in 1884 when Hawaiian sugar plantations concluded an agreement with the Japanese government for immigrant labor, Japanese immigrants came in greater volume than before to the United States. Many of those going to Hawaii to work moved on to California so that in 1890 of 2, 038 Japanese in the United States -1,114 of them lived in California.

California did not react well to the growing numbers of Japanese coming into the state. In fact, the State of California attempted to find ways to discourage the immigration and to find ways to have those who had made the trip, to return to Japan. To diffuse the situation the two countries made a "Gentleman's Agreement" to halt the immigrant labor program from Japan to the United States.

A provision in the agreement allowed the wives and children of the mostly male Japanese population in the United States to join their husband/father. This also included those Japanese men in the United States that were not married to have a "mail order" wife come over. The net result was the Japanese population in the United States grew rather than declined, as the sponsors of the agreement had wanted. This led to the formation of such groups as the Asiatic Exclusion League and other such groups.

In 1906, the San Francisco School Board required all Japanese and Korean children to join the Chinese children in attending school at the segregated Oriental School that had been founded in 1884.

The outright prejudice seen in these and other acts in California developed into a diplomatic issue between the two countries.

In the spring of 1913, matters between the United States and Japan suddenly escalated to the precipice of war. The event that brought things to a head was The State of California

had passed a law forbidding Japanese to own or lease land in that state. The Japanese government saw this as an insult and asked Washington D. C. to intervene.³⁸

Their note to the U. S. government called the California act "obnoxious, discriminatory, unfair, unfriendly and in violation of the treaty between the two countries." President Wilson found the tone of the Japanese note strident and unfair and asked Secretary of State William Jennings Bryan to tell the Japanese he found their note "objectionable" and to explain the relationship of the United State's Federal government to the separate states to the Japanese.

The Japanese felt the United States was being intransigent and matters grew worse. Josephus Daniels, President Wilson's Secretary of the Navy noted that many feared the long-predicted war between Japan and the United States would ensue. A New York City newspaper reported that the Joint Army and Navy Board were preparing for a war with Japan. Orders had been given to move ships, men and material in place. When asked why, the military responded that the Japanese notes were becoming more "insistent."

All this was news to the President who called a Cabinet meeting to discuss the facts. The Secretary of War, Lindley M. Garrison, defended the action of the Joint Board saying the Army and Navy had a duty to strengthen U. S. forces in the Philippines and Hawaii to prevent Japan from just taking them. By taking these actions "We were serving notice that any hostile action would be met."

Secretary of State Bryan said that "military officers were the last men to determine the policies of the government". "While we were discussing how to prevent a threatened war, these men were busying themselves with plans to get us in. It is time enough for the Army and Navy to make plans when the Commander in Chief calls upon them to do so."

President Wilson dissolved the Joint Board and the Japanese Ambassador was told the administration had no thought of war and the board's action was without authorization that the United States intended to pursue peaceful negotiations to work out all problems it may have with the Japanese.

³⁸ Available on site <http://www.au.af.mil/au/aul/bibs/japan2/j29.htm>

All this notwithstanding, Admiral Bradley Fiske together with Richard Pearson Hobson, a member of the Naval Affairs Committee, continued to lobby the Secretary of the Navy that Japan was planning to make war on America and steal a march on us by taking the Philippine Islands and going on to Hawaii. Pearson, a U. S. Congressman from Alabama had been an officer and a hero in the U.S. Navy in the Spanish American War. He subsequently was awarded the Medal of Honor for his valor at the Battle of Santiago Harbor, Philippines.³⁹

For many years Congressman Hobson in his speeches and appearances warned of an attack by the Japanese and called for vigilance and armament. He was so adamant on the issue that his critics were able to label him a "Chicken Little" or the little Congressman who called wolf. As nothing did happen, the effectiveness of his warnings began to wane.

When World War I engulfed Europe, England which had signed the alliance with Japan asked the Japanese to join in the war against Germany. Seeing an opportunity to expand its influence in Asia, Japan agreed and seized the German bases on Shandong peninsula and the South Pacific Islands under German control north of the equator. Australia and New Zealand took those souths of the equator.

In 1915, China fell into civil war. The Japanese reinforced their armies in the Shandong and Liaodong peninsulas, they also loaned China a great deal of money and presented China with 21 Demands. If China had agreed to the demands it would have been reduced to a puppet government of Japan, but they drew out negotiations and the European and United States government lobbied with China to maintain the Open Door Policy on China. The U.S. signed the Ishii-Lansing Agreement in 1917 that recognized Japan's special interests in China, and maintained China's independence.

In 1917 when the Russian revolution became a civil war, the United States, Britain, France and other countries sent expeditions into parts of Russia to insure stability. Japan sent troops into Siberia. While the allies withdrew after WW I, the Japanese did not withdraw from Siberia until 1922.

³⁹ Available on site www.mofa.go.jp/history/index.html

At the Versailles peace conference after the defeat of Germany in World War I, Japan as a member of the Allied Powers (U. S., France, England, England and Japan) asked that its possessions gained in the war be sustained. This was done. The Treaty of Versailles also called for the founding of the League of Nations. Japan became one of its principal founders in 1920. The League of Nations endorsed the Japanese possession of the former German South Pacific Islands under a mandate to Japan to protect and preserve them.

A number of treaties followed the Treaty of Versailles to defuse potential problems around the world. These treaties included: The Four Power Treaty, the Nine-Power Treaty, the Washington Naval Disarmament Treaty, the Kellog-Briand Pact and the London Naval Limitation Treaty. The last signed in 1930.

These treaties restricted the types of fortifications that could be built by member countries, the types and number of ships they could build and maintain. Japan and the western powers backed out of China and recognized its sovereignty. Among the provisions of the Four Power Treaty was to maintain the status quo with regard to the Pacific islands.

In 1927 there was a government change in China that led to a nationalist movement. The Japanese sent troops into China to protect Japanese interests on Shandong peninsula. Between 1927 and 1928 the Japanese sent troops to Shandong three separate times.

Anti - Japanese feelings were strong in China and the Japanese found themselves under attack. There was a large Japanese army in Manchuria ostensibly to protect the Manchurian Railway but effectively controlling major parts of Manchuria. It was receiving no reinforcements like the Japanese military in Shandong. Reacting to pressure within and outside Manchuria the Japanese Army in Manchuria decided to take the offensive. The Japanese Army in Manchuria (the Guangdong Army or sometimes called the Kwantung Army) rather than allow the new Chinese government to take advantage of unrest among the native population went on the offensive and attacked Chinese positions in several areas bordering and in Manchuria. This became known as the Manchurian Incident. The

Japanese government, at first asked that the operations be stopped, but then waited and watched to see how it would resolve itself.⁴⁰

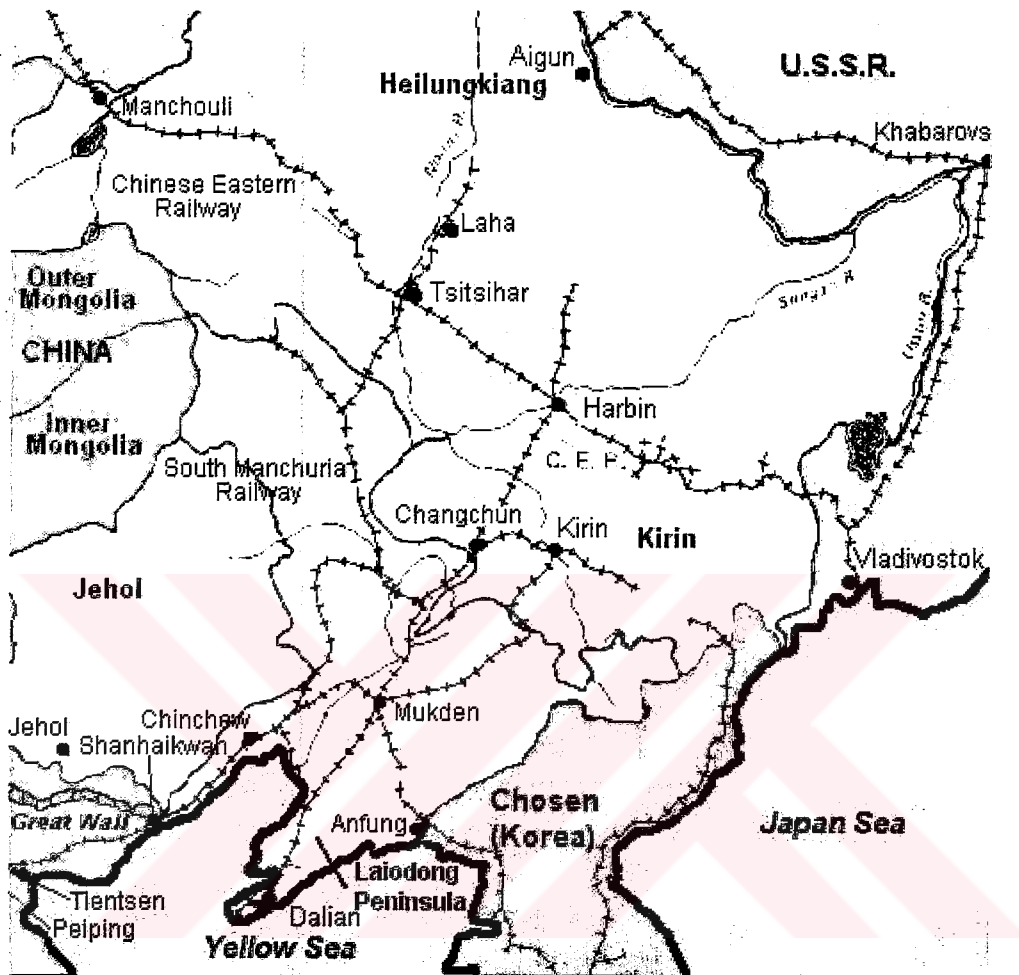


Figure 2.11: Japan Army Forces Progress in 1930

Source: www.mofa.go.jp/history/index.html

The map shows Manchuria in white. The location of the South Manchuria railroad controlled by the Japanese and the Chinese Eastern Railroad is operated by Chinese and Russian interests. The Japanese used both railroads to move their troops into the upper interior of Manchuria in 1931.

⁴⁰ Ronald E. Dolan and Robert L. Worden "Japan A Country Study" Headquarters, Department of Army (Washington D.C. 1992), p.62

The Japanese Army in Manchuria took complete control and in 1930 declared the foundation of the state of Manchukuo with all government affairs in the hands of the Japanese. China appealed to the League of Nations for assistance in reversing the situation in Manchuria. The League debated the issue and sided with China. The League of Nations expected Japan to not support events in Manchuria. . The Japanese used both railroads to move their troops into the upper interior of Manchuria in 1931.

A change of governments in Japan reflected public opinion in support of the Japanese army in Manchuria and began to support it with military actions and formally recognized Manchukuo.

The League of Nations in 1933 recognized Chinese sovereignty over Manchuria and asked the Japanese to support that. A resolution calling for Japanese withdrawal was put forward passing with a vote of 42 - 1. The lone dissenting vote was that of Japan. The next month Japan withdrew from the League of Nations, abrogated most of the post WWI treaties, kept the Mandated Islands stating they were now Japanese territory and began an arms build up.

Internally the government of Japan became militarized. An active Admiral in the Japanese Navy became the Prime Minister. The new government began a drift that led it to ally with Germany and Italy and the Tripartite Anticomintern Pact of 1937. Japan began to expand from Manchuria into Northern China.

This led to another war with China. China had been in the midst of a civil war between the communists and the nationalists but they united in face of a Japanese invasion of Chinese territory. The Japanese were successful in moving south. When they reached Nanking, two events shocked the world.

The American gunboat, *USS Panay*, which patrolled the Yangtze River near Nanking (Nanjing), China, was used as a bomb shelter for foreign embassy staff during the Japanese bombing of the area. On December 12, 1937, Japanese warplanes suddenly and without provocation dive-bombed repeatedly the *Panay* and a British gunboat, both of which were moored in the river; the American vessel was sunk, and the British one severely damaged. The US public was outraged by this attack, which caused two deaths and 48 casualties.

Claiming its pilots had not seen the US flags painted on the *Panay's* decks and sides, Japan apologized and paid the indemnity demanded by the United States.

Another incident of the Japanese attacks from North China into South China involved a situation that has been termed as the Rape of Nanking when Japanese soldiers, unrestrained by their leaders entered the open city that did not resist them and laid to waste the people and the city with atrocities that to this day evoke strong reaction on both sides of the issue. The Japanese had been brutal in their campaign in China not just at Nanking but everywhere, but in Nanking - the very worst of man's inhumanity toward man was displayed.



Figure 2.12: The Territories Occupied by the Countries during the World War-II

Source: http://web-japan.org/links/history/world_wars.html

In Europe WWII exploded. The Japanese, taking advantage of their alliance with Germany and Italy attacked English, French and Dutch possessions in South East Asia in 1940. When Germany attacked Russia in June of 1941, Japan moved to go to war with Russia. In October of 1941, rightist General Tojo was the leader of the Japanese government.

Having to decide to carry the war to the north (Russia) or to the south (the southeast Asian possessions of Britain, France and the Dutch). Japan chose going south and began the policy of the Greater East Asian Co-Prosperity Sphere, encouraging national independence movements among the Asians and seeking their cooperation in the war. In reality Japan was after natural resources: oil, rubber, bauxite, and other resources not found in Japan and preparing for the bigger war they knew was coming with the United States.⁴¹

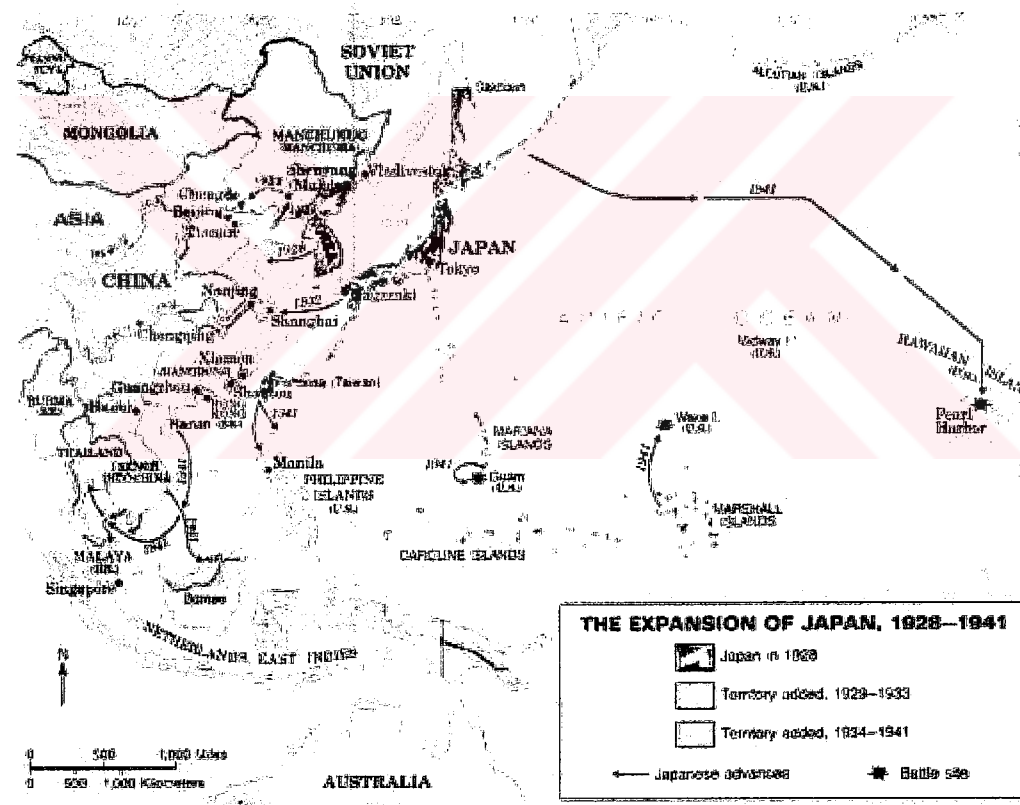


Figure 2.13: The Expansion of Japan 1928-1941

Source: www.mofa.go.jp/history/index.html

⁴¹ Available on site <http://www.lib.msu.edu/harris23/govdocs/areastud.htm>

2.6 WORLD WAR-II, OCCUPATION AND RECOVERY

The Allied Occupation of Japan is one of the most remarkable chapters in world history. Certainly no occupation, other than one of outright conquest, has been so dedicated to political and social reform. And certainly few other societies have been as thoroughly “made over” in so short a time as was Japan between 1945 and 1952. Japan’s response to the Allied Occupation was the more remarkable since the country had never before experienced a defeat in war which brought a foreign occupation to its soil.⁴²

After initial battle success and a tremendous overextension of its resources in the war (known to Japan as the Greater East Asia War, to the United States as the Pacific War) against a quickly mobilizing United States and Allied war effort, Japan was unable to sustain “Greater East Asia”. As early as 1943, Konoe led a peace movement, and Tojo was forced from office in July 1944. His successors sought peace mediation (Sweden and the Soviet Union were approached for help in such a process), but the enemy offered only unconditional surrender. After the detonation of atomic bombs over Hiroshima and Nagasaki on August 6 and 8, 1945, respectively, the emperor asked that the Japanese people bring peace to Japan by “enduring the unendurable and suffering what is in sufferable” by surrendering to the Allied powers. The documents of surrender were signed on board the U.S.S. Missouri in Tokyo Bay, on September 2, 1945. The terms of surrender included the occupation of Japan by Allied military forces, assurances that Japan would never again go to war, restriction of Japanese sovereignty to the four main islands and such minor islands as may be determined.” and surrender of Japan colonial holdings.

A period of demilitarization and democratization followed in Japan (1945-47). Under the direction of General Douglas Mac Arthur, the Supreme Commander for the Allied Powers (SCAP), Japan’s army and navy ministries were abolished, munitions and military equipment were destroyed, and war industries were converted to civilian uses. War crimes trials found 4,200 Japanese officials guilty; 700 were executed, and 186,000 other public figures were purged.

⁴²John Whitney Hall “Japan From Prehistory to Modern Times” Center For Japanese Studies ,The Universities of Michigan,(New York 1991),p.349

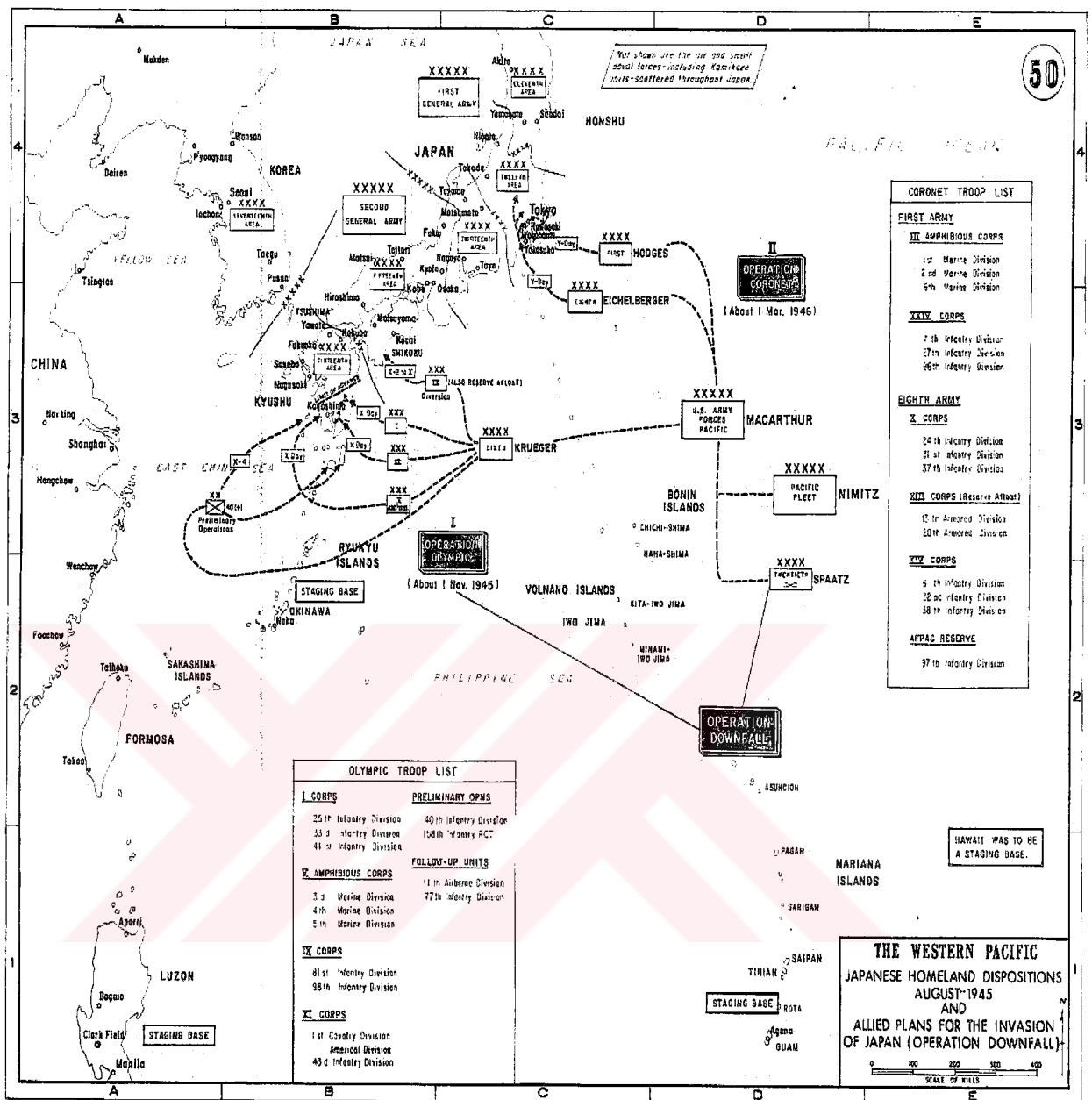


Figure 2.14: Allied Plans for the Invasion of Japan

<http://www.dean.usma.edu/history/web03/atlases/japan>

State Shinto was disestablished, and on January 1, 1946, Emperor Hirohito repudiated his divinity. MacArthur pushed the government to amend the 1889 Meiji Constitution, and on May 3, 1947, the new Japanese Constitution (often called the “MacArthur Constitution”) came into force. Constitutional reforms were accompanied by economic reforms, including

agricultural land redistribution, the reestablishment of trade unions, and severe proscriptions on zaibatsu.



Figure 2.15: Occupied Japan in 1945

Source: www.japan-101.com/photos/

Relatively rapid stabilization of Japan led to a relaxation of SCAP purges and press censorship. Quick economic recovery was encouraged, restrictions on former zaibatsu members eventually were lifted, and foreign trade was allowed. Finally, fifty-one nations met in San Francisco in September 1951 to reach a peace accord with Japan.(formally known as the Treaty of Peace with Japan; China, India, and the Soviet Union participated in the conference but did not sign the treaty). Japan renounced its claims to Korea, Taiwan, Penghu, the Kuril Islands, southern Sakhalin, islands it gained by League of Nations mandate, South China Sea islands, and Antarctic territory, while agreeing to settle disputes peacefully according to the United Nations Charter. Japan's rights to defend itself and to enter into collective security arrangements were acknowledged. The 1952 ratification of

the Japan-United States Mutual Security Assistance Pact also ensured a strong defense for Japan and a large postwar role in Asia for the United States.⁴³

Defeat in World War II brought great and sudden shifts to Japan, comparable only to the changes of the Meiji Restoration. The war itself had been a traumatic experience. At its end Japanese industry was at a standstill, and even agricultural production had fallen off about one-third, because of long years without new tools, adequate fertilizer, or sufficient labor. All of Japan's great cities, with the exception of Kyoto, and most of its lesser cities had been in large part destroyed and their populations scattered throughout the country. Around, 668,000 civilians had been killed in aerial bombardments. The economy, critically maimed, cut off from its normal flows of trade, and disrupted by the uncertainties of foreign rule, recovered only very slowly—much more slowly than in war-devastated Europe. It took a full decade for per capita production to creep back to the levels of the mid-1930s.

The psychic damage to the Japanese was even more severe. They had been under mounting psychological pressure for fifteen years and had lived under full wartime conditions for eight years. Life had become constantly more difficult. First synthetic, artificial materials replaced normal fabrics; then all consumer goods slowly disappeared, food ran short, and finally urban housing vanished in flames. Forced to scrounge on the black market just to stay alive, city dwellers suffered a collapse of morale. A people punctilious in their observance of the law became accustomed to petty legal infractions. The leaders had expected to win through the superiority of Japanese will power, and the people had responded with every ounce of will they possessed, until they were spiritually drained. Not just the cities but the hearts of the people had been burned out.

There was a great popular revulsion against the war, against the leadership that had steered the nation into this disaster and against the past in general. Instead of feeling guilt, the people felt that they had been betrayed. The great respect for the military and servants of the emperor turned to anger and contempt, there was a great longing for peace and a determination to avoid any repetition of this great catastrophe. People wanted something

⁴³ Ronald E. Dolan and Robert L. Worden "Japan A Country Study" Headquarters, Department of Army (Washington D.C. 1992),p.61

new and better than the old Japan that had come to grief. They were confused but open to change in a way they had never been before. ⁴⁴

Occupation policy fell under three major headings: demilitarization, democratization, and rehabilitation. To begin with the first two categories were emphasized, for resentment over Japanese militarism ran high at the outset. Under the heading of demilitarization, Japan was stripped of all its wartime gains and obliged to abolish the institutional supports upon which the military establishment rested. First the Japanese empire was literally cut back to the four main islands with which Japan had started in 1868. Thus Japan lost outright Manchuria, Korea, Taiwan, Sakhalin and the Kuriles; Okinawa and the Bonin Islands were placed under U.S. trusteeship. The contraction of the Japanese empire necessitated the repatriation of 6.5 million Japanese, many of whom had been firmly settled in colonial areas. Demilitarization called for the destruction of Japan's armed forces, abolition of the ministries of Army and Navy, of all war industries, air transportation and even for a time Japan's merchant marine. To eliminate persons who had "participated in Japanese expansion," SCAP ordered a purge of some 180,000 individuals from positions of leadership in government, the services and education. A war crimes trial brought to public prosecution 25 leaders who were presumed to have been most involved in wartime atrocities and the responsibility for the outbreak of war. Leading the list of 7 who were hanged in 1948- was ex-Premier Tojo.

Other measures less strictly concerned with the reduction of Japan's military potential were calculated to lay the roots of democratic behavior in Japanese soil. The abolition of state Shinto, the cutting off of state support from all Shinto shrines, and the cessation of the Shinto based courses. The emperor was obliged to take to the radio to "to deny his divinity."

The single most important political change adopted by the Supreme Commander for the Allied Power (SCAP) was the establishment of a new constitution. The new constitution began with the phrase "we, the Japanese people." It wrote in to its clauses a new definition of the emperor as "symbol of the state and of the unity of the people, deriving his position from the will of the people with whom resides sovereign power."

⁴⁴ Edwin O. Reischauer "The Japanese Today" Harvard University Press ,(London, England 1988),p.104

By 1948 the nature of the Occupation changed. Increasingly SCAP turned decision-making over to the Japanese. American basic policy also changed, as opposition to Fair Deal policies increased at home and as difficulties with Russia and the Chinese Communists brought cold war tensions into East Asia. Japan, the former enemy, gradually emerged as a major ally of the United States in Asia. After 1948, therefore, American strategic interests in Japan began to outweigh those of demilitarization and reform, and basic policy turned toward rehabilitation and reconstruction. With the outbreak of the Korean war Japan suddenly became an invaluable asset to the American forces. With economic recovery a major objective, earlier economic and fiscal restrictions were relaxed. A “National Police Reserve” was permitted Japan in 1950, and by 1960 this was to become a 200,000 man “National Defense Force” fully provided with tanks, airplanes, and naval units, Japan was encouraged to participate in its own self-defense.

In 1951 the United States and 47 other nations signed a peace treaty with Japan. Soviet Russia and Communist China still refrained from acknowledging diplomatic relations with Japan. The Occupation formally came to an end in 1952. However, a security treaty and an administrative agreement signed between Japan and the United States provided for the continuation of American military bases in Japan and committed the United States to protect Japan in case of war. Thus Japan remained under the American protective umbrella and continued to provide important military facilities upon which American power in East Asia could be based. Increasingly, however, Japan regained its freedom of action and its status in the world. In 1956 diplomatic relations were restored with Soviet Russia, and Japan was admitted to the United Nations.

The Occupation years—“Japan’s American Interlude”—and the years of adjustment immediately following clearly constitute a major watershed in Japan history. Ranking next to the Meiji Restoration as a time of drastic change toward modernization, it has been looked upon as marking Japan’s final break with tradition and acceptance of institutions and values by feudal or Confucian ideas.⁴⁵

⁴⁵ John Whitney Hall “Japan From Prehistory to Modern Times” Center For Japanese Studies, The Universities of Michigan, (New York 1991), p.352-354

2.7 CONSERVATIVE DEMOCRACY AND THE AMERICAN ALLIANCE

In one respect the institutional reforms carried out under military occupation appear to have brought about a lasting transformation of Japanese politics. Power thereafter remained publicly in the hands of an elected Diet, exercised on the Diet's behalf by a Prime Minister and cabinet responsible to the lower house. Winning and retaining it involved the familiar trappings of parliamentary rule: parties, composed of local 'machines' and professional representatives of the people; business associations and trade unions, each promoting their sectional interest; all the panoply of electioneering. Yet there were important changes after 1951 in the wave in which power was shared and used, not least because industrial growth brought about a shift in the relative standing of different groups, as well as in popular aspirations. One feature of these post-treaty years was the 'reverse course', an attempt on the part of conservative leaders to undo some of the occupation reforms. Another was that decision-making came more and more to depend on a close relationship between the civil bureaucracy, Japanese business, especially 'big' business, and one dominant political party, the Liberal Democrats.⁴⁶

2.8 TOWARD A NEW CENTURY

Political parties had begun to revive almost immediately after the occupation began. Left-wing organizations, such as the Japan Socialist Party and the Japan Communist Party quickly reestablished themselves, as did various conservative parties. The old Seiyukai and Rikken Minseitō came back as, respectively, the Liberal Party (Nihon Jiyūtō) and the Japan Progressive Party (Nihon Shimpūtō). The first postwar elections were held in 1946 (women were given the franchise for the first time), and the Liberal Party vice president, Yoshida Shigeru (1878—1967), became prime minister. For the 1947 elections, anti-Yoshida forces left the Liberal Party and joined forces with the Progressive Party to establish the new Democratic Party (Minshūtō). This divisiveness in conservative ranks gave a plurality to the Japan Socialist Party, which was allowed to form a cabinet that lasted less than a year. Thereafter the socialist party steadily declined in its electoral successes. After a short period of Democratic Party administration, Yoshida returned in late 1948 and continued to serve as prime minister until 1954.

⁴⁶ W.G.Besley "The Rise of Modern Japan" University of London (New York 1995),p.227

Even before Japan regained full sovereignty, the government had rehabilitated nearly 80,000 people who had been purged, many of whom returned to their former political and government positions. A debate over limitations on military spending and the sovereignty of the emperor ensued, contributing to the great reduction in the Liberal Party's majority in the first post occupation elections (October 1952). After several reorganizations of the armed forces, in 1954 the Self-Defense Forces were established under a civilian director. Cold War realities and the hot war in nearby Korea also contributed significantly to the United States-influenced economic redevelopment.

Japan's biggest postwar political crisis took place in 1960 over the revision of the pact. As the new Treaty of Mutual Cooperation and Security was concluded, which renewed the United States role as military protector of Japan, massive street protests and political upheaval occurred, and the cabinet resigned a month after the Diet's ratification of the treaty. Thereafter political turmoil subsided. Japanese views of the United States, after years of mass protests over nuclear armaments and the mutual defense pact, improved by 1972, with the reversion of United States-occupied Okinawa to Japanese sovereignty and the winding-down of the Second Indochina War (1954—75).

Japan had reestablished relations with the Republic of China after World War II, and cordial relations were maintained with the nationalist government when it was exiled to Taiwan a policy that won Japan the enmity of the People's Republic of China, which was established in 1949. After the general warming of relations between China and Western countries, especially the United States, which shocked Japan with its sudden rapprochement with Beijing in 1971, Tokyo established relations with Beijing in 1972 and close cooperation in the economic sphere followed.

Japan's relations with the Soviet Union continued to be problematic long after the war. The main object of dispute was the Soviet occupation of what Japan calls its Northern Territories, the two most southerly islands in the Kurils (Etorofu and Kunashiri) and Shikotan and the Habomai Islands (northeast of Hokkaido), which were seized by the Soviets in the closing days of World War II.

Throughout the postwar period, Japan's economy continued to boom, with results far outstripping expectations. Japan rapidly caught up with the West in foreign trade, gross

national product, and general quality of life. These achievements were underscored by the 1964 Tokyo Olympic Games and the Osaka International Exposition world's fair in 1970.

The high economic growth and political tranquility of the mid to-late 1960s were tempered by the quadrupling of oil prices by the Organization of Petroleum Exporting Countries in 1973. Almost completely dependent on imports for petroleum, Japan experienced its first and only recession since the war.

Despite its wealth and central position in the world economy, Japan has had little or no influence in global politics for much of the postwar period. Under the prime ministership of Tanaka Kakuei (1972-74), Japan took a stronger but still low-key stance by steadily increasing its defense spending and easing trade frictions with the United States. Tanaka's administration was also characterized by high-level talks with United States, Soviet, and Chinese leaders, if with mixed results. His visits to Indonesia and Thailand prompted riots, a manifestation of long-standing anti-Japanese sentiments. Tanaka was forced to resign in 1974 because of his alleged connection to financial scandals and, in the face of charges of involvement in the Lockheed bribery scandal; he was arrested and jailed briefly in 1976.

By the late 1970s, the Komeito and the Democratic Socialist Party had come to accept the Treaty of Mutual Cooperation and Security, and the Democratic Socialist Party even came to support a small defense buildup. The Japan Socialist Party, too, was forced to abandon its once strict antimilitary stance. The United States kept up pressure on Japan to increase its defense spending above percent of its GNP(Gross National Product), engendering much debate in the Diet, with most opposition coming not from minority parties of public opinion but from budget-conscious officials in the Ministry of Finance.

The fractious politics of the LDP hindered consensus in the Diet in the late 1970s. The sudden death of Prime Minister Ohira Masayoshi just before the June 1980 elections, however, brought out a sympathy vote for the party and gave the new prime minister, Suzuki Zenko, a working majority. Suzuki was soon swept up in controversy over the publication of a textbook that appeared to many of Japan's former enemies as a whitewash of Japanese aggression in World War II. This incident and serious fiscal problems caused the Suzuki cabinet to fall.

Nakasone Yasuhiro became prime minister in November 1982. Several cordial visits between Nakasone and United States president Ronald Reagan were aimed at improving relations between their countries. Nakasone's more strident position on Japanese defense issues made him popular with some United States officials.⁴⁷

The astounding success of the Japanese in international trade had also made their dependence on the outside world all the more obvious. Despite their new pride and self-confidence, they felt even more helpless in the face of developments in the rest of the world. They did not even dare to establish formal relations with Peking until President Richard Nixon suddenly reached rapprochement with China in July 1971. Nixon did this with consulting the Japanese or even informing them in advance, despite numerous promises to keep them fully informed. The resulting "shock"—the Japanese use the English word—was reinforced in the summer of 1973, when Washington, fearing a soybean shortage, suddenly imposed an embargo on soybean exports despite the key role they played in the Japanese diet. In autumn of 1973 a worse blow fell when the Organization of Petroleum Exporting Countries (OPEC), made up largely of Iran and the Arab states of the Middle East, quadrupled the price of oil. No major nation was harder hit than Japan, which relies on imported oil for more than 60 percent of its total energy resources. It was thrown into panic, soaring oil prices contributed for a while to two-digit inflation. In the long run Japan weathered the crisis as well as any other country.⁴⁸

Domestic uncertainties were closely interrelated to the problem of Japan's recovery of a sense of world security. Japan's road back to international respectability has been slow going, and the Japanese, remembering the suffering of war, have been reluctant to assert themselves. Also in the postwar world in which Japan has been so dependent upon the United States, a move toward greater freedom of action has immediately placed before Japan the problems of cold war tension and of dealing with Communist China. By the end of the 1960's Japan was still cautious in its response to the world. Its future demanded very much on an open world economy and a free balance of power; and the openness of its own

⁴⁷ Ronald E. Dolan and Robert L. Worden "Japan A Country Study" Headquarters, Department of Army (Washington D.C. 1992), p.64-66.

⁴⁸ Edwin O. Reischauer "The Japanese Today" Harvard University Press, (London, England 1988), p.118

political system depended greatly on its ability to maintain a profitable relationship with the world at large.⁴⁹

3. PHYSICAL SETTING and EDUCATION

3.1. PHYSICAL SETTING

The mountainous islands of the Japanese Archipelago form a crescent off the eastern coast of Asia. They are separated from the mainland by the Sea of Japan, which historically served as a protective barrier. Japan's insular nature, together with the compactness of its main territory and the cultural homogeneity of its people, enabled the nation to remain free of outside domination until its defeat in World War II. The country consists of four principal islands: Hokkaido, Honshu, Shikoku, and Kyushu; more than 3,000 adjacent islands and islets, including Oshima in the Nampo chain; and more than 200 other smaller islands, including those of the Amami, Okinawa, and Sakishima chains of the Ryukyu Archipelago. The national territory also includes the small Bonin Islands (called Ogasawara by the Japanese), Iwo Jima, and the Volcano Islands (Kazan Retto), stretching some 1,100 kilometers from the main islands. A territorial dispute with the Soviet Union, dating from the end of World War II, over the two southernmost of the Kuril Islands, Etorofu and Kuna and the smaller Shikotan and Habomai island groups northeast of Hokkaido remained a sensitive spot in Japan-Soviet Union relations throughout the 1980s. Excluding disputed territory, the archipelago covers about 377,000 square kilometers. No point in Japan is more than 150 kilometers from the sea.

⁴⁹ John Whitney Hall "Japan From Prehistory to Modern Times" Center For Japanese Studies, The Universities of Michigan, (New York 1991), p.357

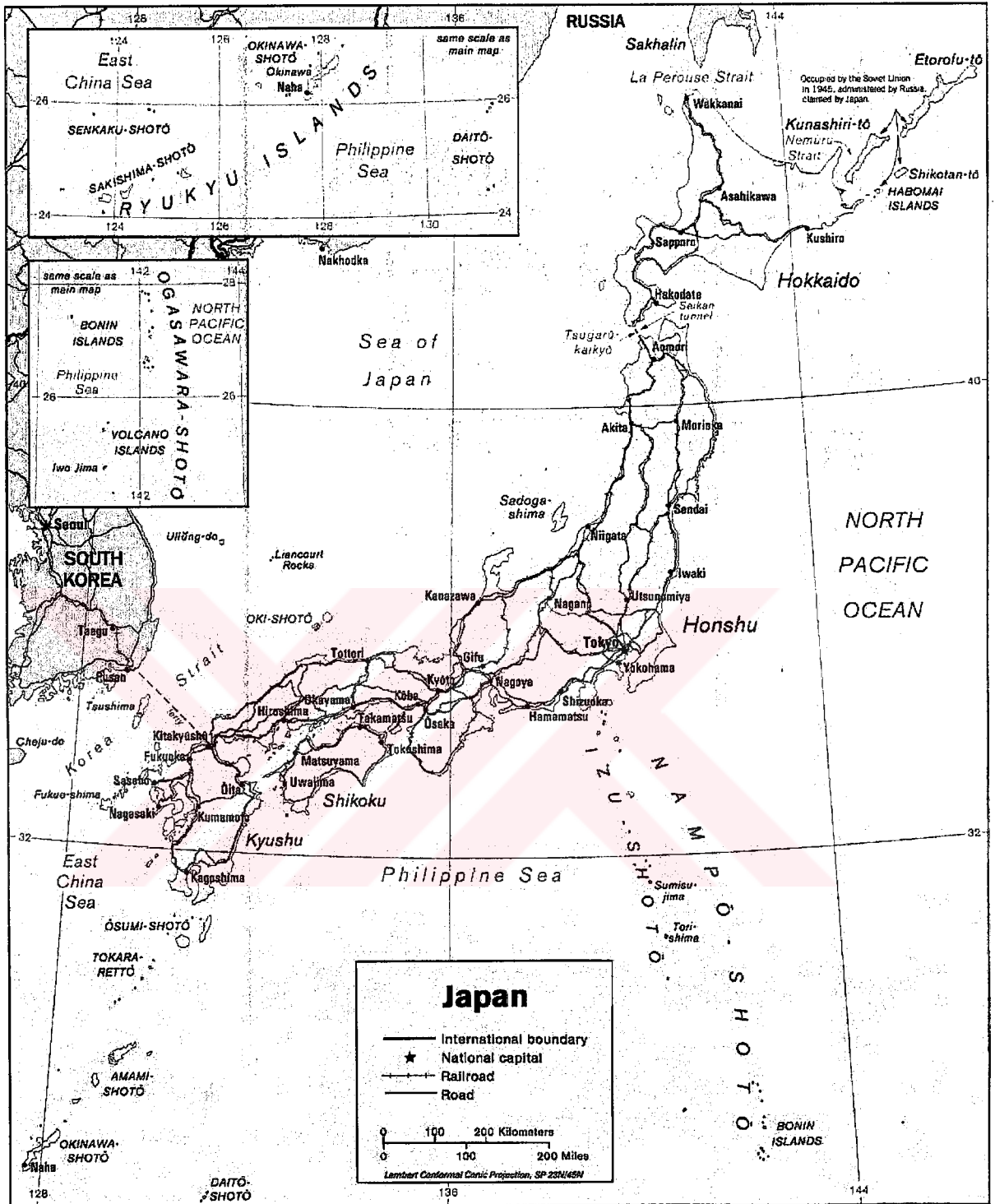


Figure 3.1: Political Map of Japan in 21st Century

Source: <http://web-japan.org/links/government/maps.html>

The four major islands are separated by narrow straits and form a natural entity. The Ryukyu Islands curve 970 kilometers southward from Kyushu.

The distance between Japan and the Korean Peninsula, the nearest point on the Asian continent, is about 200 kilometers at the Korea Strait. Japan has always been linked with the continent through trade routes, stretching in the north toward Siberia, in the west through the Tsushima Islands to the Korean Peninsula, and in the south to the ports on the south China coast.

The Japanese islands are the summits of mountain ridges up lifted near the outer edge of the continental shelf. About 75 per cent of Japan's area is mountainous, and scattered plains and intermountain basins (in which the population is concentrated) cover only about 25 percent. A long chain of mountains runs down the middle of the archipelago, dividing it into two halves, the "face," fronting on the Pacific Ocean, and the "back," toward the Sea of Japan. On the Pacific side are steep mountains 1,500 to 3,000 meters high, with deep valleys and gorges. Central Japan is marked by the convergence of the three mountain chains—the Hida, Kiso, and Akashi mountains.⁵⁰

The Japanese like all other peoples, have been shaped in large part by the land in which they live. Its location, climate, and natural endowments are unchangeable facts that have set limits to their development and helped give it specific direction.

Most people think of Japan as a small country. Even the Japanese have this idea firmly in mind. And small it is if seen on a world map—a mere fringe of scraggly islands off the east coast of the great continental and mass of Eurasia, looking outward to the vast sweep of the Pacific Ocean. It is certainly dwarfed by its near neighbors, China and Russia, and by the two North American colossi, the United States and Canada, which face it across the Pacific. But size is a relative matter. Japan would look far different if compared with the lands of Western Europe. It is less revealing to say that Japan is smaller than California or could be lost in a Siberian province than to point out that it is considerably larger than Italy and half again the size of the United Kingdom.

⁵⁰ Ronald E. Dolan and Robert L. Worden "Japan A Country Study" Headquarters, Department of Army (Washington D.C. 1992),p.74

Today, population of Japan exceeds 122 million, meaning that it is more than twice the size of any of the Western European big four—Germany, Italy, the United Kingdom and France.

Despite its largeness by some measurements, Japan is actually a smaller country in geographic size than the figures on square miles would suggest. The whole country is so mountainous that less than a fifth of it is level enough to permit agriculture or other economic exploitation other than forestry, mining, or hydroelectric power. Belgium and the Netherlands have a higher ratio of people to total land area than does Japan, but figured on the basis of habitable land Japan is much more crowded than either of them. In fact, with the exception of city states like Hong Kong and Singapore, Japan has by far the highest density of both population and production per square mile of habitable land of any country in the world.

The mountains of Japan are almost uniformly precipitous, being relatively young, but in most parts of the country they are to be measured only in hundreds or a few thousands of feet. Most of Japan is made up of long stretches of forest-covered hills interlaced with narrow valleys that form slim strips of agriculture and habitation. Active or extinct volcanic cones rise much higher, and in the central part of Honshu, the largest island, there are several ranges, collectively known as the Japanese Alps, that attain heights of around 10,000 feet. In this region also stands Fuji-san (Mount Fuji) a perfect volcanic cone, last active in 1707, which soars 12,300 feet, on one side directly out of the sea. Because of its majesty, it has always been much in the Japanese artistic and literary consciousness.

There is only one relatively extensive plain in Japan—the Kanto Plain around Tokyo which stretches a mere 120 miles at its longest point. Otherwise the habitable portions of Japan consist of small seacoast, floodplains, relatively narrow river valleys, and a few basins in the mountains, each separated from the others by rugged hills or impassable mountains.⁵¹

⁵¹ Edwin O. Reischauer “The Japanese Today” Harvard University Press ,(London, England 1988),p.3-5

The country's forty-seven prefectures are grouped into eight regions frequently used as statistical units in government documents. The islands of Hokkaido, Shikoku, and Kyushu each form a region, and the main island of Honshu is divided into five regions.

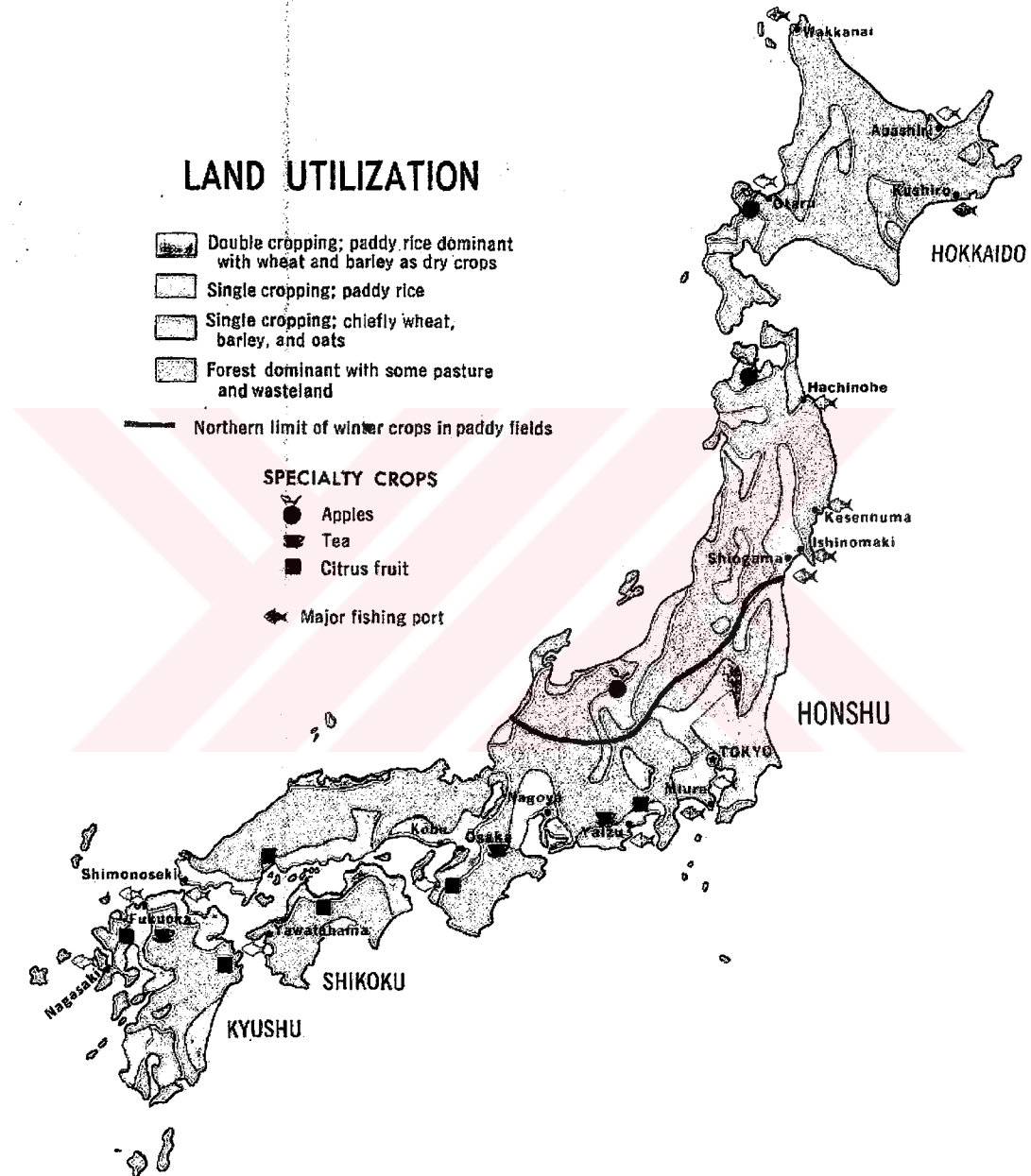


Figure 3.2: Land Utilization in Japan

Source: http://www.lib.utexas.edu/maps/middle_east_and_asia/japan_land_utilization.jpg

Lying in the middle latitudes, covering about 22 degree of latitude in the northern hemisphere, Japan is generally a rainy country with high humidity. Because of its wide range of latitude, Japan has diverse climates. Climate also varies with altitude and with location on the Pacific Ocean or on the Sea of Japan. Northern Japan has warm summers but long, cold winters with heavy snow. Central Japan has hot, humid summers and short winters, and southwestern Japan has long, hot, humid, summers and mild winters.

With a population of 122.6 million in 2004, Japan was three times more densely populated than Europe as a whole and twelve times more densely populated than the United States. The population has grown more than threefold since 1872, when it stood at 34.8 million. Beginning in the 1950s the birth rate declined, however, and by the late 1980s the rate of natural increase was 0.5 percent, the lowest in the world outside Europe. Both the density and the age structure of Japan's population are likely to influence the country's future.⁵²

3.2. EDUCATION

The Meiji government recognized the importance of education to create a modern state, and believed that Japan could only progress rapidly if they had an educated population. As a result primary education was made compulsory in 1872 and a start was made on developing an ambitious system of secondary, college and university education. Experiments were made with educational ideas from several foreign countries until, in the mid-1880s a centralized system, adapted from the French and German models, was adopted. This included education for all at the lower levels rising to a small number of universities for the training of Japan's future leaders. Entrance to universities was by examination not by wealth. Foreign teachers were important in the first twenty years of education reform, but by the end of the century most of them had left and foreign ideas had been adapted to a centralized system that continued until 1945. The government did not merely learn about Europe and America from foreign experts, it also sent students abroad to study. Students had been sent to Europe and the United States in the last years of

⁵² Ronald E. Dolan and Robert L. Worden "Japan A Country Study" Headquarters, Department of Army (Washington D.C. 1992),p.86

Tokugawa, and the Meiji Government continued the process. Many of these students returned to Japan to play important roles in government and education.⁵³

Many of the historical and cultural characteristics that shape Japanese arts shape its education as well. Japanese tradition stresses respect for society and the established order and prizes group goals above individual interests. In the early 1990s, schooling emphasized in addition diligence, self-criticism and well-organized study habits. More generally, the belief was ingrained that hard work and perseverance would yield success in life. Much of official school life was devoted directly or indirectly to teaching correct attitudes and moral values and to developing character, with the aim of creating a citizenry that was both literate and attuned to the basic values of culture and society.

At the same time, the academic achievement of Japanese students was extremely high by international standards. Japanese children consistently ranked at or near the top in successive international tests of mathematics. The system was characterized by high enrollment and retention rates throughout. An entrance examination system, particularly important at the college level, exerted strong influences throughout the entire system. The structure did not consist exclusively of government-sponsored, formal official education institutions. Private education also formed an important part of the educational landscape, and the role of schools outside the official school system could not be ignored.

A majority of children began their education by attending preschool, although it was not part of the official system. The official structure in the early 1990s provided compulsory free schooling and a sound and balanced education to virtually all children from grade one through grade nine. Upper-secondary school, grades ten through twelve, though also not compulsory, attracted about 94 percent of those who completed lower-secondary school. About one-third of all Japanese upper school graduates advanced to postsecondary education-to full four-year universities, two-year junior colleges. Japan in the early 2000s remained a highly education-minded society.

⁵³ Stuart Fewster, Tony Corton "Japan From Shogun to Superstate" (Library of Congress New York, 1988), p.5

3.2.1. Education Reform

In spite of the admirable success of the education system since World War II, there were still problems in the 1980s. Some of these difficulties as perceived by domestic and foreign observers included rigidity, excessive uniformity, lack of choices, undesirable influences of the university examinations, and overriding emphasis on formal educational credentials. There was also a belief that education was responsible for some social problems and for the general academic, behavioral, and adjustment problems of some students.⁵⁴

There was great concern too that Japanese education be responsive to the new requirements caused by international challenges of the changing world in the twenty century.

Flexibility, creativity, internationalization, individuality, and diversity thus became the watchwords of Japan's momentous education reform movement of the 1980s; although they echoed themes heard earlier, particularly in the 1970s. The proposals and potential changes of the 1980s were so significant that some are comparing them to the educational changes that occurred when Japan opened to the West in the nineteenth century and to those of the occupation.

Concerns of the new reform movement were captured in a series of reports issued between 1985 and 1987 by the National Council on Educational Reform. The final report outlined basic emphases in response to the internationalization of education, new information technologies, and the media; and emphases on individuality, lifelong learning, and adjustment to social change. To explore these new directions, the council suggested that eight specific subjects be considered: designing education for the twenty-first century, organizing a system of lifelong learning and reducing the emphasis on the educational background of individuals, improving and diversifying higher education, enriching and diversifying elementary and secondary education, improving the quality of teachers, adapting to internationalization, adapting to the information age, and conducting a review of the administration and finance of education. These subjects reflected both educational and social aspects of the reform, in keeping with the Japanese view about the relationship

⁵⁴ Makota Aso, and Amano Ikau "Education and Japan Modernization" (Tokyo: Japan Times, 1983), p.43

of education to society. Even as debate over reform took place, the government quickly moved to begin implementing changes in most of these eight areas.

Early childhood education began at home, and there were numerous books and television shows aimed at helping mothers of preschool children to educate their children and to “parent” more effectively. Much of the home training was devoted to teaching manners, proper social behavior, and structured play, although verbal and number skills were also popular themes. Parents were strongly committed to early education and frequently enrolled their children in preschools.

Preschool education provided the transition from home to formal school for most children. Children’s lives at home were characterized by indulgence, and the largely nonacademic preschool experience helped children make the adjustment to the group oriented life of school and, in turn, to life in society itself.

Preschools, predominantly staffed by young female junior college graduates, were supervised by the Ministry of Education in the 1980s, but were not part of the official education system. In addition to preschools, a well-developed system of government supervised day-care centers, supervised by the Ministry of Labor, was an important provider of preschool education. Together, these two kinds of institutions enrolled well over 90 per cent of all preschool-age children prior to their entrance into the formal system at first grade. The Ministry of Education’s 1990 Course of Study for Preschools, which applied to both kinds of institutions, covered such areas as human relationships, environment, words (language), and expression. The 58 percent of preschools that were private accounted for 77 percent of all children enrolled.

Education in postwar Japan was compulsory and free for all school children from the first through the ninth grades. The school year began on April 1 and ended on March 31 of the following year. Schools used a trimester system demarcated by vacation breaks. Japanese children attended school five full weekdays and one-half day on Saturdays. The school year had a legal minimum of 210 days, but most local school boards added about 30 more days for school festivals, athletic meets, and ceremonies with nonacademic educational objectives, especially those encouraging cooperation and school spirit. With allowance

made for the time devoted to such activities and the half day of school on Saturday, the number of days devoted to instruction was about 195 per year.⁵⁵

There were just over 2 million students enrolled in Japan's 490 universities. At the top of the higher education structure, these institutions provided four-year training leading to a bachelor's degree, and some offered six-year program leading to a professional degree. There were two types of public four-year colleges: the 95 national universities and 38 local public universities, founded by prefectures and municipalities. The 357 remaining four-year colleges were private.

3.2.2. Social Education

Modern Japan is unquestionably a society that values education highly. Nowhere in the 2000s was this better reflected than in "social education," as the Japanese called nondegree-oriented education. Diverse institutions, such as the miscellaneous schools, provided these services. Large newspaper companies sponsored cultural centers that offered ongoing programs of informal education, department stores organized curricula covering everything from cooking classes to music, English conversation, and Japanese poetry.

"Lifelong learning," another term for social education, was also a key phrase in the education reforms of the late 1980s. The responsibility for social education was shared by all levels of government, but especially local government. Local governments also were largely responsible for such public facilities as libraries and museum, basic resources in social education. The ministry was interested in increasing the use of public school facilities for lifelong learning activities, increasing the number of social education facilities, training staff, and disseminating information about lifelong learning opportunities.

The Japanese are voracious readers. In the 1980s, well-known bookstores were full from the moment they opened their doors each day with readers seeking books from a staggering range of foreign as well as Japanese titles. The top four national newspapers alone had a

⁵⁵ Robert L. August "Japanese Educational Productivity" Center for Japanese Studies, Universities of Michigan, 1992, p.93-94

combined daily circulation (with two editions each day) of over 35 million, and there were four daily English-language papers as well.⁵⁶



⁵⁶ Ronald E. Dolan and Robert L. Worden “Japan a Country Study ” .Political Rivalries. Headquarters, Department of Army (Washington D.C. 1992),141-143

4. JAPANESE FOREIGN POLICY-DECISION MAKING STRUCTURE AND FOREIGN POLICY ACTORS

Since 1948 Japan has been ruled uninterruptedly by conservative parties, and, since 1955, by the Liberal Democratic Party (LDP), which has really functioned as a coalition of factions. This has provided Japanese politics with a continuity which is very unusual among Western democracies. The political system has been explained as a triad of the ruling LDP, big business and the bureaucracy, but it has become considerably more diffuse in recent years. Until the 1970s foreign policy concerned with ‘low’ political content was left to the bureaucracy, which meant in practice the Foreign Ministry. During the 1980s the domestic political system has become more pluralistic, with a greater variety of groups gaining influence. The composition of the groups varies according to the nature of the issue at stake, but the system still revolves around the triad. This has also been true of foreign policy which has always involved fewer actors than any domestic issue. The strong position of the bureaucracy is also enhanced by the fact that the prime ministers and cabinet ministers change more frequent than in other democratic countries. With the exception of Nakasone, no prime minister since 1972 has stayed in office for more than two years. Cabinet ministers, such as the foreign minister, rarely last for much more than a year.⁵⁷

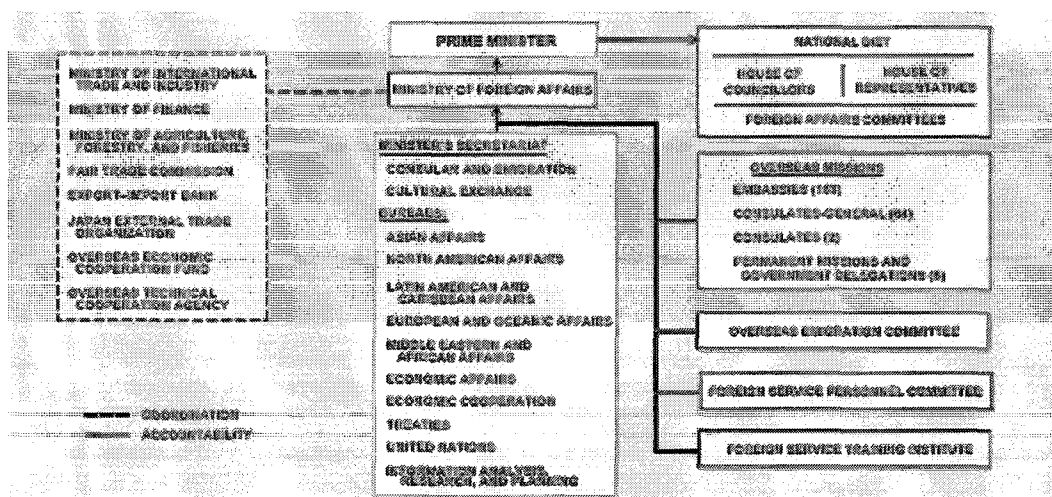


Figure 4.1 Decision Making and Governing Process

⁵⁷ Reinhard Drifte “Japan’s Foreign Policy” The Royal Institute of International Affairs (New York 1990), p.16

4.1 POLITICAL PARTIES

Political parties are not a postwar innovation in Japan. In one form or another, they have existed since at least 1874. The antecedents of the present conservative party, the Jiyuminshuto, or Liberal Democratic Party, can be traced back to the early 1880's and those of the Nihon Shakaito, or Japan Socialist Party, go back to at least 1925. The Japan Communist Party (Nihon Kyosanto) was established in 1922. It is, therefore, primarily the status and power of Japan's political parties which have altered in postwar times. From groups competing for the control of membership in a House of Representatives possessed in prewar times of largely negative and carefully restricted political power, they have advanced since 1947 to the status of groups competing for the control of membership in a House of Representatives which has itself become the basic source of both legislative and executive authority in a new and more democratic system of national government. The difference is of vital importance. The role and importance of Japan's political parties have fluctuated with the role and importance of the lower house of the National Diet.

In Diet, there are five important parties which take important role in the governing country: The Liberal Democratic, Socialist, Democratic Socialist, Communist, and Fair Play parties. These five parties represent the major types of organization, programmatic appeals, support patterns, financing, and leadership which have characterized Japan's postwar political parties.⁵⁸

The Japanese political system, as in other democracies, operates through parties. This is true despite the fact that the very concept of a political party was regarded with stern disapproval in premodern Japan. It suggested disharmony or even subversion. Commoners were supposed to have no role in politics and samurai to serve their lords without question. Rival bureaucratic factions, however, had come to be feature of the politics of both the shogunate and the daimyo domains by late Tokugawa times, and the Meiji Japanese took quickly to the concept of popular parties, though misgivings about their legitimacy did remain strong in some quarters all the way up to World War II.

⁵⁸ Robert E. Ward "Japan's Political System" Comparative Asian Governments Series, University of Michigan (New Jersey 1997), p.62

Itagaki in 1874 started the first political party which quickly burgeoned into the freedom and people rights movement,” and Okuma followed with a second party movement in 1882. From these two sources stemmed the two major traditional party currents. That of Itagaki dominated the early Diets under the name of the Liberal Party (Jiyuto, which literally means Freedom Party) and then in 1900 joined with Ito’s bureaucratic following to form the Seiyukai (Political Friends Society). It continued to dominate Diet politics and produced in 1918 the first full party prime minister in Hara. After the war it was revived under the name of the Liberal Party.

The other party had more frequent changes of name, becoming in 1927 the Minseitō (People’s Government Party). It first won a plurality in 1915 and thereafter alternated in power with the Seiyukai, producing Kato as its first party prime minister in 1924. It was revived after the war as the Democratic Party (sometimes called the Progressives). In 1955 it and the Liberals merged to form the Liberal Democratic Party (LDP), or Jimintō, a name that reveals its double origin.⁵⁹

The LDP has dominated the political system since 1955, when it was established as a coalition of small conservative groups. All of Japan’s prime ministers since then have come from its ranks as have, with one exception, other cabinet ministers. The party’s fortunes have risen and ebbed: a low point was reached in the July 23, 1989, election to the upper house, when it became for the first time, a minority party. But no opposition party, whether singly or in coalition, was able to oust the LDP from power and form a government of its own.

By the early 1990s, the LDP’s nearly four decades in power allowed it to establish a highly stable process of policy formation. This process would not have been possible if other parties had secured parliamentary majorities. LDP strength was based on an enduring, although not unchallenged, coalition of big business, small business, a professional groups, and other interests. Elite bureaucrats collaborated close with the party and interest groups in drafting and implementing policy. In a sense, the party’s success was a result not of its internal strength but of its weakness. It lacked a strong, nationwide organization or consistent ideology with which to attract voters. Its leaders were rarely decisive,

⁵⁹Edwin O. Reischauer “The Japanese Today” Harvard University Press ,(London, England 1988),p.266

charismatic, or popular. But it has functioned efficiently as a locus for matching interest group money and votes with bureaucratic power and expertise. This arrangement resulted in a great deal of corruption, but the party could claim credit for helping to create economic growth and a stable, middle-class Japan.⁶⁰

In the current midway point of political realignment, the parties do not have clearly opposing policy platforms (except for the Communist Party on the far Left and the Liberal Party on the Right). In terms of foreign policy, this leads to political battles over tactics rather than strategy-or more souron sansei, kakuron hantai (agreement with the general principle but disagreement on specifics).A brief survey of the major opposition parties' foreign policy positions in 1998 demonstrates why. It begins with the opposition and ends with the LDP.

The Democratic Party of Japan (Minshuto): The largest opposition party was expanded in March 1998 to include defectors from Ozawa's New Frontier Party and former members of the Social Democratic Party, the Democratic Socialist Party, the Harbinger Party, and Hosokawa Morihiro's Japan New Party. Given the Socialists' close ties to public sector labor unions, the close ties of the former LDP members to agricultural and other conservative constituencies, and the Harbinger and New Party's roots in urban and suburban Japan, the DPJ has some difficulty agreeing on a common foreign policy front. In interviews throughout 1998 and 1999, most senior party officials argued that they were "still studying" the party's position on foreign affairs. Deep divisions remain on fundamental questions of constitutional reform, defense policy, and deregulation. The Party's first leader, Kan Naoto, emphasized the populist themes of decentralization, independence from the bureaucracy, and transparency. In terms of foreign affairs, the party echoed these themes by calling for "a more mature relationship with the United States," UN-centered policy, an emphasis on multilateral security regimes in the Asia-Pacific region, maintenance of Japan's exclusively defensive military doctrine, and enactment of emergency legislation with proper oversight from the Diet. Tactically these themes lead to some differences with the government, but primarily over process (i.e., the role of the bureaucracy versus the Diet and the issues of transparency). Kan was defeated for party

⁶⁰ Ronald E. Dolan and Robert L. Worden "Japan A Country Study " Headquarters, Department of Army (Washington D.C. 1992),p.343

presidency on September 25, 1999, by Hatoyama Yukio, who campaigned on a platform that included constitutional revision and more autonomous defense. While resistance to this rightward drift continues within the DPJ, the party is increasingly overlapping on foreign policy and defense with the LDP, with the DPJ highlighting tactical differences with the government over process and transparency rather than new coordinates for Japan's international role.⁶¹

The Liberal Party (Jiyuto): Under the direction of Ozawa Ichiro, the architect of the “normal nation” vision for Japan, the smaller Liberal Party enjoys greater ideological cohesion than any party other than the Communists. Under the themes of “free,” “fair,” and “open” , the 1998 Liberal Party Basic Policy document pushes for an assertive foreign and security policy. The striking difference from other parties is the Liberals’ call for active and expanded participation in UN peacekeeping, including the use of force under UN collective security.⁶² Most members also harbor a preference for constitutional revision. On their activist view of security policy, the Liberal Party members overlap with many of their former colleagues on the right of the LDP, and this is both the party’s great strength and its great weakness. In certain circumstances, the Liberal Party might attract ideologically motivated conservatives to defect from the LDP, but the LDP might just as easily lure power-hungry Liberals back into the government party. This dilemma led Ozawa to highlight UN peacekeeping and other ideologically charged policy issues when he agreed to form a coalition with the LDP in January 1999, but his tactics ultimately failed and he left the coalition in frustration with half of his party staying behind in April 2000.

The Komeito (Fair Play Party, CGP): The Komeito or “Clean Government Party” draws its strength from the modern religious organization Sokagakkai. The Sokagakkai puts relatively few policy constraints on the party, other than demanding maintenance of religious freedom, protection of the lower-middle-class shop owners and workers who tend to be its loyal members, and adherence to the broad idealism of the organization’s leader, Ikeda Daisaku. In addition, the Women’s Department (Fujinbu) and Youth Department

⁶¹ The Democratic Party of Japan, April 27, 1998 view “Our Basic Philosophy and Policies: Building a Free and Secure Society.”

⁶² The Liberal Democratic Party paper “Scenarios for the Revitalization of Japan: the Liberal Party’s Basic Policies.” (Tokyo, 1998)

(Seinenbu) of the Sokagakkai have pacifist traditions that discourage the CGP politicians from pushing an aggressive security policy agenda. These tensions and predispositions are reflected in the CGP's 1998 Basic Policy Outline, which the party prepared after separating from Ozawa Ichiro and other members of the Shinseitō and returning to the scene as the "New" CGP. The Basic Policy Outline stresses the theme of "humanism," which for foreign policy means an emphasis on "soft power." The CGP platform emphasizes nuclear disarmament and multilateralism in Asia (themes that echo the Democratic Party's platform) and the establishment of "independent foreign policy from the United States" but based on "partnership with the United States". On the other hand, the CGP also emphasizes PKO and collective security under the United Nations, including full membership in the UN Security Council. And like the DPJ, the CGP supports expanded defense cooperation with the United States, but only if the "break" of prior Diet consultation is introduced.⁶³

The Communist Party of Japan (JCP): The Communists have been the most ideologically consistent of Japan's political parties, and this has helped them to attract support from those disaffected voters on the Left who previously would have protested against the LDP by voting for the Socialists. Even the Communists have lost some of their ideological fervor, however, offering in the spring of 1998 to soften the rigid opposition to the Self Defense Forces and finally recognizing the JSDF in 2000.

The Social Democratic Party (SDP): The Socialists were badly mauled by the voters after changing their ideological stripes in 1993 in order to join the Hosokawa coalition. Even more cynical from the voters' perspective was the Socialists' shift even farther to the Right when the party formed a coalition with the LDP in 1993. When Socialist Prime Minister Murayama Tomiichi checked into the hospital suddenly during the June 1994 Naples G-7 summit, sarcastic politicians joked that he "accidentally came out with a sex change operation," mocking the prime minister's dramatic change in policy. The dozen or so SDP members who remained in the Lower House after 1998 elections returned to a pacifist platform comparable to their pre-1993 position, but without the numbers to be effective. The SDP once relied heavily on the labor vote, but the labor unions' central

⁶³ An interview with former MOFA official and Komeitō Lower House representative Endo Otohiko, November 6, 1998

federation now resists throwing power behind any one party, either SDP or DPJ, and this spells further doom for the former Socialists.

The Liberal Democratic Party

Its basic policy platform has remained within the same parameters since the end of the 1955 system. However, with the process of political realignment and the fluidity added by the new electoral system, ideological divisions are beginning to play a subtle but potentially more important role in political alignments within the party indeed, political scientist Kabashima Ikuo found in a detailed survey of the ideologies of the major parties in 1999 that while there is a steady move to the center Right by all parties (other than the JCP and DSP), within the LDP there are two distinct “peaks” on international issues. This lack of ideological solidarity within the LDP is still not enough to make the factions replacements for the parties, but it does suggest the prospect for future splits within the party along public or foreign policy lines. Traditionally, the LDP factions have been split between “mainstream” groups close to the center of power and those “anti mainstream” factions seeking to work their way to the center. The “mainstream” factions since the 1970s centered on the Tanaka faction, which is also known as the Keiseikai. In the early years of the LDP, this mainstream/ anti mainstream split was most pronounced and reflected to some extent the old policy views of the parties that had come together to form the LDP. Over time, this policy flavor faded. However with the demise of the 1955 system, the mainstream/ anti mainstream split is again beginning to reflect the difficult policy choices the government must make.

The first sign of this trend was the challenge by Kajiyama Seiroku for party presidency in September 1998. Kajiyama eventually lost to the mainstream and Keiseikai leader, Obuchi Keizo. But Kajiyama also from the Keiseikai ran as an insurgent candidate, championing a hard landing for the economy and more assertive foreign and defense policies. He gathered 102 votes, which was not enough to defeat Obuchi’s 225 votes, but his support came from across factional lines and included a large number of younger politicians from vulnerable suburban districts where tolerance for the LDP’s economic management was ebbing quickly.

In the months after Kajiyama's failed challenge against the main stream Prime Minister Obuchi skillfully lured the anti mainstream factions led by Kamei Shizuka and Kono Yohei away from Kajiyama (offering quality cabinet and party posts), isolating him from politics until his death in mid-2000. But in November 2000 another group of anti-mainstream political leaders challenged the mainstream and Keiseikai again. This time it was Kato Koichi and Yamazaki Taku who threw their support behind a no-confidence resolution against the LDP-led government of Mori Yoshiro. That attack on the mainstream also failed. But like Kajiyama before them, Kato and Yamazaki attacked the government's addiction to fiscal stimulus packages and the LDP's aversion to restructuring.

There is no question that, in spite of the failure of Kajiyama and then Kato, further attacks on the status quo from within the LDP will increase in the future until finally the party is forced on to the next level of political realignment. The choices the LDP has to make in public and foreign policy are becoming more difficult and the policy divisions within the party more pronounced. Moreover, Keiseikai itself has run out of credible leaders. The faction is powerful, but it is old, grey, and losing touch with the mainstream of Japanese society itself.

It is increasingly evident from internal LDP politics even at this juncture how the party could split along new lines in the future as difficult policy choices intensify.⁶⁴

4.2. THE ORGANS OF GOVERNMENT

The primary function of politics is to enable men to make and administer decisions in the realm of public affairs, an area which is variously defined by different societies. The machinery by which these decisions are formally made and administered is called government. Government provides both a mechanism for determining and administering public policies, and a process for bestowing legitimacy on the decisions and products of

⁶⁴ Michael J. Green "Japan's Reluctant Realism, Foreign Policy Challenges in an Era of Uncertainty Power, A Council on Foreign Relations Book ", (New York ,Palgrave,2003), p.56

this mechanism. In practice, it does more than this; by providing a context and a structure for the making of official decisions, it also in time comes to influence the types of questions that are posed and of decisions that are made. Government-the formal political institutions of a society-thus interacts continuously with the broader and less formalized “political system” or “political process” of a given society.

The political system includes government, but also encompasses such unofficial components of a society’s decision-making apparatus as interest groups, the leadership structure, value systems, political style, and so forth. Since the government and the political system are intimately linked and vitally affect each other, there is a constant struggle among interests and groups for control of some or all of the mechanisms of government. Whoever controls government controls the official apparatus for promulgating his views and promoting his interests and thus has a distinct advantage over his competitors. Control of the machinery of government is the immediate issue in the political struggle in Japan. This machinery is the instrument of political achievement.⁶⁵

There are basically seven organs of government; these are as in the following: 1-The Constitution of Japan 2-The Emperor 3- The National Legislature 4-The Cabinet 5-The Bureaucracy 6-Local Government 7-The Judicial System

4.2.1. New Democratic State Structure of Japan and The Role of Constitution

Politics involves struggle and competition, and, to keep these within tolerable limits, societies agree on certain rules to regulate the game of politics. Some of these rules are adjudged to be more fundamental than others and are usually formulated into separate bodies of law known as constitutions. These regulations command greater status and veneration, are presumed to have more permanency, and are deliberately made harder to change than the normal body of laws and ordinances.

⁶⁵ Robert E. Ward “ Japan’s Political System” Comparative Asian Governments Series,University of Michigan (New Jersey 1997),p.82

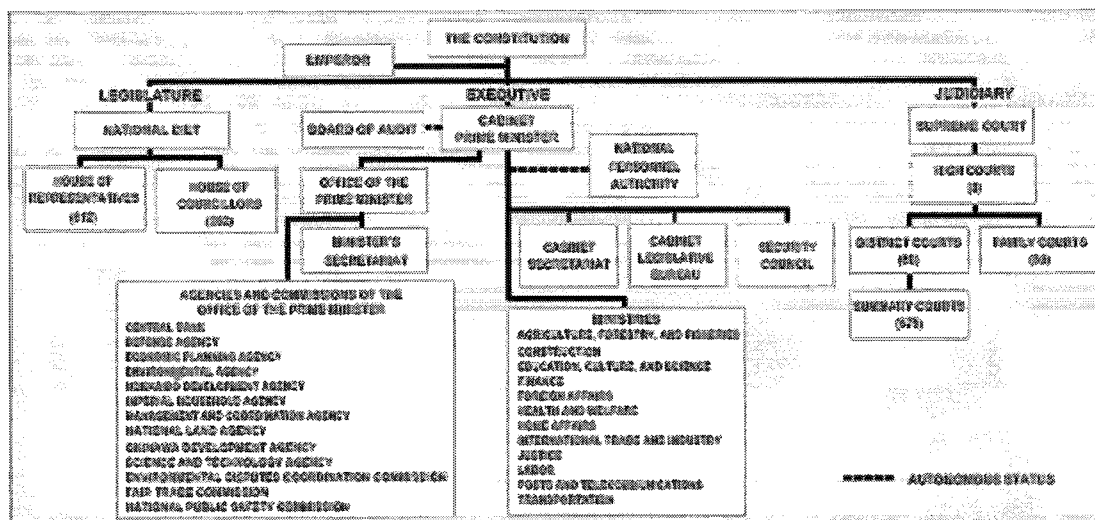


Figure 4.2. The Constitution of Japan

Source: Stuart Fewster, Tony Corton “Japan from Shogun to Superstate” (Library of Congress New York, 1988), p.7

Japan has in modern times had two constitutions. The first of these, usually known as the Meiji Constitution, was promulgated in 1889 and took effect in 1890. The second, known simply as the Constitution of Japan, was promulgated on November 3, 1946, and took effect six months later on May 3, 1947. Its origins were most unusual. These were the early days of the Allied Occupation, and General MacArthur, the Supreme Commander for the Allied Powers (SCAP), had, in effect, been charged with the democratization of Japan. The higher American officials involved in the Occupation generally agreed that the achievement of this goal would necessitate some rather substantial changes in the Meiji Constitution. The Japanese government was so informed, and, during the early months of the Occupation, the initiative was left in its hands. However, when by February, 1946, the committee established by the Japanese Cabinet to propose revisions in the Meiji Constitution showed no signs of recommending the types of democratic changes judged necessary by General MacArthur and his aides, the entire matter was secretly turned over to SCAP’s Government Section, which was ordered to produce a model constitution incorporating the types of political changes General MacArthur considered necessary.

The decision to intervene directly and decisively at this time in the rewriting of the Japanese Constitution was probably due to the fact that the Far Eastern Commission, an international agency responsible for setting basic policies for the Allied Occupation of Japan, was scheduled to commence its activities in Washington on February 26, 1946. If the United States, or any of its agents such as SCAP, was interested in having a controlling voice in the contents of a new Japanese constitution, it was essential that it act before February 26. In fact, the decision to do so at this particular time seems to have been taken solely on General MacArthur's own authority in Tokyo, and the authorities in Washington appear to have known nothing about it until the first draft of the new Constitution was published in Japan on March 6, 1946.

In six days, between February 4 and 10, the Government Section produced, in English, the original draft of the present Japanese Constitution. This draft was first submitted to the Japanese at a small private meeting on February 13. During the nine days which followed, the draft was translated into Japanese, and sufficient pressure was brought upon the Japanese Cabinet to insure its reluctant adoption of this draft as its own. Thereafter, the Cabinet Draft—as it was now known—went through several revisions which resulted in some changes, largely minor in nature, after which it was submitted to the Imperial Diet as a proposal for the total amendment of the Meiji Constitution. After extensive debate, especially in the House of Peers, the bill of amendment was adopted by overwhelming majorities in both houses and subsequently promulgated by the Emperor. The circumstances were such that any other form of action by the Japanese was almost inconceivable. In this fashion, the present Constitution was drafted and put into effect.

The new Constitution, although almost twice as long as the Meiji Constitution is reasonably brief as modern constitutions go—it consists of a preamble, 11 chapters, and 103 articles. The Constitution provides a system of government based essentially on a unique amalgam of British and American institutions. It preserves the monarchy, but strips the Emperor of any semblance of political authority. It also retains a bicameral legislature, but completely reconstitutes the relationship and powers of the prewar upper and lower houses. Superior legislative and financial powers are entrusted to the lower house. At the national level, executive and administrative authority is concentrated in a responsible Cabinet, and an independent American-style judiciary is vested with the power of judicial

review. The Constitution places great stress on civil rights and includes what is probably one of the world's most detailed and ambitious constitutional statements of the rights and duties of the people. It further introduces into Japanese law for the first time the principle of local autonomy, involving decentralization of national power and a reciprocal increase in the rights and independence of local governments to a degree quite foreign to earlier Japanese practice.

One of the best-known and most controversial provisions of the Constitution appears in Chapter II, Article 9, the famous "renunciation of war" clause, whereby Japan renounces war as a sovereign right of the nation and the threat or use of force as a means of settling international disputes. Indeed, the Constitution seems to obligate Japan never to maintain land, sea, or air forces. This is the only known instance in which a major modern state constitutionally renounces war. The Constitution also specifically provides that it is the supreme law of the land, and that no act contrary to its provisions shall have legal force or validity. Amendments to the Constitution require initiation by a two-thirds concurring vote of all members of both houses of the National Diet and ratification by the people through an affirmative vote by a majority of those participating in a referendum on the proposed amendment.

Taken all in all, this is an admirably democratic constitution. It introduces democratic rights, institutions, and practices into Japanese politics that undoubtedly go far beyond anything the Japanese themselves might realistically have been expected to establish, had they been left to their own devices. In fact, on the basis of text alone, it is a considerably more democratic document than is the Constitution of the United States. The Constitution is also a workable document, although it has flaws and does create problems. For example, any pronounced degree of local autonomy is probably impractical in Japan, judicial review has not proven particularly meaningful in practice, and some of the more ambitious civil and human rights and freedoms envisaged in Chapter 111 of the Constitution will probably long remain pious hopes rather than social or legal facts. On the other hand, the Diet, the Cabinet, the judiciary, and the bureaucracy are functioning with surprising efficiency along the general lines envisaged in the Constitution, and the country, operating under the Constitution, has successfully coped with most of its more pressing problems since 1947. Despite strong pressure from the conservative leadership to revise it in whole or part, the

Constitution reads today as it did in 1947. No government has yet had the courage or the strength to launch an all-out campaign for its amendment. The fact that the 1947 Constitution stands unchanged, given its antecedents and the enormous political changes it imposed on a reluctant Japanese leadership, is perhaps the most remarkable phenomenon of all. The Japanese have adopted a new and largely foreign set of political institutions with surprising ease and speed, and have so far displayed a considerable reluctance to exchange them for something more familiar and more Japanese.⁶⁶

After 1952 conservatives and nationalists attempted to revise the Constitution to make it more ‘Japanese,’ but these attempts were frustrated for a number of reasons. One was the extreme difficulty of amending it. Amendments require approval by two-thirds of the members of both houses of the National Diet, before they can be presented to the people in a referendum (Article 96). Also, opposition parties, occupying more than one-third of the Diet seats, were firm supporters of the constitutional status quo. Even for members of the ruling LDP, the Constitution was not disadvantageous. They had been able to fashion a policy-making process congenial to their interests within its framework. Nakasone Yasuhiro, a strong advocate of constitutional revision during much of his political career, for example downplayed the issue while serving as prime minister between 1982 and 1987.⁶⁷

Despite its lack of success to date, however, a strong revisionist sentiment continues to flourish among some leaders of the Liberal Democratic Party. They argue that the present Constitution does not really represent the “freely expressed will of the Japanese people,” that it was imposed by foreigners, that it is un-Japanese in both spirit and language, that it is poorly drafted, and that it needs changes in a number of particulars. Specifically, many of those who favor constitutional revision advocate such matters as a redefinition of the status of the Emperor, constitutional recognition of Japan’s right of self-defense, some greater measure of limitation on individual rights when they conflict with the public interest, reforms in the composition and powers of the House of Councilors, the establishment of a special court to judge questions of constitutionality, an increase in the

⁶⁶ Robert E. Ward “Japan’s Political System” Comparative Asian Governments Series, University of Michigan (New Jersey 1997), p.84

⁶⁷ Ronald E. Dolan and Robert L. Worden “Japan A Country Study” Headquarters, Department of Army (Washington D.C. 1992), p.74

authority of the central government over the localities, and some easier system of constitutional amendment. None of these proposals tampers with the principle of popular sovereignty and none of them advocates-openly at least-any sort of across-the-board return to prewar conditions. Most of the proposals are for fairly moderate reforms. An officially appointed Commission on the Constitution, after some seven years of study, turned in a report in 1964 in which a large majority of its members recommended some measure of constitutional revision. Despite this, no actual amendments have yet been formally proposed, and it seems unlikely that the government seriously attempt to press this issue in the near future.

Finally, it should be noted that not all the basic rules of Japanese politics contained in the Constitution, which is supplemented in practice by a considerable number of basic laws. These put flesh onto the rather bare bones the Constitution and prescribe the actual nature and operations of the country primary political institutions. Examples of such laws are: the Imperial House Law, the National Diet Law, the Law of the Courts, the Cabinet Law, the Finance Law, the Public Office Election Law, and the Local Autonomy Law. Since these can be changed by normal statutes rather than by constitution amendments, they add a desirable quality of flexibility to the structure of the state.⁶⁸

4.2.2: The Misison of Emperor in Japan Political Life

The Emperor has only a symbolic role in the Japanese political system. The Emperor does not have any specifically political or executive functions of more than ritual or ceremonial importance. In the words of Article 1 of the Constitution:

“The Emperor shall be the symbol of the state and of the unity of the people, deriving his position from the will of the people with who resides sovereign power.”

The effect of this and the remaining articles of Chapter 1 is to deny the Emperor any “powers related to government” and to confine his official acts to such ceremonial functions as appointing the Prime Minister and Chief Judge of the Supreme Court (after they are designated by the Cabinet); promulgating laws, Cabinet orders, treaties, and

⁶⁸ Robert E. Ward “ Japan’s Political System” Comparative Asian Governments Series,University of Michigan (New Jersey 1997),p.86

amendments to the Constitution; convoking the Diet and dissolving the House of Representatives; attesting certain official appointments; awarding honors; receiving ambassadors and ministers; and performing certain other ceremonial functions. None of these involves any initiative discretion, or influence on his part; he acts only at the behest of responsible governmental officials and in accordance with their decisions.⁶⁹

4.2.2.1: The Status of the Emperor in New Democracy

In the Meiji Constitution, the emperor was sovereign and the locus of the state's legitimacy: as the preamble stated, "The rights of sovereignty of the State. We have inherited from Our Ancestors, and We shall bequeath them to Our descendants." In the postwar Constitution, the emperor's role in the political system was drastically redefined.

A prior and important step in this process was Emperor Hirohito's 1946 New Year's speech, made at the prompting of MacArthur, renouncing his status as a divine ruler. Hirohito declared that relations between the ruler and his people cannot be based on "the false conception that the emperor is divine or that the Japanese people are superior to other races."

The authority of the emperor as sovereign in the 1889 constitution was broad and undefined. His functions under the postwar system are narrow, specific, and largely ceremonial, confined to such activities as convening the Diet bestowing decorations on deserving citizens, and receiving foreign ambassadors, (Article 7). He does not possess "powers related to government" (Article 4). The change in the emperor's status was designed to preclude the possibility of military or bureaucratic cliques exercising broad and irresponsible powers "in the emperor's name" -a prominent feature of 1930 extremism. The Constitution defines the Diet as the 'highest organ of state power' (Article 41), accountable not to the monarch but to the people who elected its members.

⁶⁹Ibid.,p.86



His Majesty Emperor Akihito

Figure: 4.3: Emperor Akihito

Source: Ministry of Foreign Affairs “Their Majesties and the Emperor and Empress of Japan, 2002, p.2

The use of the word *shocho*, meaning symbol, to describe the emperor is unusual and—depending upon one’s viewpoint—conveniently or frustratingly vague. The emperor is neither head of state nor sovereign, as are many European constitutional monarchs, although in October 1988 Japan’s Ministry of Foreign Affairs claimed, controversially, that the emperor is the country’s sovereign in the context of its external relations. Nor does

the emperor have an official priestly or religious role. Although he continues to perform ancient rituals, such as ceremonial planting of the rice crop in spring, he does so in a private capacity.

Laws relating to the imperial house must be approved by the Diet. Under the old system, the Imperial House Law was separate from and equal with the constitution. After the war, the imperial family's extensive estates were confiscated and its finances placed under control of the Imperial Household Agency, part of the Office of the Prime Minister and theoretically subject to the Diet. In practice, the agency in the early 1990s remained a bastion of conservatism, its officials shrouding the activities of the emperor and his family to maintain an aura of sanctity.⁷⁰

The Emperor is systematically informed about affairs of state and official policies, but his opinion about them is not formally solicited. Conceivably, on a few issues affecting the Imperial Family or in a moment of national crisis such as that posed in August, 1945, over the question of Japan's surrender-in which he did play a positive and critical role-the Emperor could exert influence, but this would be purely a function of his personal and institutional prestige. He has no legal or theoretical right to do so, and thus his official position is far weaker than that of the British monarch. Technically, he is not even "chief of state," but merely a "symbol of the state," a phrase which the conservative advocates of constitutional revision would like to change.

The composition of the Imperial Family is rigidly and narrowly defined by law. It is limited to the legitimate and direct descendants of an Emperor. Adoption is not permitted within the Imperial Family. At present, the Imperial Family consists only of the reigning Emperor and his family plus the families of his three brothers. Succession to the throne is by the eldest son of the Emperor, followed by the eldest son of the eldest son. Matters of succession and regency are regulated by a Imperial House Council, which is completely controlled by ex officio members representing popularly responsible representatives of the legislature, the Cabinet, and the Supreme Court. Before the war, the Imperial Family was extremely wealthy in its own name; its critics, in fact, sometimes referred to it as "the

⁷⁰ Ronald E. Dolan and Robert L. Worden "Japan A Country Study" Headquarters, Department of Army (Washington D.C. 1992),p.74

greatest of the zaibatsu (cartels).” Since 1947, it has been stripped of most of its extensive holdings, save for personal property, and is supported primarily by sums voted annually by the National Diet—in 1965 it appropriated 647,354,000 yen (\$ 1,798,205) to cover the expenses of the privy purse, the Imperial Family, and the Imperial household, plus an additional 3,270,099,000 yen (\$9,083,603) to pay part of the construction costs of a new Imperial palace.



Her Majesty Empress Michiko

The Figure 4.4: Empress Michiko

Source: Ministry of Foreign Affairs “Their Majesties and the Emperor and Empress of Japan, 2002, p.3

It would be a serious mistake to conclude that because of his purely ceremonial position and negligible governmental powers the Emperor does not play a very important role in the Japanese political system. A nation needs powerful, loyalty-begetting symbols about which to forge its national unity. The absence of such a nationality shared emotional rallying point is one of the greatest problems confronting many of the new states of Asia and Africa. For Japan, such a focus is provided pre-eminently by the Imperial Family. It symbolizes two thousand years of “Japaneseness,” of the unity of the people and their culture. Under present circumstances, there is nothing that can readily or easily take its place. Its role is not to be discounted nor lightly discarded, and many thoughtful Japanese are, therefore, understandably troubled by the low regard in which the Imperial institution is held by important segments of Japanese youth.⁷¹

4.2.3: The National Legislature Model

Article 41 of the Constitution describes the National Diet, or national legislature, as “the highest organ of state power” and “the sole law-making organ of the State.” This statement is in forceful contrast to the Meiji Constitution, which described the emperor as the one who exercised legislative power with the consent of the Diet. The Diet’s responsibilities include not only the making of laws but also the approval of the annual national budget that the government submits and the ratification of treaties. It can also initiate draft constitutional amendments, which, if approved, must be presented to the people in a referendum. The Diet may conduct “investigations in relation to government” (Article 62). The prime minister must be designated by Diet resolution, establishing the principle of legislative supremacy over executive government agencies (Article 67). The government can also be dissolved by the Diet if it passes a motion of no confidence introduced by fifty members of the House of Representatives. Government officials, including the prime minister and cabinet members, are required to appear before Diet investigative committees and answer inquiries. The Diet also has the power to impeach judges convicted of criminal or irregular conduct.⁷²

⁷¹ Robert E. Ward “Japan’s Political System” Comparative Asian Governments Series, University of Michigan (New Jersey 1997), p.87

⁷² Ronald E. Dolan and Robert L. Worden “Japan A Country Study” Headquarters, Department of Army (Washington D.C. 1992), p.315

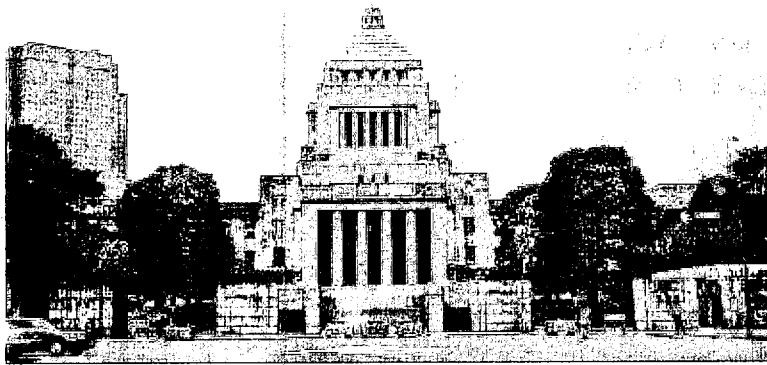


Figure 4.5: Diet Building in Tokyo

Source: <http://web-japan.org/links/government/ministries/ministry3.html>

The 1947 constitution not only stripped the emperor of all claim to political power but also made clear where actual power did lie—in the hand of the Diet, or parliament. The Diet had already evolved a long way before World War II. In the 1889 constitution, the Meiji leaders had set it up to be a partially elected national assembly that was expected to win the respect of the Western nations, solidify the support of the common people, and serve as a harmless safety valve for discontent. They had preceded this daring innovation with various local experiments in elected bodies, starting with prefecture assemblies in 1878 and following these with village town, and city ward assemblies in 1880 and then city-wide assemblies in 1888. These local assemblies as well as the new national Diet had only very limited powers and were elected by an extremely restricted electorate. Only adult males twenty-five years of age and paying fifteen yen or more in taxes had the franchise in Diet elections. This amounted in 1890 to merely 1.26 per cent of the population. Only about 6 percent of the population belonged to enfranchised families, about the same percentage as the old samurai class; but this enfranchised elite was made up largely of peasant land owners and businessmen.

Although imperial ordinances could be issued between sessions of the Diet, the “consent” of that body was necessary for a law to remain permanently on the books, and the budget and all taxes specifically required action by the Diet. Many acts of the government, as in foreign affairs, were not felt to require laws and therefore Diet approval, but financial

matters were considered its special prerogative, because the money, after all, came as taxes from the people. But even here, the government sought to protect itself from popular control by the constitutional provision that, if the Diet failed to act on the new budget, “the government shall carry out the Budget of the preceding year.”⁷³

The Constitution describes the Diet, or Parliament, of Japan as “the highest organ of state power” and “the sole law making organ of the State.” It further states that the Diet shall consist of two houses, a House of Representatives (or lower house) and a House of Councilors (or upper house). These provisions are basic, and their significance becomes most apparent when we compare them with the comparable clauses of the Meiji Constitution. Under the terms of that document, the Emperor was more than the highest organ of state power; in a mystical way, he embodied the state and wielded its sovereign powers. And although laws, formally, were the product of the Imperial Diet, both the Emperor and the Cabinet had the power to issue decrees which had the force of law. The present Constitution vests sovereignty in the people and makes the Diet both the highest organ of the people’s sovereignty and the sole source of law. These changes are basic to both the legal and the power structure of the Japanese state. The government has thus been transformed from an Emperor-centered to a parliament-centered mechanism, and the elected representatives of the people have become vastly more powerful.⁷⁴

The Diet consists of two houses, the House of Representatives (lower house) and the House of Councilors (upper house), and is defined by the Constitution as “the highest organ of state power”. A bill becomes law when it passes both houses, but the House of Representatives takes precedence over the budget, treaty ratification, and the appointment of the prime minister. The term of representatives is four years but, since the House of Representatives can be dissolved by the prime minister, the average tenure of representatives is much shorter. The House of Councilors cannot be dissolved and a councilor’s term is six years.⁷⁵

⁷³ Edwin O. Reischauer “The Japanese Today” Harvard University Press ,(London, England 1988),p.246

⁷⁴ Robert E. Ward “ Japan’s Political System” Comparative Asian Governments Series,University of Michigan (New Jersey 1997),p.87

⁷⁵ Inoguchi Takashi and Purnendra Jain “Japanese Foreign Policy Today” Scholarly and Reference Division and Palgrave Publishers (Newyork, U.S.A 2000),p.11

The organization and powers of the two houses of the Diet differ considerably. The House of Representatives is a body of 486 members who are returned from 123 districts by an electoral system that has already been described. Its members are, in theory, elected for four-year terms, but in practice no postwar Diet has survived that long without dissolution by the Cabinet. Actual terms between general elections have ranged from six and one-half months to three years and eight months. The tenure of members is thus indeterminate, and depends in practice on the relationship between the lower house and the Cabinet as well as on the internal political situation of the lower house.

The organization of the House of Representatives is quite simple. A Speaker normally chosen from the ranks of the majority party presides over its deliberations and maintains order. There is also a Vice-Speaker, who is frequently selected from among the membership of the opposition party. For deliberative purposes, the House functions either in plenary session or in committees. Under American influence, the latter have become the more important mode of operation. In 1966, there were some sixteen standing committees, with functions largely paralleling the principal divisions of the government's administrative organization, for example, foreign affairs, finance, justice, education, agriculture, local administration, budget, audit, etc. A Diet Operations Committee and a Committee on Discipline deal with problems of internal house keeping. Members are assigned to these committees, and their chairmanships are allocated in accordance with the relative party strengths in the House. Assignments are actually made by the parties. Special committees also exist on a temporary basis to deal with particular problems. The members each have a private secretary provided at public expense, and the House as a whole is serviced by an administrative and custodial staff numbering 1,680 in 1965. The majority of these are organized into a Secretariat and a Bureau of Legislation. The National Diet Library also supplies reference and legislative services to the members of both houses.⁷⁶

Because the Japanese system is essentially a parliamentary system where the prime minister is supported by the majority in the Diet, the Diet's role is generally passive. It deliberates what the Cabinet is proposing and has done, but rarely is it responsible for new initiatives. Both houses have committees corresponding to various ministries, including

⁷⁶ Robert E. Ward "Japan's Political System" Comparative Asian Governments Series, University of Michigan (New Jersey 1997), p.87

foreign affairs and security. In recent years there has been active deliberation on international affairs in committee meetings, but their purpose is generally to review the international situation and increase the understanding of Diet members as well as the public.⁷⁷

The upper house, or House of Councilors, is constituted along somewhat different lines. Originally, the American Occupation authorities favored a unicameral legislature, and the first draft of the Constitution was written in this fashion. The Japanese leadership objected strenuously to this proposal however, and favored an appointive upper house or a corporative one representing the professions and selected portions of the electorate. The present House of Councilors represents a somewhat unsatisfactory compromise between these two viewpoints. It consists of 250 members popularly elected from two different types of constituencies. One hundred and fifty are chosen from forty-six electoral districts—collectively called local constituencies—which are coterminous with the prefectures. The number of seats controlled by any one prefecture is roughly proportional to its population and varies from two for the smallest to eight each for Tokyo and Hokkaido. The remaining hundred members are chosen from the national constituency, which is to say that all Japan is regarded as a single electoral district where these members are concerned.

The terms of members are set at six years, and, since the upper house cannot be dissolved, its members usually serve the full period. Terms are staggered, however, and in practice one-half the membership in the categories described above is chosen at elections held at regular three-year intervals. In such elections, each elector votes twice, once for a candidate running in his local constituency and once for a candidate running in the national constituency. The justification advanced for this unusual and complicated system is that it combines the advantages of informed local representation with those of a panel of nationally eminent candidates. It has not actually worked out in this fashion, however. Although some men of truly national stature are elected from the national constituency, most of those so chosen probably represent organizations having branches or influence in several heavily populated areas of Japan, for example, labor unions, big business, and

⁷⁷ Inoguchi Takashi and Purnendra Jain “Japanese Foreign Policy Today” Scholarly and Reference Division and Palgrave Publishers (Newyork, U.S.A 2000),p.11

nationally organized interest groups. Under these circumstances, it is hardly surprising to find that the upper house has become practically as partisan a body as the lower house. Few independents are elected to either body; the great majority of the successful candidates run as party nominees. The party composition of the upper house closely resembles that of the lower, with the Liberal Democrats and independent conservatives controlling in recent years about three-fifths of the total membership and the combined progressive forces about one-third. The internal organization of the upper house closely parallels that already described for the lower house

The relations between the upper and lower houses of the Diet are prescribed by both law and the Constitution, which combine to make the House of Representatives far stronger than the House of Councilors. For example, the lower house may enact a law against the opposition of the upper house by passing it a second time by a majority of two-thirds or more of the members present. Normally, however, legislative differences between the two houses are resolved by an interhouse conference committee. Again, on such important matters as the enactment of the budget, the selection of the Prime Minister, or the ratification of treaties, the House of Representatives can, against the Councilors' opposition, decide the issue by a simple majority vote. As a consequence, the legislative and political roles of the upper house have been distinctly subordinate to those of the lower house in both law and practice. Serious disagreements between the two houses do not often occur, however, and bills are normally processed by both without recourse to the above expedients. Under these circumstances, some Japanese feel that the upper house, as presently constituted, makes little if any positive contribution to the political process. This has led in recent years to arguments for its reform or reconstitution, particularly along corporative lines—that is, by having it be composed of representatives of the professions and other elements of the electorate.

The operations of this bicameral legislature are too complicated to admit of more than summary treatment. Its principal function is, in theory, the making of laws. It is, the Constitution says, the sole law-making organ of the state. In practice, however, few laws of any significance originate in either house of the Diet. The vast majority are initiated and drafted in bill form by bureaucrats serving in the Ministries and other administrative branches of the government. Some originate with the Cabinet, and some are initiated by the

policy research committees of the political parties, which often work in collaboration with civil servants experienced in the field concerned.⁷⁸

4.2.3.1. Diet, Political Parties and Foreign Policy

When the LDP had a solid majority in both Houses before the 1990s, its internal decision-making system counted more than the Diet in many areas, including foreign policy. Most important foreign policy initiatives, drawn up by the foreign ministry and other areas of the bureaucracy, had to be cleared by the LDP Foreign Affairs Committee (Gaiko Bukai) and finally the General Affairs Council (Somukai), the highest decision-making organ of the LDP. The same process is still valid within the LDP in the late 1990s. But under the conditions of the new coalition politics, where the LDP does not have a majority in both houses, the more complicated process of interparty negotiations has to be taken into account. In general, given the current political fragmentation, the voices of a very small number of vocal politicians are having an impact on foreign policy, something that was previously rather rare. Their voices were raised against French and Chinese nuclear tests in 1995 and North Korea's launch of Tae podong missiles in 1998.

Since the collapse of the so-called "1955 year system" in 1993, Japan's politics have been in flux. The only political parties that have so far survived the last five years and maintained their party identity are the Liberal Democratic Party and the Japan Communist Party (JCP). The Social Democratic Party of Japan is no longer the previous Socialist Party (JSP). Hosokawa Morihiro's New Party of Japan no longer exists. Nor does the grand coalition of Ozawa Ichiro: the New Frontier Party. Currently, the largest opposition party is the Democratic Party of Japan (DPJ), which was formed hastily in March 1998 as an amalgam of the previous Democratic Party of Kan Naoto and Hatoyama Yukio with various splinter groups of the former New Frontier Party. In the House of Councilors' election in July 1998, the DPJ gained the most while the LDP lost some of its seats.⁷⁹

⁷⁸ Robert E. Ward "Japan's Political System" Comparative Asian Governments Series, University of Michigan (New Jersey 1997), p.88-89

⁷⁹ Inoguchi Takashi and Purnendra Jain "Japanese Foreign Policy Today" Scholarly and Reference Division and Palgrave Publishers (New York, U.S.A 2000), p.11

Traditionally, what divided political parties in foreign policy was their attitude toward the U.S.-Japan security relationship. The Japan Communist Party had the clearest policy; it declared that it wished the US-Japan security treaty abolished. What is unclear in the JCP policy, as in the case of the policy of the past JSP, which insisted on "unarmed neutrality," is the kind of security policy it envisages for Japan after the abolition of the US. alliance. The party documents released before the July 1998 upper house election promised that "along with the abolition of the U.S.-Japan security treaty," the JCP "will require a fundamental reduction in SDF arms and put an end to the SDF dependence on the United States. SDF staff will be required to follow the constitutional principle that sovereignty resides in the people and adhere to political neutrality as civil servants, after national consensus has been achieved, Article 9 of the Constitution will be implemented and the SDF dissolved."⁸⁰ What is unclear is what the Communists would do after the dissolution of the SDF.

The Communist Party's official "program" as amended in 1994 stipulates as follows: "The party fights for abrogation of the Japan-U.S Security Treaty and all other treaties and agreements which undermine national sovereignty and for the withdrawal of all U. S troops from Japan and the complete removal of U.S. military bases. The party demands and fights for a policy to ensure a peaceful and neutral Japan, which will abrogate Japan's military alliance with the United States and take part in no military alliances but establish friendly relations with all countries. The party fights for the genuine independence of Japan, including abrogation of the articles of the San Francisco peace treaty, which undermine Japan's sovereignty. The party makes peaceful diplomatic efforts to get the reversion of Habomai, Shikotan and all the Chishima Islands to Japan."⁸¹

Virtually all other important parties support the U.S.-Japan security treaty. Now that the SDPJ has split with the LDP as a coalition partner, it is beginning to show characteristics similar to those evident before the Murayama Cabinet. Still, its Basic Principles and Policy Agenda, released before the upper house election, declares that the SDPJ will "contribute to building confidence among countries of the Asia-Pacific region and develop a mutually interdependent framework for Asia, while maintaining the Security Treaty with the USA."

⁸⁰ Available on site <http://www.jcp.or.jp/Kenkai/Seisaku/98san-pol.html>. The Communist Party's official program

⁸¹ Available on site <http://www.jcp.or.jp/jcpdata/Koryo/e-koryo.html>

The DPJ, the largest winner of the upper house election, is more straightforward; its “Basic Policy” indicates that “We will continue to place the Japan—U.S. Treaty of Mutual Cooperation and Security at the center of our national security policy.” The Komei party, a descendant of the previous Komeito party, may hold a swing position in the upper house because of the defeat of the LDP in the July election. Its exact security policy is not clear but its “Priority Policies” released in December 1994 admit that “the Japan-U.S. Security Treaty is contributing to peace and stability of Japan and in the Asia- region and that it should be maintained in the future.” In late 1998, it renamed itself again to become Komeito and joined with the lower house’s Peace and Reform Network, another descendant of the previous Komeito. (The political arm of Soka Gakkai, a Buddhist sect, the Komeito was disbanded in 1994 for political convenience and again regrouped in a party of the same name.) The small Liberal Party headed by Ozawa Ichiro is clearly in support of the U.S.-Japan alliance; its basic policy stresses the necessity to improve “the operations of the U.S. - alliance based on the U.S.-Japan security treaty”

The LDP support of the U.S.-Japan alliance is obvious, as it is the party that led Japan’s foreign and security policy for most of the time since the formation of the pact. In March 1996, the Security Research Council of the LDP produced a detailed report on the significance of the alliance in the post—Cold War era, entitled “The Current Importance of the Japan-U.S. Security Arrangement.” It lists three reasons that justify the importance of the alliance: first, the alliance is “indispensable to Japan’s security” because of the “unpredictable and uncertain” situation surrounding Japan since the end of the Cold War. “The Japan-US. security arrangement has become more indispensable to Japan than to the United States as the danger of all-out confrontation with the former Soviet Union has drastically decreased since the end of the U.S.-Soviet conflict.”⁸² Second, the report argues that the alliance is “indispensable for peace and stability in the Far East and the Asia-Pacific region.” Third, the report points out the “indispensable” nature of the alliance for “Japanese diplomacy” because it forms the “basis” of sound US-Japan relations.

Besides security policy, the most conspicuous involvement of Diet members in international affairs is in the areas of agricultural and fishery protection. Diet members with strong ties to interests in these areas played an active role in concluding fishery

⁸² Available on site <http://jimin.or.jp/jimin/saisin96/saisin-07.html>

agreements with South Korea in 1998 and China in 1999. They were a vocal force arguing against the early voluntary sectoral liberalization (EVSL) in APEC. In terms of international affairs, the iron triangle made up of politicians, bureaucrats, and sectoral interests is most pronounced in the agricultural sector.⁸³

4.2.4. The Cabinet

The Constitution vests executive power in the Cabinet. This is a group of political leaders, including eighteen ministers, a chief cabinet secretary, and a director of the Cabinet Legislation Bureau. It is headed by the Prime Minister. The Constitution requires that all members of the Cabinet be civilians and that a majority of their number, including the Prime Minister, be members of the Diet. In practice, this has meant that the overwhelming majority of the members of all Cabinets under the 1947 Constitution, invariably including the Prime Minister, have been chosen from the membership of the House of Representatives. A few—seldom more than three or four—might also be drawn from the upper house or from circles outside the Diet. The Prime Minister is selected by a formal resolution of the Diet. On such occasions, it is customary for the several parties represented in the Diet to place the names of their respective leaders in nomination for the post. A majority of those present and voting is required for selection, and thus the post goes to the leader of the majority party or majority coalition in the lower house. The vote in the lower house is controlling and overrides any contrary decision that might be made in the upper house.

Once chosen, the Prime Minister then selects the other members of the Cabinet. Their numbers vary somewhat, and have ranged in recent years from fifteen to twenty. All are technically of equal rank but actually only twelve have “portfolios,” that is, they preside over departments called Ministries: the Ministers of Justice, Foreign Affairs, Finance, Education, Welfare, Agriculture and Forestry, International Trade and Industry, Transportation, Postal Services, Labor, Construction, and Local Autonomy. The remainder lack “portfolios and are called Ministers of State. Actually, jobs such as the vice-premiership: the chairmanship of the Atomic Energy Commission; the director-

⁸³ Inoguchi Takashi and Purnendra Jain “Japanese Foreign Policy Today” Scholarly and Reference Division and Palgrave Publishers (Newyork, U.S.A 2000),p.13

generalships of the Administrative Management Agency, the Defense Agency, the Economic Planning Agency, and the Science and Technology Agency; or the chief secretaryship of the Cabinet are often parceled out among them. Although largely free to choose whom he wants to serve in his Cabinet, a Prime Minister is politically obligated to apportion these posts so as to maximize the support behind his own position. A very delicate weighing and balancing operation is involved. Once having selected his colleagues, the Prime Minister is also free to remove them from office at his discretion, provided, of course, that his political position is firm enough to survive the consequences. Strong Prime Ministers like Mr. Yoshida have both appointed and removed large numbers of Ministers.⁸⁴

4.2.4.1: Prime Ministers

The prime minister is the head of Japan's government. There is no question about his importance in the areas of foreign and domestic policy, but he is not as independent as the U.S. president. As the Japanese Constitution stipulates, "Executive power shall be vested in the Cabinet," not in the prime minister. Contrast this with the US. Constitution, which says, "The executive power shall be vested in the President of the United States." Thus, it is the Cabinet, not the prime minister, that is tasked to "conduct affairs of state," "manage foreign affairs," "conclude treaties," and perform other functions; "The Cabinet, in the exercise of executive power, shall be collectively responsible to the Diet." Because of this stipulation, the general legal interpretation indicates that the decisions of the Cabinet should be made on the basis of unanimity. Thus, if one Cabinet member does not agree, he or she could stop measures that the prime minister wants to adopt.⁶

According to the current Constitution, however, the prime minister is more powerful than his counterpart under the Meiji Constitution, for he has the power to appoint and dismiss the ministers of state who constitute the Cabinet. Theoretically, this makes the prime minister all-powerful, because anybody in the Cabinet who does not agree with his opinions can be dismissed. While unanimous Cabinet decisions can always be achieved legally as long as the prime minister is willing to dismiss those Cabinet members who

⁸⁴ Robert E. Ward "Japan's Political System" Comparative Asian Governments Series, University of Michigan (New Jersey 1997), p.92

disagree with him, the power to do so is not easy to apply. First, the Constitution stipulates that the majority of Cabinet members should be selected from the Diet; in practice, almost all are Diet members; in the case of the Cabinet of Prime Minister Obuchi Keizo, established in early August 1998, of the 21 members of the Cabinet, all except Sakaiya Taichi, director general of the Economic Planning Agency, were either representatives or councilors. Moreover, even if they were dismissed as ministers of state, they retain their positions as representatives or councilors, yet their dismissal could have immediate political repercussions in the Diet, on which the Cabinet depends for the passage of various bills. They are not like U.S. Cabinet members, whom the president can appoint and dismiss on the basis of merit.

The prime minister could dismiss Cabinet members more easily if he were in practice, as he is in theory, the most powerful leader in the ruling party. But although there is nothing legal preventing him from assuming such power, Liberal Democratic Party (LDP) presidents have never achieved such power over individual Diet members. The support of the president, though useful, has never been crucial for the election campaigns of rank-and-file LDP Diet members. In Britain, for example, which has a parliamentary system, the British prime minister has more power over ruling party members of Parliament than has his Japanese counterpart.⁸⁵

These limitations-which are even more significant in a coalition government-sometimes give the impression that the prime minister is not particularly important. The plight of Murayama Tomiichi is a case in point. A left leader of the Social Democratic Party of Japan (SDPJ), he was forced to declare immediately after his most unexpected assumption of the prime minister's position in July 1994, that he considered the Self-Defense Forces (SDF) constitutional and strongly supported the maintenance of the U.S.-Japan security treaty. Surely, if a prime minister from the SDPJ-which had been insisting on the unconstitutionality of the SDF and had strongly opposed the US security treat changes his position merely in order to keep his Cabinet, one cannot be blamed for believing that the role of prime minister is terribly limited.

⁸⁵ Yamaguchi Jiro "British and Japanese Politics"(Tokyo:Chikuma Shobo,1998)p.33

In addition to the legal and political constraints, the prime minister faces organizational constraints. The size of the support staff (179 in total) has long been regarded as small. The most important figure in his support staff is the chief Cabinet secretary, one of the Cabinet members mostly selected (under an LDP government) from the same faction as that to which the prime minister belongs. The chief Cabinet secretary is given the task of coordinating mainly domestic policies and politics between the government and the ruling and opposition parties. Some of the previous chief Cabinet secretaries, such as Gotoda Masaharu, have, however, been influential in the area of foreign policy. There are three deputy chief Cabinet secretaries: one selected from among experienced career civil servants, and the other two from among fairly young and promising ruling party politicians. The post of deputy chief Cabinet secretary for administrative affairs is regarded as the highest-ranking position in the entire Japanese bureaucracy and often represents the continuity in government. For example, in the 1990s, during which time Japan had seven prime ministers, it had only two administrative deputy chief Cabinet secretaries: Ishihara Nobuo and Furukawa Teijiro. Ishihara served seven prime ministers as deputy chief Cabinet secretary from November 1987 to February 1995. Like the chief Cabinet secretaries, deputy chief Cabinet secretaries for administrative affairs are essentially specialists in domestic affairs, most of them having been bureaucrats in the home affairs, labor, and health and welfare ministries, or in the National Police Agency-ministries and agencies that have developed from the prewar Naimusho (Ministry of Internal Affairs). But, as the most senior and experienced civil servant, the deputy chief Cabinet secretary for administrative affairs can be critical in coordinating policies related to the management of important international affairs such as the U.S.-Japan alliance.

The post of deputy chief Cabinet secretary for political affairs, selected from among members of the Diet, has traditionally been important for promising, fairly young politicians. The deputy chief Cabinet secretary for political affairs does not generally play an important role in foreign affairs; he is often expected to manage relations with the Diet in cooperation with the chief Cabinet secretary. Sometimes, a politician in this post may play an important coordinating role, as was the case with Ozawa Ichiro, who, as deputy chief Cabinet secretary for political affairs, managed trade disputes with the United States

in 1988.⁸⁶ But Ozawa's case was considered exceptional. Recently, appointees to this post have been familiar with international affairs, and have acted as general advisors to the prime minister in matters related to international affairs; they include Yosano Kaoru and Nukaga Fukushima in the Hashimoto Cabinet, and Suzuki Muneo in the Obuchi Cabinet. In the Obuchi administration, two deputy chief Cabinet secretaries were appointed and their statuses were raised, appointees having already served as ministers of state (as were Suzuki Muneo and Uesugi Mitsujiro).

In terms of day-to-day affairs, prime ministers are supported by political secretaries—who are in charge of their activities as politicians, that is, the management of their contacts with other politicians and their constituencies—and four policy-related secretaries seconded from the four important ministries: finance, international trade and industry, National Police Agency, and foreign affairs. The secretaries are generally bureaucrats between the rank of division head (*kacho*) and deputy bureau director-general (*shingikan*). Prime Minister Hashimoto Ryutaro appointed a political secretary seconded from MITI, Eda Kenji, who acted more as an immediate policy adviser to Hashimoto than as an intermediary with other politicians. Prime Minister Obuchi appointed Furukawa Toshitaka, his long-term Diet member secretary, as his political secretary. In 1996, when it was decided to create up to three posts of advisor to the prime minister, Okamoto Yukio, a prominent diplomat-turned-consultant, was appointed and specially tasked with dealing with the Okinawa military base issues.

The Cabinet secretariat (*naikaku kanbo*) is the organization that supports prime ministers' general activities. In 1986, as a result of criticism that the Cabinet secretariat is weak in terms of coordinating policies—especially foreign and security policies—new offices were created: the Councilor's Office for External Affairs (*Gaisei Shingi Shitsu*) and Office of Security Affairs (*Anzen Hosho Shitsu*). The head of the former has always been selected from among senior Ministry of Foreign Affairs (MOFA) officials, roughly of the rank of bureau director-general; the latter has been selected from the Defense Agency, and is of about the same rank as the former. The Councilor's Office for External Affairs has often been tasked to carry out foreign policy-related measures that involve other ministries, such as issues related to the "comfort women," Okinawa bases, ODA, and economic friction

⁸⁶ Shinoda Tomohito "Ozawa as a Foreign Policy Decision-Maker" (Tokyo:PHP Kenkyujo,1999),p25

arising from government procurement. The Office of Security Affairs is the secretariat of the Security Council, which makes basic decisions on Japan's security policy such as the revision of the National Defense Program Outline and the Guidelines for U.S.-Japan Defense Cooperation. In addition to the function of secretariat of the Security Council, the Office of Security Affairs-now called the Office of Security Affairs and Crisis Management (Naikaku Anzen Hosho Kiki Kanri Shitsu) is charged with fulfilling crisis management functions under the leadership of the Cabinet Crisis Management Officer (Naikaku Kiki Kanrikan), a post created after the Peru hostage crisis.⁸⁷ The Cabinet Intelligence and Investigation Office have existed since 1952, under various names. It is obligated to provide prime ministers with information, and its head is usually selected from among senior police officials. A Cabinet Information Integration Center was created within the office in 1996, mainly to facilitate information collection at times of crisis. The Councilor's Office for External Affairs is essentially a MOFA branch in the Cabinet, and the Office of Security Affairs is a Defense Agency branch there. In this sense, it is doubtful that prime ministers utilize these offices for their own policy initiatives and coordination independent of the respective ministries.

Despite these constraints, the prime minister is the single most important player in the game that is Japan's domestic politics, and particularly in the games of complex domestic/foreign policy interaction. First, there are no political actors other than the prime minister who can mobilize the resources of multiple ministries for common objectives. To the extent that a foreign policy item requires the involvement of various ministries, the prime minister's leadership is essential. Second, when there is opposition or reluctance on the part of important ministries and agencies, the prime minister is the only person who can make a decision. Thus, for instance, Prime Minister Nakasone Yasuhiro decided to increase Japan's defense budget, despite the reluctance of the finance ministry. According to Nakasone's diary on 30 December 1982, "The defense budget was troubled. I ordered Mr. Yamaguchi, director general of the Budget Bureau, to make a 6.5 percent increase. He showed reluctance but I ordered a revision of their plan. He looked stiff and pale but I pushed him."⁸⁸ Third, in a negative fashion, the prime minister's passive attitude toward a

⁸⁷ Youmuri Shimbun (evening edition), 7 April 1998; Yoiuri Shimbun (morning edition), 9 April 1998

⁸⁸ Tanaka Akihiko "National Security: Postwar Japan's Fifty Years of Groping" (Tokyo: Yomiuri Shimbunsha, 1997) p. 289-291

foreign policy issue could confuse the policy arena. In the spring of 1982, when Prime Minister Suzuki Zenko virtually retracted his statement concerning “alliance relations” (domei kankei) by saying that the “alliance relations” did not have “military implications,” he caused tremendous confusion in U.S.-Japan relations. But the person who resigned to take responsibility for the “confusion” was then Foreign Minister Ito Masayoshi, rather than the prime minister, who revealed his ignorance concerning, or lack of interest in, the alliance. Prime ministers can make a difference both positively and negatively.

Table 4.1: Prime Ministers of Japan, 1946-98

May 1946 (a)	Yoshida Shigeru	Dec 1978	Ohira Masayoshi
May 1947	Katayama Tetsu	July 1980	Suzuki Zenko
May 1948	Yoshida Shigeru	Nov 1987	Takeshita Noboru
Dec.1954	Hatoyama Ichiro	June 1989	Uno Sosuke
Dec.1956	Ishibashi Tanzan	Aug.1989	Kaifu Toshiki
Feb.1957	Kishi Nobusuke	Nov.1991	Miyazawa Kiichi
July 1960	Ikeda Hayato	Aug.1993	Hosokawa Morihiro
Nov.1964	Sato Eisaku	Apr.1994	Hata Tsutomu
July 1972	Tanaka Kakuei	June 1994	Murayama Tomiichi
Dec.1974	Miki Takeo	Jan.1996	Hashimoto Ryutaro
Dec.1976	Fukuda Takeo	July 1998	Obuchi Keizo

(a)Date of Initial Cabinet Formation

Various incidents in the mid-1990s, including the Korean Peninsula crisis of 1994, the Great Hanshin earthquake, Aum Shinrikyo’s urban terrorism, and the Peru hostage crisis, led to criticism of the Cabinet’s decision-making skills. Based on the recommendation of the Administrative Reform Council, issued in late 1997, the Diet in March 1998 passed the Basic Law for the Reform of Central Government Ministries and Agencies, which calls for

the strengthening of the powers of the prime minister and the functions of the Cabinet secretariat in addition to the reduction of the number of ministries and agencies. As all the implementing bills were passed in the Diet in 1999, the prime minister now holds the explicit legal authority to propose basic policies at Cabinet meetings, and the Cabinet Secretariat will be managed more flexibly by the prime minister in terms of staff appointments. The new system is scheduled to become effective 1 January 2001.⁸⁹

4.2.5. The Bureaucracy⁹⁰

The reverse side of the relative weakness of the prime minister is the relative strength and independence of the bureaucracy. The bureaucracy in Japan does not act in chorus; because of the relative weakness of the central coordination of the prime minister, each ministry acts as if it were a sovereign state, especially where jurisdictional demarcation is clear. This tendency, called *tatewari gyosei* (vertically divided administration) in Japanese, is blurred in international affairs because the Ministry of Foreign Affairs is generally in charge of any policy issues that have international implications. As in many other countries, bureaucrats from ministries seconded to embassies abroad are, in theory, under the direction of ambassadors. Theoretically, in other words, the foreign ministry is supposed to have the power to coordinate all international interactions of the Japanese government. In practice, however, the foreign ministry does not have such power and capability.

As the issue becomes more technical and closely connected to domestic policies, the relevant ministries are increasingly more dominant in the formation of Japan's foreign policy. International finance is the typical area, where the Ministry of Finance (MOF) plays an almost exclusive role in its policy formulation. The Ministry of Agriculture, Forestry, and Fisheries (MAFF) is also dominant in the areas of market opening of agricultural products and international agreements related to agriculture, forestry, and fishery. The foreign ministry has an Economic Policy Bureau, but it does not seem to have much power in the areas of international finance or agriculture.

⁸⁹ Inoguchi Takashi and Purnendra Jain "Japanese Foreign Policy Today" Scholarly and Reference Division and Palgrave Publishers (New York, U.S.A 2000),p.11

⁹⁰ Shiroyama Hideaki,Suzuki Hiroshi,and Hosono Sukehiro "The Decision-Making Process of Central Ministries and Agencies:The Anatomy of the Japanese Bureaucracy"(Tokyo,Chuo University Shuppankai,1999)

Although MITI is generally most important, the Ministry of Foreign Affairs and the Ministry of Finance play important roles when it comes to the more general issues of trade liberalization and preparations for important trade-related international gatherings. The Japanese negotiating team in the controversial Strategic Impediment Initiatives (SII) talks between Japan and the United States was headed by the deputy vice minister for foreign affairs (*gaimu shingikan*), deputy vice minister for international trade (*tsusan shingikan*) and the vice minister of international finance (*zaimukan*). As the issue became more specific to a certain industrial sector-for example as in the final phase of the Japan-U.S. framework talks that dealt almost exclusively with automobiles and automobile parts-MITI played a dominant role.

Economic assistance is an area where responsibility is shared widely by various ministries. Generally the formation of the basic policy of official development assistance (ODA) is made by the coordinated efforts of MOFA, MOE MITI, and the Economic Planning Agency (EPA). The power of MITI is most pronounced in yen loans, and the foreign ministry plays an important role in determining grant aid. An interesting issue of ODA policy is its political use. Since the Tiananmen Square incident of 1989, Japan has increasingly used ODA as a political tool to influence recipient countries. The Official Development Charter of 1992 stipulates some principles of such political use. It is generally believed that the foreign ministry is critical when making disbursement decisions, but the precise decision-making process has not yet been studied very carefully. Contrary to the general tendency of the bureaucratic dominance of economic assistance policy to decline, the influence of the Diet and the media seems to be on the rise.

More traditional areas of foreign and security policy are generally managed by MOFA and the Defense Agency. In the past, it used to be the case that the U.S.-Japan alliance was virtually dominated by the Security Division of the North American Affairs Bureau of MOFA. Not just alliance management but security policy in general was made by this one division, a foreign ministry official once told this author. Thus, the Defense Agency was simply regarded as the implementing agency taking care of the Self-Defense Forces. The decline of the Security Division started in the mid-1970s, when the first National Defense

Program Outline and the US.-Japan Guidelines were compiled.⁹¹ Serious thinking about defense planning, within the context of changing international relations, was beginning to take place within the Defense Agency roughly at the time of Defense vice Ministers Kubo Takuya and Maruyama Ko.

In the 1990s, the bureaucratic decision making within the foreign ministry expanded. In 1993, there was partial reorganization of the Ministry of Foreign Affairs and a Foreign Policy Bureau (Sogo Gaiko Seisaku Kyoku) was created. It “takes charge of the planning of basic and middle- or long-term foreign policy from wider points of view and the coordination of policies formulated by other bureaus. Special emphasis will be put on national security issues and issues related to the United Nations.” The center of the alliance policy remains in the North American Bureau and its Japan-US. Security Treaty Division. But the emergence of the Foreign Policy Bureau seems to have created an environment within the ministry that will allow the alliance issues to be discussed in a wider perspective.

In the Defense Agency, some significant changes have been taking place, including an increase in the number of bureaucrats and SDF officials who have long overseas experience. An increasing number of these officials have undertaken graduate studies in the United States and created a basis on which the agency can communicate more directly not only with the Pentagon, but with a wide audience in the United States.⁹²

When Japan’s security policy is analyzed, an agency that should not be over looked is the Cabinet Legislation Bureau.⁹³ Its responsibilities are to give legal opinions on a variety of matters to government agencies, and to judge the legal consistency and constitutionality of laws and treaties that the Cabinet proposes to the Diet. This office creates practically the most authoritative interpretation of the Constitution. Obviously, the Supreme Court is the final arbiter of any constitutional dispute, but in many instances that involve security issues, the Supreme Court is reluctant to produce its own judgment because of the “highly political nature” of an issue. As a result, the Cabinet Legislation Bureau is virtually the

⁹¹ Murata Koji “Development of Defense Policy”,(Nihon Seiji Gakkai Nenpo, 1997),p.79-95

⁹² Shikata Toshiyuki, “The Process of Revising the Guidelines of U.S.-Japan Defense Cooperation”(Teikyo University in Gaiko Seisaku,1999),p.207

⁹³ Nakamura Akira, “The Ups and Downs of Article 9 of the Constitution in Postwar Politics”(Tokyo:Chuo Keizai Sha,1996)

single most important legal actor in any decision making in Japan. Particularly relevant to the U.S.-Japan alliance is its interpretation of the constitutionality of the right of collective self-defense.

Part of the reason that external pressure often plays an important role in Japan's decision making is the *tatewari gyosei* system (vertically divided administration). When the jurisdictional demarcation is clear, no one, not even the prime minister, finds it easy to interfere into the "internal affairs" of the ministry in charge. When other ministries or political actors, including the prime minister, feel it necessary to bring about change, it is sometimes useful to attract foreign attention and let foreigners criticize the ministry. So it is that, when the jurisdiction is not clear, as in the case of newly emerging industries such as telecommunications, and turf battles among ministries attract foreign pressures, each ministry will try to entice foreign governments and business to support its case and oppose its adversaries.

Finally, a few words on the role of politicians-ministers (*daijin*) and *seitmu jikan* (the foreign ministry now translates this post as state secretary and other ministries translate it as administrative vice minister). The posts of foreign minister, finance minister, and MITI minister are regarded as the most important in the Cabinet. The post of director general of the Defense Agency (defense minister) has long been considered a rather minor post for a fairly inexperienced middle-level politician. Although there appear some signs that more importance is being attached to the office of defense minister, no clear indication is evident.

One of the more important developments over the last few years is the elevation of the position of the state secretaries for foreign affairs. *Seimu jikan* was translated as "parliamentary vice minister" in contrast to *jimu jikan* (administrative vice minister). *Jimu jikan*, as those familiar with Japan's bureaucracy know, is the highest-ranking position among the career civil servants in a ministry and, hence, its holder is regarded as the substantively most powerful figure in the ministry, more powerful in many instances than the minister. In contrast with the *jimu jikan* is present but performs no particular function. Until quite recently, most *seitmu jikan* posts were filled by fairly junior politicians. But the appointment of Komura Masahiko as *Seimu jikan* for foreign affairs during the Hashimoto

Cabinet was quite a departure from previous custom. Komura had served as a director general of the Science and Technology Agency. In order to accommodate such a senior official (omono), the foreign ministry changed the English translation of the seimu jikan and refer to the post as “state secretary for foreign affairs,” to indicate that the person in this post is almost equivalent to a member of the Cabinet. The same pattern has been followed in the Obuchi Cabinet. Machimura Nobutaka, former education minister and a future prime minister hopeful, was appointed state secretary for foreign affairs. And for that matter, as Obuchi became prime minister, Komura took Obuchi’s position to become foreign minister. Furthermore, a second state minister for foreign affairs was added, another new tendency. In the past, each ministry had only one seimu jikan; under the Obuchi administration, MOFA and MOF had two seimu jikan. The second state secretary, Takemi Keizo, seemed to follow the previous pattern, because, he was a first-term councilor. But Takemi is well known for his foreign policy expertise, as he was previously a professor of international politics at Tokai University. These new developments in the position of seimu jikan clearly show that at least people like Komura, Machimura, and Takemi are no longer dismissed as simple appendices. How much influence they wield remains to be seen, however.

The proposed reforms, under the auspices of the Basic Law for the Reform of Central Government Ministries and Agencies, are in line with strengthening the political appointees in the bureaucracy. Instead of seimu jikan, the current government bill proposes to create three posts of fuku-daijin (deputy minister) and three posts of seimukan (political officer) in the foreign ministry. But fuku-daijin, are conceived of as posts comparable to British ministers without portfolio, while seimukan posts comparable to previous seimu jikan, are posts for junior politicians. In any case, once this plan is realized, seven political appointees will be sent to all ministries, which could have significant decision-making implications. With seven political appointees at the higher echelon of a ministry, it would become more difficult for career bureaucrats to dominate decision making. However, how the new system will work remains to be seen.⁹⁴

⁹⁴ Inoguchi Takashi and Purnendra Jain “Japanese Foreign Policy Today” Scholarly and Reference Division and Palgrave Publishers (Newyork, U.S.A 2000),p.7-10

Ever since the Meiji Restoration of 1867- 68-which might itself be described as a sort of bureaucratic coup d'etat-the importance of the bureaucracy has bulked very large in the Japanese political system. The founders of modern Japan were not themselves democrats and they were not particularly concerned to establish a "civil service" in sense of the term, that is, a politically neutral, professionalized service dedicated to the achievement of democratically set goals by means determined and supervised by the representatives of the people. The conception of a bureaucrat as a "public servant" was almost totally absent from both Japanese political theory and practice until it was inserted in Article 15 of the new Constitution by Americans in 1946. Before 1946, a Japanese bureaucrat was officially viewed as a chosen servant of the Emperor, a politically and socially superior being who derived status and privileges from his Imperial connection. The old Tokugawa adage, *kanson mimpi* "officials honored, the people despised"), well describes the prewar bureaucrats attitude toward the public. A tradition of this depth and intensity dies hard. Despite a number of postwar reform attempts, there is a good deal yet to be done before the average bureaucrat successfully negotiates the transition to the status of 'public servant.'

As in many other countries, postwar times brought to Japan an enormous inflation in the size of her bureaucracy. Just before the war in 1940, for example, if it is excluded the military and certain temporary employees, the Japanese national government had 231,898 employees. In 1965 the comparable figure was 1,632,241, a slightly more than sevenfold increase in 1963, the bureaucracy in Japan-including the civilian employees of both national and local governments and the military-totaled about 4,000,000 persons; thus roughly one out of every twelve members of the labor force worked for the government. This is a very sizable number, but for our purposes it is the higher civil service which is most important. These higher civil servants may be loosely defined as those individuals who attain the first, second, or third grades in the administrative service. In 1965, there were only 8,391 such positions in the entire national government, of which perhaps half were really important Access to these positions is usually restricted to persons who pass the higher Civil Service examinations. The higher bureaucracy is thus not a very large group; it probably numbers about four or five thousand people, and replenishes itself at a

rate of to three hundred members at the bottom per year. Its training and preparation are rigorous.⁹⁵

Under the 1955 system, it was often said that Japan suffered from third-rate politicians but benefited from first-rate bureaucrats. The quality of the civil servants in Japan is high, but the bureaucracy has hardly been insulated from the strong winds of change in the political world, in Japan's own political economy, and in the international system. Political realignment has complicated the bureaucrats' policymaking process and exacerbated interministerial conflicts (which must be arbitrated by the politicians). Changes of coalition governments have led to political purges against senior bureaucrats loyal to the previous regime. The loss of socioeconomic cohesion has weakened the bureaucrats' levers of influence. The collapse of the Japanese economic model has undermined their prestige and morale. The media and nongovernmental organizations are following the politicians and encroaching on bureaucratic control of information and policy decisions. And the external shocks of the Gulf War, the North Korean threat, and the rise of China have challenged their old *modus operandi*.

It is possible that a new equilibrium in political realignment and the emergence of clearer political platforms will lead to more centralization of decision making and the bending of the bureaucrats to a national mandate. Hints of this sort of impact from political realignment on the bureaucracy are already evident. In 1994, for example, a senior MITI official, Naito Masahisa, was forced to resign by the Hosokawa cabinet for being too loyal to politicians of the previous LDP regime.⁹⁶ Later Saito Jiro, the administrative vice minister of MOF, came under intense LDP scrutiny during MOF scandals in 1995 because he was considered to have been too cooperative with Ozawa and the Hosokawa and Hata governments in 1993-95.⁹⁷ As party structures solidify, these trends could increase, eventually reinforcing centralization in foreign and security policymaking under the prime minister.

⁹⁵ Robert E. Ward "Japan's Political System" Comparative Asian Governments Series, University of Michigan (New Jersey 1997), p.96

⁹⁶ Kaga Kouei "Why Did Director General Naito Quit?", *Bungei Shunju*, (New York, Columbia University Press, March 1994), p.160-176

⁹⁷ Kishi Nobuyoshi "The Fall of MOF's Total Power", *Bungei Shunju*, July 1998, p.184

For now, though, each bureaucratic institution is in transition, wedded to old client areas but struggling to redefine new strategies that will safeguard national power and well-being in a time of uncertainty.⁹⁸

Government service has always been and still is today regarded as one of the most desirable careers open to young Japanese. Access to its higher levels is achieved through an outstanding academic record. Influential connections also help. In elementary school, the brighter students are constantly faced with the necessity of getting the highest possible grades in an endless series of difficult examinations. Brilliant performances in these provide entrance to the best high schools and ultimately to the best universities. The equivalent of an honors degree from a good university is particularly essential to anyone hoping to take and pass the higher Civil Service examinations. A few universities in prewar times acquired a practical monopoly over access to these higher positions. The elite of the prewar administrative service, for example, consisted of those who took and passed the higher Civil Service examination while still students, then graduated from Imperial universities, and went on to achieve the first or second grades of the Civil Service. Among these, ninety-two per cent were graduates of Tokyo Imperial University's Law Department and four per cent of Kyoto Imperial's Law Department.

The tests were largely set and graded by members of the law faculties of these schools, and their graduates, once in the higher services, were given preferential status and advancement by their fellow alumni of earlier classes and higher rank. This situation has improved since the war. One now encounters many more graduates of Kyoto, Waseda, Keio, Hitotsubashi, Nihon, and other colleges, but a pronounced "old-school tie" prejudice, still fostered by a Tokyo University clique, is readily discernible. In these period, for example, sixty-nine per cent of all Japanese higher civil servants were graduates of Tokyo University, and at the level of vice-ministers and bureau chiefs the proportion exceeded eighty per cent. It should also be noted that the courses of study and tests leading to a Civil Service career have been somewhat broadened in comparison with their excessively narrow and legalistic prewar

⁹⁸ Michael J. Green "Japan's Reluctant Realism, Foreign Policy Challenges in an Era of Uncertainty Power, A Council on Foreign Relations Book ", (New York ,Palgrave,2003), p.57-58

counterparts. A heavy emphasis is still placed, however, on the applicant's ability to recall legal and technical details.⁹⁹

4.2.5.1. The Ministry of Foreign Affairs (MOFA):

There was a saying in prewar politics that "the Heike clan, the navy, and the Internationalists always lose" (Heike, kaigun, kokusaiha wa kanarazu makeru) . In the postwar era the Japanese foreign ministry has suffered all of the complications and death by a thousand cuts of their counterparts in the U.S. State Department and the British Foreign Office. With internationalization of the Japanese economy in the 1980s other ministries began encroaching on their turf. Trade disputes and international standards brought the domestic-oriented Ministries of Posts and Telecommunications, Construction, and Agriculture Forestry and Fisheries into the international negotiating process. Even worse, it inspired these other bureaucracies to establish offices (usually as "think tanks") in Washington and other major world capitals. Initially, MOFA responded by ceding certain routine economic decision making to these other ministries. MOFA also created new divisions, such as the Atomic Energy Division and the Oceans Division, to maintain control or leverage in important new international economic negotiations. It also instituted more active "domestic diplomacy" in the 1980s to manage the economic negotiating process better.

As Japan increased its international profile in security and foreign affairs under Nakasone in the 1980's, MOFA also had to skirmish with the Ministry of Finance (MOF) and MITI for control of the growing official development assistance (ODA) account and with the Japan Defense Agency (JDA) for management of the U.S.-Japan Alliance and the allocation of growing defense budgets.¹⁰⁰ There is continuing debate about whether MOFA has succeeded in steering ODA away from industrial policy orientation of MITI, but as Japan's ODA has increasingly been dispersed through multilateral institutions, it is MOF's

⁹⁹ Robert E. Ward "Japan's Political System" Comparative Asian Governments Series, University of Michigan (New Jersey 1997), p.98

¹⁰⁰ Robert M. Orr, "The Emergence of Japan's Foreign Aid Power" (New York: Columbia Press, 1990), p.33 and Michael J. Green, "Arming Japan: Alliance Politics, Defence Production, and the Post-war Search for Autonomy" (New York: Columbia University Press, 1995), p.57

influence that has grown.¹⁰¹ The JDA has also steadily increased its influence on security policy at MOFA's expense since the end of the Cold War.

Throughout Japan's internationalization, MOFA has had to manage growing responsibilities and interagency confrontations with a base of personnel and technical resources that barely expanded. In 1995 MOFA had 3,883 employees distributed among 110 embassies and 62 consulates abroad. By 1992, after the dissolution of the Soviet Union, MOFA had 173 embassies and many more consulates, but only expanded by 16 percent to 4,522 personnel.¹⁰² The ODA bureaucracy has also been small. In 2000 there were only 1,490 aid-related personnel in Japan, compared with 3,522 in the United States to handle an aid program of comparable size.¹⁰³

Throughout the 1990s MOFA has also been subjected to increasing media criticism for failing to articulate a clearly independent Japanese foreign policy. This domestic criticism and a poor crisis management and diplomatic response to the Gulf War led MOFA to embark on a major restructuring program in 1993. The two most significant changes were the reconfiguration of the United Nations Bureau into a Comprehensive Foreign Policy Bureau and the recasting of the Analysis Bureau into a better-equipped Information Analysis Research and Planning Bureau. The Comprehensive Foreign Policy Bureau has also had the effect of diminishing the importance of the "American factor" in foreign policy decision making, though MOFA remains the champion of the U.S.-Japan relationship in the Japanese government. In order to strengthen the independent and strategic dimensions of Japanese diplomacy, the new bureau combines a long-range policy planning function with short-term crisis management—a difficult balancing act, to say the least. The new organization contains within it the division for UN activities as well as the political/military divisions for multilateral dialogue, arms control, and disarmament.¹⁰⁴ But officials in the Comprehensive Foreign Policy Bureau report that they have instituted a matrix system with divisions in other bureaus that allows streamlined decision making on

¹⁰¹ Robert M. Orr and Edward J. Lincoln, "Japan's New Global Role" (Washington, DC: Brookings Institution, 1992), p. 122-133

¹⁰² Richard L. Grant "The Process of Japanese Foreign Policy: Focus on Asia" (London: Royal Institute of International Affairs, 1997), p. 3

¹⁰³ Robert M. Orr and Edward J. Lincoln, "Japan's New Global Role" (Washington, DC: Brookings Institution, 1992), p. 30

¹⁰⁴ Fujioka Akihisa "Kanchou Zenkeiretsu Chizu (Complete Guide to the Bureaucracies' Groupings)" (Tokyo: Nikkei Shinbunsha, 1994), p. 44

both short-term crises and long-term policy planning directives.¹⁰⁵ Overall, the new bureau appears to have reduced the “clientitis” that led to huge clashes between the North American Affairs and Asian bureaus, often requiring ultimate arbitration by the administrative vice minister himself.

4.2.5.2. The Ministry of Finance (MOF):

As the “ministry within the ministries,” Japan’s MOF has traditionally exerted unparalleled influence over all aspects of Japan’s public policy, including foreign affairs. The core of MOF’s influence lies in two of its functions: the budget bureau, which holds the carrot of expenditures; and the tax bureau and associated National Tax Agency, which hold the sticks of revenue collection and audits. From these core functions, MOF enjoys broad influence in diverse areas of the Japanese government. Ex MOF officials frequently serve as governor of the Bank of Japan, administrative vice minister of the Defense Agency, prefectural vice governors, and presidents of special corporations. In addition, there are usually more than two dozen former MOF officials in the Diet, a number twice as high as former MITI officials and the negligible numbers of former MOFA officials (four in 1998).

MOF’s direct role in foreign affairs is managed by the International Bureau. The International Finance Bureau (now simply “International Bureau”) is one of the newest of the ministry’s eight bureaus, created about the time Japan joined the Organization for Economic Cooperation and Development (OECD) and the IMF in 1964. The bureau is responsible for exchange rate policy, liaison with international financial institutions such as the IMF and World Bank, and financial policy toward developing countries. In fact, MOF officials dominate the Japanese representation in many of these international financial institutions. MOF also has some responsibility for management of the G-7 (now G-8) summits. This has led to frequent clashes with MOFA, which has increased its ‘role as the summits have become less economic and more political.

Despite its enormous structural advantage, however, MOF has seen its own turf in public policy nibbled away since the collapse of the 1955 system. Initially, the coalition

¹⁰⁵Michael J. Green “Japan’s Reluctant Realism, Foreign Policy Challenges in an Era of Uncertainty Power, A Council on Foreign Relations Book ”, (New York ,Palgrave,2003), p.59 Interview with MOFA officials,November 2,1998

government of Hosokawa relied heavily on MOF expertise and influence.¹⁰⁶ However, the continuing liquidity trap of the Japanese economy and the arrest of senior MOF officials on charges of bribery and corruption in 1997 and 1998 led to a rapid decline in the ministry's public image and stature. "Ministry of Failure" was the growing criticism in the press in 1998. The banking and securities bureaus no longer command the same level of fear and respect among the financial sectors they regulate. MOF power has been further curtailed by the establishment of a quasi-independent counterpart to the U.S. Security and Exchange Commission (the Financial Supervisory Agency), by the "Big Bang" deregulation of financial markets, and by the growing independence of the Bank of Japan.¹⁰⁷ Agencies such as JDA have also exerted greater independence from MOF, as the expectation grows that future vice ministers will come from within the ranks of the agency and not laterally from MOF or another ministry. This has led to a change in the culture of the ministry. As one mid-level official described the ministry's shell-shock in late 1998: "most of my colleagues are proceeding with their jobs like automatons, the rest are either pushing their seniors for major reforms, or looking at new careers in politics or the private sector."¹⁰⁸

There is one area where MOF is clearly energetic and ambitious, however, and that is in its push for a larger Japanese role in the management of the international financial system. Senior MOF officials have made high-profile proposals such as the Asian Monetary Fund and continue to engage actively in the international debate over future "architectures" for the international financial system.¹⁰⁹ Their efforts are hampered, however, by the ministry's inability to execute restructuring of the banking and financial sectors at home.

¹⁰⁶ Mike Mochizuki, "Domestic Change and Foreign Policy" (Santa Monica, CA: RAND, 1995), p.47

¹⁰⁷ Kozo Yamamura, "The Japanese Political Economy after the Bubble" *Journal of Japanese Studies*, Vol.23, No.2 (1997), p.311

¹⁰⁸ Michael J. Green "Japan's Reluctant Realism, Foreign Policy Challenges in an Era of Uncertainty Power, A Council on Foreign Relations Book", (New York, Palgrave, 2003), p.60 Interview with officials in International Bureau, MOF, December 2-4, 1998

¹⁰⁹ Tawara Soichiro, "Is MOF Alone to Blame" *Chuou Kouron*, March 1998, p.78-91

4.2.5.3. The Ministry of International Trade and Industry (MITI)/

Ministry of Economy, Trade, and Industry (METI) (after 2000)

The Japanese economy is the second largest market economy in the world. In 2002 it recorded a gross domestic product (GDP) of 532.96 trillion yen. Per capita national income in 2001 was US \$24,038, ranking Japan fifth among OECD member nations. Since the collapse of the "bubble economy" in the early 1990s, however, GDP growth has stagnated, and, despite a couple of minor upturns, a sustained recovery has proved elusive. In an effort to revitalize the economy, the Japanese government is currently attempting to implement a wide range of structural and regulatory reforms. Major changes are also taking place in the corporate world as companies strive to increase competitiveness by moving away from traditional employment practices such as lifetime employment and seniority-based wages.

The High-Growth Era

Japan's postwar economy developed from the remnants of an industrial infrastructure that suffered widespread destruction during World War II. In 1952, at the close of the Allied Occupation, Japan was a "less-developed country," with per capita consumption roughly one fifth that of the United States. Over the following two decades, Japan averaged an annual growth rate of 8%, enabling it to become the first country to move from "less-developed" to "developed" status in the postwar era. The reasons for this include high rates of both personal savings and private-sector facilities investment, a labor force with a strong work ethic, an ample supply of cheap oil, innovative technology, and effective government intervention in private-sector industries. Japan was a major beneficiary of the swift growth attained by the postwar world economy under the principles of free trade advanced by the International Monetary Fund and the General Agreement on Tariffs and Trade, and in 1968 its economy became the world's second largest, behind that of the United States.

Between 1950 and 1970, the percentage of Japanese living in cities rose from 38% to 72%, swelling the industrial work force. The competitive strength of Japanese industry increased steadily, with exports growing, on average, 18.4% per year during the 1960s. After the mid-1960s, a current account balance surplus was achieved every year except for a couple

years following the oil crisis of 1973. The economic growth in this era, supported by strong private-sector facilities investment based on a high personal savings ratio, was accompanied by significant changes in Japan's industrial structure. Whereas formerly the mainstays of the economy were agriculture and light manufacturing, the focus shifted to heavy industry. Iron and steel, shipbuilding, machine tools, motor vehicles, and electronic devices came to dominate the industrial sector.

In December 1960, Prime Minister Ikeda Hayato announced an income-doubling plan which set a goal of 7.8% annual growth during the decade 1961-1970. Government economic planning aimed at expansion of the industrial base proved exceedingly successful, and by 1968 national income had doubled, achieving an average annual growth rate of 10%.

A Mature Economy

Prime Minister Tanaka Kakuei's Basic Economic and Social Plan (February 1973) forecast continued high growth rates for the period 1973-1977. However, by 1973 domestic macroeconomic policy had resulted in a rapid increase in the money supply, which led to extensive speculation in the real-estate and domestic commodity markets. Japan was already suffering from double-digit inflation when, in October 1973, the outbreak of war in the Middle East led to an oil crisis. Energy costs rose steeply and the yen's exchange rate, which had not reflected its true strength, was shifted to a floating rate. The consequent recession lowered expectations of future growth, resulting in reduced private investment. Economic growth slowed from the 10% level to an average of 3.6% during the period 1974-1979, and 4.4% during the decade of the 1980s.

Despite the oil crisis and its aftermath, Japan's major export industries maintained competitiveness by cutting costs and increasing efficiency. Industrial energy demands were reduced and the automobile industry, in particular, was able to improve semiconductor industry. By the late 1970s, the computer, semiconductor, and other technology and information-intensive industries had entered a period of rapid growth.

As in the high-growth era, exports continued to play an important role in Japan's economic growth in the 1970s and 1980s. However, the trade friction that accompanied Japan's

growing balance of payments surplus brought increasingly strident calls for Japan to further open domestic markets and to focus more on domestic demand as an engine of economic growth.

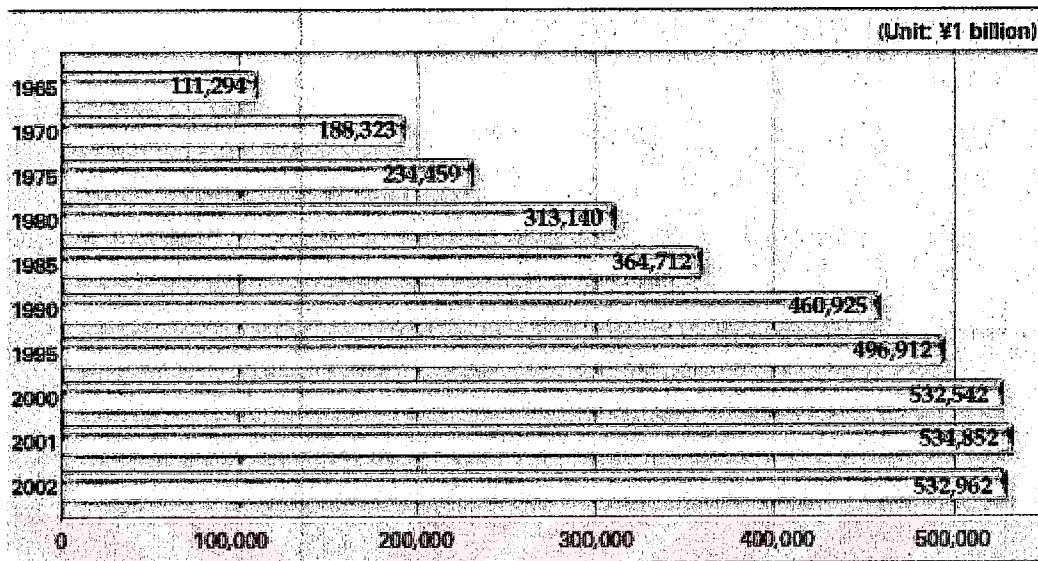


Table 4.2 Economic Growth Between 1965-2002

Source: Cabinet Office, Annual Report on National Accounts

The Bubble Economy

Following the 1985 Plaza Accord, the yen rose sharply in value, reaching 120 yen to the U.S. dollar in 1988—three times its value in 1971 under the fixed exchange rate system. A consequent increase in the price of Japanese export goods reduced their competitiveness in overseas markets, but government financial measures contributed to growth in domestic demand.

Corporate investment rose sharply in 1988 and 1989. With higher stock prices, new equity issues swiftly rose in value, making them an important source of financing for corporations, while banks sought an outlet for funds in real estate development. Corporations, in turn, used their real estate holdings as collateral for stock market speculation, which during this period resulted in a doubling in the value of land prices and a 180% rise in the Tokyo Nikkei stock market index.

In May 1989, the government tightened its monetary policies to suppress the rise in value of assets such as land. However, higher interest rates sent stock prices into a downward spiral. By the end of 1990, the Tokyo stock market had fallen 38%, wiping out 300 trillion yen (US \$2.07 trillion) in value, and land prices dropped steeply from their speculative peak. This plunge into recession is known as the "bursting" of the "bubble economy."

The Economy since 1995

The post-bubble recession has continued through the second half of the 1990s and into the new millennium. Some temporary improvement in the economic outlook was seen in 1995 and 1996, partly due to a fall in the value of the yen and additional demand generated by recovery efforts for the January 1995 Great Hanshin-Awaji Earthquake. In 1997, however, a variety of factors, including a rise in the consumption tax rate, a reduction in government investment activity, and the bankruptcies of major financial institutions, quickly worsened the recession. Burdened with a huge volume of bad debt aggravated by still-falling land prices, financial institutions tightened their lending policies, thereby forcing companies to reduce plant and equipment investments. This, combined with falling exports caused by the Asian economic crisis, resulted in lower profits in almost all industries. Employment salaries and wages also fell, further dragging down consumer spending, and in 1998 the Japanese economy suffered negative growth.

In 1998 the government established a 60 trillion yen funding framework to provide the public funds necessary to promote economic recovery, and it also allocated an additional 40 trillion yen for emergency measures to deal with reduced lending by financial institutions. The national budget for fiscal 1999 included a large increase in public project spending, and action, such as an increase in tax credits for new home purchases, was taken to reduce taxes. Beginning in February 1999, the Bank of Japan instituted a 0% short-term interest rate policy to ease the money supply, and in March the government poured 7.5 trillion yen in public funds into 15 major banks.

As a result of these measures and growing demand for Japanese products in Asia, in late 1999 and 2000 signs of recovery, such as increasing stock prices and revenue growth in some industries, began to be seen. In 2001, however, the economy slid back into recession because of domestic problems—sluggish domestic demand, deflation, and the continuing

huge bad-debt burden carried by Japanese banks—as well as international factors that included a decline in Japanese exports due to deterioration of the U.S. economy. The unemployment rate, which had been only 2.1% in 1990, climbed to 5.4% in 2002.

Economic recovery in the United States and Asia beginning in 2002 has spurred export activity, and this has stimulated industrial production, but it remains to be seen whether a real recovery has begun. The vulnerability of Japanese business to fluctuations in the global economy is evidence of the continuing fragility of the Japanese economy, particularly the weakness of domestic demand. Plant and equipment investments and other resource spending continue to be hampered by the fact that companies must use their funds to pay off excess debt and banks must allocate their funds to disposing of nonperforming loans. Past government measures, such as additional spending packages to stimulate the economy and prop up insolvent banks, have not fundamentally improved the situation, and this can be seen as evidence both of problems in the structure of Japan's 50-year-old postwar economic system and of an increasing inability to respond flexibly to internal and external changes. Addressing deflation, the bad-debt problem, and the budget deficit as structural problems in the Japanese economy, the government is implementing policies covering regulatory reform, public company privatization, and administrative reform. Economic revitalization is being promoted with policies to improve efficiency in areas such as corporate management, labor allocation, fund allocation, and research and development.

Looking beyond the immediate-term measures for economic recovery, there is growing concern over the consequences that the aging of Japanese society will have for the economy. In 2001 approximately 18% of the population was 65 or older, but by 2050 this figure is projected to be about 36%. To minimize the effects of the contraction of the working population, it will be necessary both to increase labor productivity and to promote the employment of woman and people over 65. In addition, fundamental reforms will be necessary in pension and other social welfare systems in order to avoid large inequalities between generations with respect to the burdens born and benefits received.

The Industrial Sector

The share of manufactured goods as a percentage of all Japanese imports has greatly increased since the mid-1980s, exceeding 50 percent in 1990 and 60 percent in the late 1990s, and this has spurred fears of a hollowing out of Japanese industry. Growing trade friction in the second half of the 1980s and the steep rise in the value of the yen impelled many companies in key export industries, notably electronics and automobiles, to shift production overseas. Manufacturers of such electrical products as TVs, VCRs, and refrigerators opened assembly plants in China, Thailand, Malaysia, and other countries in Asia where work quality was high and labor inexpensive. For such products, the market share of imported goods now exceeds that of domestic items.

In recent years, a rapid increase in manufactured imports from China has caused particular concern. Japan's total imports in 2001 increased 3.6%, but imports from China jumped 18.3%. On the other hand, in the same year Japan's exports to China rose 14.9% even though its total exports dropped 5.2%. The simultaneous increase in the volume of both product exports and imports with China is partly the result of an international division of labor occurring as part of manufacturing globalization. Japanese companies export capital goods (machinery) and intermediate goods (components, etc.) to production facilities built through their direct investment in China, and they then import the finished goods back into Japan. At present there is still a vertical division of labor, with Japan specializing in knowledge- and technology-intensive modules and processes and China specializing in labor-intensive modules and processes. As China and other developing nations continue to improve their technical capabilities, however, the challenge for Japan's manufacturing industry will be to maintain a comparative advantage in knowledge- and technology-intensive sectors.¹¹⁰

¹¹⁰ Available <http://web-jpn.org/factsheet/economy/index.html>

(Unit: 1,000 persons)						
	0-14 Years	15-64 Years	65 Years or older			
1995	15.9%	69.4%	14.5%	125,570		
2000	14.6%	67.9%	17.3%	126,926		
2001	14.4%	67.7%	18.0%	127,291		
2010	13.4%	64.1%	22.5%	127,473		
2020	12.2%	60.0%	27.8%	124,107		
2030	11.3%	59.2%	29.6%	117,580		
2040	11.0%	55.8%	33.2%	109,338		
2050	10.8%	53.6%	35.7%	100,593		
	0	25,000	50,000	75,000	100,000	125,000

Table 4.3: Japan's Estimated Population

Source: National Institute of Population and Social Security Research,

As the master of industrial policy, MITI (new METI) once stood at the center of the developmental state model of the Japanese economy. With the appreciation of the yen and the move of Japanese manufacturing offshore in the 1980s, MITI's direct role in the economy was constrained, but with this same internationalization, MITI actively expanded its role in foreign policy. With the consolidation of all bureaucracies into twelve ministries in December 2000, MITI's name changed to METI (the Ministry of Economy, Trade, and Industry), suggesting further expansion and ambition in international policy for the masters of industrial policy.

MITI/METI plays a direct role in Japanese foreign policy primarily through the International Trade Administration Bureau (which handles trade insurance, foreign exchange, and import/export promotion) and the International Trade Policy Bureau (which handles international trade negotiations and World Trade Organization, G-8, and APEC policy). As its leverage over domestic sectors of the economy has declined, so has MITI's assertiveness in shaping the international trade agenda increased. MITI pushed hard behind the scenes for the establishment of APEC in the early 1990s-initially against the resistance of MOFA, which was concerned with its diplomatic prerogatives and relations with the United States. MITI officials also champion the cause of multilateralism and the WTO, in

part to resist direct bilateral U.S. trade pressure, but also to expand the ministry's mission in international affairs.

Since MITI's role is not absolutely vital to Japan's national role like MOFA's or MOF's, or the National Police Agency's, MITI officials are forced to rethink their purpose as times change-making them the most robust ministry today. In 1998 MITI established a new Economic Policy Unit within the minister's secretariat with responsibility for strategic planning well beyond MITI's traditional scope of industrial policy. The new brain trust includes the best and brightest of MITI's mid-level officials and prepares position papers on issues ranging from the global financial system, to Japan-ROK relations, to the road map for administrative reform.¹¹¹ MITI officials were particularly active behind the scenes in preparing the administrative reform package for Prime Minister Hashimoto in 1997 and succeeded in pushing a plan for realignment of ministries that would expand their own role in international economic policy. MITI also pushed hard for bilateral U.S.-Japan and U.S.-ROK cabinet level meetings (MOFA, MITI, MOF) and for similar quadrilateral meetings with the European Union, Canada, and the United States. These proposals have frequently raised the anger of MOF, which wants to guard its exchange rate coordination role, and MOFA, which wants to guard its diplomatic agenda.

Like MOF, however, MITI's growing activism in foreign policy and aspirations for management of the international economy are made powerless and ineffective by its inability to deliver credible deregulation or restructuring of Japan's excess capacity at home. In fact, from 1992 to 1993 MITI regulations actually increased in number.¹¹² The newly renamed METI cannot control certain sectors that obstruct its international trade policy agenda, such as agriculture or banking, and five of its eight bureaus remain closely aligned with the basic industrial sectors of the economy that the internationalists wish to deregulate.

¹¹¹ Michael J. Green "Japan's Reluctant Realism, Foreign Policy Challenges in an Era of Uncertainty Power, A Council on Foreign Relations Book ", (New York ,Palgrave,2003), p.60 Interview with MITI officials November 4,1998

¹¹² Kasumigaseki Handobukku "An Insight Into Japan's Bureaucracy (Tokyo:IPMS Group,1998),p.3

4.2.5.4. The Japan Defense Agency (JDA)

The JDA now controls an enormous defense budget that ranks second in the world by some calculations, but the agency and the uniformed personnel of the Japan Self Defense Forces (JSDF) are strictly confined in their political and policymaking roles. The major roadblock against JDA and JSDF political influence is Article Nine of the Constitution and the continuing pacifist undercurrents in Japan's public debate on security. The JDA also holds second-tier status in institutional terms. The JDA director general, though nominally a member of the cabinet is a "minister of state" rather than a full-fledged "minister of defense." The administrative vice minister of the agency has been seconded from either MOF or the National Police Agency with only one exception. Major bureaus of the JDA have often been run by external bureaucrats, including the Accounting Bureau, which is often run by a MOF official, the Equipment Bureau, which is usually run by a MITI official, and the Counselor for Foreign Relations, who is from MOFA. MOFA also holds primary responsibility for managing the security relationship with the United States through the Security Treaty Division of the North American Affairs Bureau.

Despite these constraints, however, the JDA and the JSDF enjoyed increasing legitimacy domestically as bilateral security cooperation expanded with the United States in the face of the direct Soviet Union military threat in the 1980s.¹¹³ Since the end of the Cold War, the JDA role in foreign policy has increased even more significantly, a boom symbolized by the agency's shining new headquarters in Ichigaya. There are four explanations why.

First, the successful dispatch of a Maritime Self Defense Force minesweeping flotilla to the Gulf in 1991 and a Ground Self Defense Force peacekeeping construction battalion to Cambodia in 1992-93 established the JSDF as a prominent tool in Japan's diplomacy. PKO and humanitarian operations have since expanded to include Mozambique, the Golan Heights, and Honduras. The JSDF now also engage in joint training with regional navies (including Russia in 1997 and the ROK in 1999).

Second, the JDA and the JSDF have entered into more central roles in the management of the U.S.-Japan Alliance, pushing with the LDP defense for revision of the bilateral defense

¹¹³ Michael J.Green and Patrick M.Cronin "The United States- Japan Alliance:Past,Present and Future (New York:Council on Foreign Relations,1999),p.69-93

guidelines in 1995 and 1996 at a time when MOFA was still cautious about taking the issue to the Socialists then in government. The clarification of the regional focus of the U.S.-Japan alliance in April 1996 inevitably brought the JDA into a larger role in regional security policy (Article Six of the U.S.-Japan Security Treaty), where before the agency had focused largely on cooperation with the United States for the defense of Japan against direct attack (Article Five). New systems, such as Theater Missile Defense, also brought the JDA into the regional and international debate on arms control and nuclear strategy, a realm previously dominated by MOFA.

Third, the clear threats represented by North Korean and Chinese missile tests and growing unease about the stability of the region have increased the public's interest in security policy and support for the JSDF and the JDA. Uncertainty about region's future security architecture has also led to broader political support for the JDA and the JSDF to engage in dialogue and defense diplomacy with the region's other militaries, leading to closer security consultations with the ROK military in particular.

Fourth, the technical expertise and information available to the JDA and the JSDE has increasingly allowed them to trump MOFA and the intelligence arms of MITI and the National Police in the important bureaucratic war over information. The JDA's new Japan Defense Intelligence Headquarters (JDIH), established in 1997, enjoys a close relationship with the Defense Intelligence Agency in the United States and tends to closely guard its intelligence findings. Interestingly, the JDIH is led by a three-star general, a departure from the civilian bureaucrats' past practice of maintaining strict control in civilian agencies. The establishment of a smoother internal JDA-JSDF working relationship has contributed to the agency's overall clout.

There is every reason to expect the role of both the JDA and the JSDE to incrementally increase within Japan's bureaucratic system. The most pronounced but subjective evidence is the high quality of the younger and mid-level JDA officials. As one MOF official who had hoped to transfer to JDA put it: "with excellent staff coming up through the ranks, JDA will no longer have to accept vice ministers from MOF in the future."¹¹⁴In fact, the

¹¹⁴ Michael J. Green "Japan's Reluctant Realism, Foreign Policy Challenges in an Era of Uncertainty Power, A Council on Foreign Relations Book ", (New York ,Palgrave,2003), p.60 Interview with MOF officials,December,2-4,1998

Finance Bureau and Procurement Bureau have begun placing JDA officials in the top posts. The JDA control of personnel further solidified with the consolidation of the Finance Bureau with the Equipment Bureau in 2001. For some time into the future, however, the older guard at JDA will continue to exert a cautious restraint on the “young turks” and restraint on the agency. When members of the LDP pushed for the JDA to become a ministry under the administrative reform proposals prepared under the Hashimoto cabinet in 1997, for example, it was the senior bureaucrats within the JDA who objected most strenuously. The emerging generation is far more confident and ambitious.¹¹⁵

4.2.6. Local Government:

Prior to the effectuation of the new Constitution in 1947, Japan had an extremely centralized form of government, in two different senses. First, all political power was legally and theoretically concentrated in the person of the Emperor. Second, all political power was legally and actually concentrated at the national level; local governments enjoyed no autonomous rights. They were created and controlled by the national government in Tokyo. The American authorities who controlled the Allied Occupation of Japan objected strenuously to the continuance of this system. Their political goal was the democratization of Japan, and they seem to have felt that democratic institutions and practices flourish in direct proportion to their closeness to the people. In other words, the Japanese system of government required drastic decentralization through the granting of extensive rights of local self to the prefectures, cities, towns, and villages of Japan. In this way, they could be made directly responsive to local desires and conditions and their democratic potential greatly enhanced.

Relatively little thought appears to have been given to any deleterious effects which such a decentralization of authority might have on the strength or efficiency of the national government. In fact, such a consequence was probably regarded as desirable. The result of such views on the part of the occupation authorities was, first, the enshrinement of the principle of local autonomy in Article 92 of the new Constitution and, second, the enactment of the Local Autonomy Law on April 17, 1947. The combination of these with

¹¹⁵ Michael J. Green “Japan’s Reluctant Realism, Foreign Policy Challenges in an Era of Uncertainty Power, A Council on Foreign Relations Book ” , (New York ,Palgrave,2003), p.60-62

other related legislation provides the legal basis for the present system of local government in Japan. Judged by earlier Japanese standards, this is a highly decentralized system, although it is not as decentralized as the federally organized system that exists in the United States. Japan technically still has a unified system of government.

At its highest level below the nation, local government in Japan is organized into forty-six prefectures. The prefectures are governed, subject to national laws, by a popularly elected governor and a single-house legislature. The total territory of each prefecture is then further subdivided into cities, towns, and villages. These are the lowest units of self-government in Japan- with the exception of Tokyo's self-governing districts, which comprise a special case. There is nothing corresponding to our unincorporated territories in Japan. Each city, town, or village directly elects its own mayor and single-house assembly. All these local governments, from the prefecture down, are semi parliamentary systems, in which the chief executives and their assemblies are rendered mutually interdependent through their respective powers of dissolution and votes of nonconfidence. The law also extends very considerable powers of local self-government to all these levels and units and, thereby, denies the exercise of such powers to agencies of the national government.

This is a brief description of the legal position of local governmental units in Japan. Their actual position deviates from this in several important respects. They are not really autonomous to anything like the degree anticipated by the law. In practice, local officials spend most of their time administering the policies and business of the national ministries at the local level. The laws and ordinances which they adopt are quite apt to be carbon copies of model statutes developed initially in Tokyo. Furthermore, few, if any local governments are financially self-supporting. Twenty per cent or more of their essential revenues are normally derived from subsidies and grants-in-aid received largely from the national government. this pronounced degree of fiscal dependency plus the long-ingrained bureaucratic habit of looking to Tokyo and the national government for guidance detracts greatly from the actual degree of autonomy enjoyed by the prefectures, cities, towns, and villages of Japan.

4.2.7. Judicial System:

The judicial system, like so many of the other institutions of prewar Japan, was greatly changed by the occupation. Anglo-American common law principles were widely introduced into a system which had been largely European in derivation. The legal, civil, and political rights of Japanese citizens were greatly expanded; the government and its servants were made far more accountable for their actions; and, in general, a serious attempt was made to introduce into Japanese society the almost completely foreign principle of the rule of law. A series of basic reforms in the judicial system lay at the root of these attempts.

In prewar Japan the courts had been, in effect, an arm of the national government, administered by the Ministry of Justice. Under the Constitution of 1947, this was completely changed. Article 76 vests “the whole judicial power” in a Supreme Court and in such inferior courts as may be established by law. This provision creates a judicial branch of the government with an independent status that is substantially equal to that enjoyed by the legislative or executive branches. The Supreme Court is given complete administrative control over all inferior courts, and is further explicitly given the right of judicial review, that is, the power to determine the constitutionality of any law, order, regulation, or official act. The fifteen judges of the Supreme Court are appointed by the Cabinet, except for the Chief Judge who is appointed by the Emperor upon nomination by the Cabinet. The judges serve for life, subject to decennial referenda by the voters upon their records. Beneath the Supreme Court in 1965 was a hierarchy of inferior courts ranging from eight High Courts through forty-nine District Courts (with attached Family Courts) to 560 Summary Courts at the base of the pyramid. Together with a large number of civil and family conciliation commissions, each composed of one judge and two intelligent and experienced laymen and intended to provide facilities for the out-of-court settlement of disputes, these are the principal components of the present Japanese judicial system.

The courts, although in a technical sense they seem to be functioning reasonably well, do not play as important a role as might be expected. The Japanese are a rather remarkably nonlitigious people. They are traditionally suspicious of the courts and of formal legal

processes, and have a pronounced preference for settling disputes by informal methods of conciliation and mediation. These methods are highly developed, especially in the countryside, and normally recourse will be had to the courts only when the issue is very serious and these older folksy techniques of mediated settlement have failed.

From a political standpoint, few judicial issues have aroused more comment and controversy than the Supreme Court's American-inspired power of judicial review. This is completely foreign to the Japanese legal tradition and many have watched with interest to see whether or not the Supreme Court would actually make use of this power and occasionally declare an act of the Diet, of a Ministry, or of a local government unconstitutional, thus asserting its right to play a positive role in national politics in the way that the United States Supreme Court does. Since 1947 there have only been two or three cases—none of particular importance—in which the Supreme Court has held laws enacted since the end of the Occupation to be unconstitutional. In the light of such a record, it would seem highly improbable, under present circumstances at least, that the Supreme Court will ever make significant use of the power of judicial review.¹¹⁶

In contrast to the prewar system, in which executive bodies had much control over the courts, the postwar Constitution guarantees that “all judges shall be independent in the exercise of their conscience and shall be bound only by this Constitution and the Laws” (Article 76). They cannot be removed from the bench “unless judicially declared mentally or physically incompetent to perform official duties” and they cannot be disciplined by executive agencies (Article 78). A Supreme Court justice, however, may be removed by a majority of voters in a referendum that occurs at the first general election following the justice's appointment and every ten years thereafter. As of the early 1990s, however, the electorate had not used this unusual system to dismiss a justice.

The Supreme Court, the highest court, is the final court of appeal in civil and criminal cases. The Constitution's Article: 81 designate it “the court of last resort with power to determine the constitutionality of any law, order, regulation, or official act.” The Supreme Court is also responsible for nominating judges to lower courts, determining judicial

¹¹⁶ Robert E. Ward “ Japan's Political System” Comparative Asian Governments Series, University of Michigan (New Jersey 1997), p.101-103

procedures, overseeing the judicial system including the activities of public prosecutors, and disciplining judges and other judicial personnel. It renders decisions from either a grand bench of fifteen justices or a petty bench of five. The grand bench is required for cases involving constitutionality. The court includes twenty research clerks, whose function is similar to that of the clerks of the United States Supreme Court.

The judicial system is unitary: there is no independent system of prefectural level courts equivalent to the state courts of the United States. Below the Supreme Court, the Japanese system included eight high courts, fifty district courts, and fifty family courts in the late 1980s. Four of each of the last two types of courts were located in Hokkaido, and one of each in the remaining forty-six rural prefectures, urban prefectures, and the Tokyo Metropolitan District. Summary courts, located in 575 cities and towns in the late 1980s, performed the functions of small courts and justices of the peace in the United States, having jurisdiction over minor offenses and civil cases.¹¹⁷

4.2.8: The Business Community, Think Tanks, and Media

4.2.8.1: Zaikai-Big Business

The business community in Japan has had a central role in defining Japan's interaction with the world, as might be expected from a nation that depends so heavily on external trade. Nationally, big business is organized into four organizations : the Federation of Economic Organizations (Keidanren); the Japan Association of Corporate Executives (Keizai Doyukai); the Japan Chamber of Commerce (Nihon Shoko Kaigisho); and the Japan Federation of Employers' Association (Nikkeiren or Nihon Keizai Dantai Rengokai), which was absorbed by Keidanren in 2000. Of these, Keidanren plays the largest role in foreign policy. With its 800 member firms and 110 industry associations, it is the "high temple" of the business community. Keidanren hosts or cooperates with a series of bilateral private-sector business councils, such as the Japan-Russia Economic

¹¹⁷ Ronald E. Dolan and Robert L. Worden "Japan A Country Study" Headquarters, Department of Army (Washington D.C. 1992),p.324-325

Cooperation Committee, that play an important supporting role in bilateral economic negotiations with Japan's major trading partners.¹¹⁸

Keidanren's mission has shifted in the same fundamental way as METI or MOF. Traditionally, Keidanren was wired into the political process in large part because of its direct donations to the LDP (and parallel corporate donations to individual politicians), but the organization halted its direct funding for the LDP after the collapse of the 1955 system. This weakened the business community's direct impact on the political process. Even before the end of its direct financial support for the LDP, Keidanren faced a pluralizing membership with competing views of economic policy, while the LDP politicians were turning to political funds from sectors not controlled by the traditional big-business groupings.¹¹⁹ Moreover, issues in the "new" economy cut across all corporate and bureaucratic lines. The Internet, for example, falls under the jurisdiction of at least five different ministries.¹²⁰ In search of a new mission, Keidanren headquarters has focused on national economic strategy in much the way METI has. In 1998 Keidanren established a think tank (the Twenty-first Century Public Policy Institute) to chart long-term economic policy goals for Japan. The institute has championed deregulation and structural reform, leaving behind some of the more conservative members of its parent organization. The institute has also focused on foreign and security policies, joining the larger intellectual ferment over Japan's future role in international society.

The Keizai Doyukai is an association of individual business executives that has always had more flexibility than Keidanren to push for new directions in policy. Keizai Doyukai has promoted liberalization in agriculture (which is not represented in the group) and has pushed for deregulation, a reflection of the membership's international business focus. In 1996 Keizai Doyukai prepared a major report on security policy, calling for greater participation in peacekeeping, a strengthening of the U.S.-Japan alliance, and consideration

¹¹⁸ Michael J. Green "Japan's Reluctant Realism, Foreign Policy Challenges in an Era of Uncertainty Power, A Council on Foreign Relations Book " , (New York ,Palgrave,2003), p.65

¹¹⁹ Honshio Jiro, "Documentary Kaidanren:The Big Business Leaders' Honne" (Tokyo:Koudansha,1993),p.318

¹²⁰ Barbara Wanner, "Economic Problems,Political Changes,Challenge Japan's Cozy Business-Government Ties" (Japan Institute Report,June 9,2000),p.11

of reinterpreting the Constitution to allow the right of collective self-defense.¹²¹ This was followed in 1998 by a similar report on security from the Kansai Keizai Doyukai, which represents industrial leaders from Osaka and environs, traditionally a more pacifist and liberal intellectual community.¹²² While not directly active in the organs of foreign policymaking like Keidanren, the Keizai Doyukai has nevertheless moved forward the national consensus on security policy.

The role of Keidanren and Keizai Doyukai in the foreign policy process in Tokyo is complemented on the ground by the activism of Japanese firms—and especially Japanese trading companies—in the far corners of the globe. Before either MITI or MOFA had extensive intelligence-gathering functions abroad, Japan’s major trading companies were well established across the globe. Itochu, Mitsubishi Corporation, Mitsui Busan, Marubeni, and other corporations maintain large research and analysis sections both at corporate headquarters and abroad. With significant financial resources and long-standing contacts, these organizations are often better integrated into the economic policy debates of host countries than the Japanese embassies and frequently play active roles in arranging Diet member visits, providing back channels on trade negotiations, and introducing new political and economic developments to uninformed Japanese officials. Most trading companies have internationalized in personnel and corporate identity and cannot serve as an arm of Japan’s diplomacy, but they continue to constitute an important source of indirect information and influence.

4.2.8.2. Nongovernmental Organizations, Subnational Governments

In recent decades, significant changes in both the international and domestic contexts of Japan’s external relations have wrought a rather different ball game among the players on Japan’s foreign policy field. Today, as “globalization” sees national borders losing some of their authority as defining mechanisms that regulate international flows, inside Japan the traditional capacity of the national government to regulate international flows is also

¹²¹ Keizai Doyukai (Japan Association of Corporate Executives), Report of the Study Group on Security Issues, April 8, 1996. (<http://www.Doyukai.or.jp/database/teigen/960408e.htm>).

¹²² Kansai Keizai Doyukai (Kansai Association of Corporate Executives), Toward Facilitating Straightforward Discussion: Our Honest Viewpoint on Japan’s National Security—In Pursuit of Strategic and Independent Decision Making, and Responsible Action, January 1998 ([http://www.kDoyukai.on.arena.ne.jp/teigen-iken/1998Mar/anzen/eibun\(anzen\).html](http://www.kDoyukai.on.arena.ne.jp/teigen-iken/1998Mar/anzen/eibun(anzen).html)).

weakening. It is not just the nature, the extent, the style, and the goals of Japan's international relations that are transforming. Inevitably, who conducts these relationships is also changing. At the end of the twentieth century, foreign policy is no longer the sole preserve of Japan's central government and its representative, the Ministry of Foreign Affairs (MOFA) based in Tokyo. Other actors are involved in conducting Japan's international relations. The two most significant of these are sub national governments (SNGs) and nongovernmental organizations (NGOs)¹²³

Japan has a unitary political system as do the United Kingdom, Italy, and France. This system is more centralized than the federal systems of the United States, Canada, Germany, and Australia, where Subnational units enjoy more freedom from the center to administer their own laws and policies. And it has a convoluted structure because of this.

Subnational governments in Japan number over 3,000 and operate at two levels under the national government. The prefectural level is the second tier of government covering Japan's 47 prefectures. The third tier includes all other local entities known as municipalities and covers thousands of cities, towns/townships, and villages. Among them are 12 special or designated cities, so designated because of their large size and functional jurisdiction.¹²⁴ Collectively, SNGs in Japan form a mammoth and influential public body, both in terms of the multitude of their elected and other public officials and the magnitude of their annual aggregated budgets (far exceeding the national government budget).¹²⁵ There are over 65,000 elected local assembly members and about 3,300 elected heads in Japan. In 1996, SNGs employed around 2.8 million people as against 1.5 million employed by the national government. Individually, SNGs are political actors with varying degrees of clout, beholden to the central government but usually seeking to increase their autonomy from it. It is seen in their push to become international actors that are independent of the central administration, with their own interests and priorities. Usually their goals are reasonably consistent with those of the central government (whose priorities are not always coordinated, in any case, from one ministry to another), but certainly not

¹²³ Inoguchi Takashi and Purnendra Jain "Japanese Foreign Policy Today" Scholarly and Reference Division and Palgrave Publishers (Newyork, U.S.A 2000),p.18

¹²⁴ Inoguchi Takashi and Purnendra Jain "Japanese Foreign Policy Today" Scholarly and Reference Division and Palgrave Publishers (Newyork, U.S.A 2000),p.18

¹²⁵ Asahi Shimbunsha, "Japan Almanac 1999" (Tokyo,1997),p.37

always. NGOs are less easily identified-in Japan as elsewhere-with the ambiguity sometimes offering political opportunity The Japanese NGO Center for International Cooperation, a Japanese NGO umbrella organization based in Tokyo, treats as NGOs only that non government, nonprofit, citizens' groups that are involved in global issues such as human rights, education, environmental protection, and world peace.¹²⁶ Citizens' organizations that are purely domestic in their activities are included under NPOs (nonprofit organizations). This distinction is generally accepted in the Japanese mass media.¹²⁷ The 1998 JANIC directory listed 368 Japanese NGOs.¹²⁸

Analyses of who or what are the actors in international relations have noted how technological advancement and the complex forces of globalization are eroding the relevance of the traditional units in international diplomacy: nation states and the foreign offices of central governments.¹²⁹ These powerful developments have propelled the involvement of many other governmental, semi governmental and nongovernmental bodies as informal but legitimate actors in an increasingly pluralized international community. At the turn of the millennium "consulates belong to yesterday's diplomacy."¹³⁰ The flourishing of international actors beyond the traditional bastions of nation-state diplomacy is a global trend.

Postwar Japan has been recognized by many as primarily an "economic state," with the focus of its international diplomacy on pursuing economic benefit for Japanese interests through international trade, investment, and other commercial arrangements. Nonstate international actors are mostly business groups, transnational corporations, and other private actors promoting Japan's commercial interests abroad through "private economic diplomacy."¹³¹ A tight network linking government and business enabled the central government to incorporate the overseas pursuits of these nonstate actors within the national

¹²⁶ Katsudo Suishin Senta, "What are NGOs" (Tokyo:JANIC,1996),p.49

¹²⁷ Asahi Shimbunsha, "Japan Almanac 1999" (Tokyo,1997),p.46

¹²⁸ JANIC,NGO,Dairekutori-98, "Directory of Japanese NGOs Concerned with International Cooperation" (Tokyo,1998),p.143

¹²⁹ Michael H. Shuman, "Dateline Main Street:Local Foreign Policies" Foreign Policy 65 (Winter 1986-87):154-174;Hans J.Michelmann and Panayotis Soldatos, "Federalism and International Relations:The Role of Subnational Units (Oxford:Clarendon Pres,1990),p.50-66

¹³⁰ Mike Clough, "Consulates Belong to Yesterday's Diplomacy."Los Angeles Times reprinted in Daily Yomiuri ,17 August 1998

¹³¹ Robert A Scalapino, "The Foreign Policy of Modern Japan" (Berkeley:University of California Press,1997),p.175-203

foreign policy to some extent. This picture may be fairly true of postwar Japan into the 1980s. However, particularly from the late 1980s, other actors with other motivations and interests have begun to take a more prominent role in Japan's international relations.

Japanese SNGs and NGOs have become increasingly active outside Japan. Perhaps because their involvement is still limited when compared with the extent of their overseas counterparts in Europe and North America, these actors have barely registered in most analyses of Japan's international relations. Accounts of their activities have come mostly from practitioners-governors, mayors, other local officials, and leaders and other workers in Japan's NGOs.

Another reason for the epistemic absence of these new international actors is that much of the analysis of Japan's political system has argued consistently that Japan is a centralized state. This failure to recognize slow systemic change blocks proper recognition of newly emerging actors that operate largely outside the center. In this perspective, because local governments in Japan are severely limited in both legal authority and financial autonomy, they have almost no actual power to make policy or act independently; their status is nothing more than subsidiary agencies of the central government. Some observers posit a similar argument about the impotence of Japan's NGOs and other nonprofit organizations (NPOs) in the policy arena. SNGs and NGOs as international actors, although institutional change comes slowly and with resistance, Tokyo's ability to drive foreign policy in a unitary fashion is weakening. SNGs and NGOs are now making valuable contributions to Japan's international diplomacy.¹³²

Japanese SNGs and NGOs have taken some productive initiatives in developing international relationships. Depending on the type and location of the activity the central government may be involved to some extent-as coordinator, financier, partner, or advisor-via the new institutional infrastructure established for this purpose. In exceptional cases it will stand back completely. Usually the central government seeks some degree of involvement, and usually this is through the foreign ministry (and possibly other ministries as well; for SNGs, it is often the Ministry of Home Affairs). SNGs are involved directly in a range of international activities, from establishing sister-city relations, cultural

¹³² Jessica T Matthews "Power Shift" *Foreign Affairs* 76:1 (January-February 1997),p.52

agreements, technology transfers, and training programs to promoting economic cooperation with overseas partners. Many of these overseas links are with counterpart bodies abroad. Most relationships have remained bilateral, although some have begun to take a multilateral form, with Japanese SNGs and their overseas counterparts setting up forums to consider issues that unify their interest at the local level.¹³³

Japanese NGOs are involved ever more deeply than before in what the Japanese government calls Japan's "international contributions" in Asia, Africa, and elsewhere. Many participate in international programs of development, peace-making, and post crisis reconstruction. After years of effort, Japanese NGOs now have access to the corridors of Tokyo's policy-making circles. Increasingly, these NGOs are present in key international forums, keen for involvement in issues such as environmental protection, human rights, and sustainable economic development. Some also participate in lobbying activities nationally and internationally.

Japan's internationally active SNGs and NGOs rank poorly in domestic and international influence, when compared with some very active counterparts in North America and Europe. SNGs and NGOs in Japan have developed in a historical, cultural, political, and socioeconomic context that differs from circumstances that have propelled their North American and European counterparts earlier into international affairs. Nevertheless, the move by Japanese bodies into the global arena is gaining momentum. It appears set to take SNGs and NGOs further into the heartland of Japan's international diplomacy.¹³⁴

SNGs and NGOs in Japan's Foreign Policy: Significant Parallels

The examination of SNGs and NGOs as international actors points to a number of interesting parallels between them, in the context of their involvement in Japan's foreign policy. Both operate within the same domestic and international contexts and have been basically contemporaries in their emergence on the foreign-policy landscape.

¹³³Inoguchi Takashi and Purnendra Jain "Japanese Foreign Policy Today" Scholarly and Reference Division and Palgrave Publishers (Newyork, U.S.A 2000),p.21

¹³⁴Inoguchi Takashi and Purnendra Jain "Japanese Foreign Policy Today" Scholarly and Reference Division and Palgrave Publishers (Newyork, U.S.A 2000),p.21

First, both have extended considerably the range of their actions outside Japan and their status in national policy matters has risen as a result. It is seen how official explanations of their involvement in foreign policy have been recast accordingly to accommodate the new status of these bodies through their “international cooperation” and “international contribution” that implies the perceived value of what they accomplish abroad. Both have been drawn by default, and on rare occasion, into hard diplomacy on matters that concern national security. Both have been relegated outside this domain at the hand of a dominant, cautious foreign ministry for whom national security is taken as its sole preserve.

Second, in tandem with their greater international activity, both SNGs and NGOs have gained confidence in their own abilities to act independently of the central government to the extent that they are able. They have sought, and to a limited extent have gained, some scope for independent action in their international activities. The process has served to strengthen their profiles in domestic affairs and their place as legitimate international actors, with due recognition by politicians, central government, and other policy actors that these international actors cannot, and should not, be sidelined from policy matters.

Third, both comprise quite disparate “members” under their respective labels. SNGs include small rural villages with populations of a few hundred and minimal political pull, through to huge, thriving metropolises such as Tokyo, islands such as Kyushu, and entire regions such as Kansai, all with populations of many million and enough clout in Tokyo to sway national policy. NGOs are similarly not uniform in size, purpose, and outlook. In both cases, the label applied confers status (or lack of it), implies purpose, and helps to forge connection between disparate members whose interests may not otherwise align.

Fourth, both have developed new relations with other international actors. Many of these actors are their counterparts abroad. International forums and work on-location in overseas developmental programs have been valuable opportunities for building these relationships, mostly bilaterally, but with some multilateral linkages. These newly forged relationships have helped to bolster the position of Japanese SNGs and NGOs domestically (and internationally) through opportunities for alliance-building and other strategies that have sharpened both their political savvy and their voice inside the Tokyo policy forums.

Fifth, both have relatively short histories as international actors. SNGs began with small, almost invisible steps abroad through sister-city relationships in the mid-1950s. NGOs undertook small-scale international forays from around the 1960s. Both have begun to figure more prominently on the scene in the 1990s, when their quest for further involvement in activities outside Japan met with international and domestic environments more conducive to their involvement. As it is seen, though, this has not been plain sailing into the foreign policy domain for either of them, and the central government has tried to steer, partner, and co-opt both of them through various regulatory mechanisms.

Sixth, through one of these regulatory mechanisms-law-SNGs and NGOs are both subject to legislation set in place by the national government in the late 1990s that directly and indirectly limits their international involvement. The Decentralization Law passed by the Diet in June 1999 is one step forward in giving a small degree of legal autonomy to Japanese SNGs, but their financial status is still tied firmly to the national government. For NGOs, the NPO Law passed in 1998 makes it much easier to establish legally, but this law also puts severe restrictions on NGOs through requiring their supervision by an appropriate ministry and formal accounting of their funds.

A mix of reasons helps explain these parallels between SNGs and NGOs as international actors. Both are subject to similar forces shaping the domestic and international contexts in which they operate. Significantly, however, a key source of these parallels can also be found in their status vis-à-vis central government actors. In the foreign policy domain, both have had to struggle with central actors to assert identity and legitimacy, a shared struggle that has helped to forge empathy and shared political turf between them.

Comparative literature on international relations informs that international diplomacy and global governance are no longer the sole preserve of nation states. Global problems such as the management of the environment, human rights, demographic change, and basic human needs can be managed most effectively only when a range of actors bring ideas, advice, personnel, and technical and other resources to address these issues. SNGs and NGOs are two of these types of actors who are bringing their strengths to the domain of international relations.

In the 1990s, this trend has helped to kick start the emergence of Japanese international actors that are not part of the central government. Both SNGs and NGOs in Japan will continue to confront domestic and international challenges to their status as international actors. Both are now seen in a favorable light domestically and are making efforts to improve their profiles as international actors both at home, and in the international arena. But they are still beholden to some extent to a foreign ministry that is used to unitary action in foreign policy.¹³⁵

4.2.8.3. Think Tanks, Parapublic Institutions

Japanese diplomacy has rested on semiofficial or “second-track” organizations for several decades. METI maintains the largest such organization with the Japan External Trade Relations Organization (JETRO) and the smaller affiliate Manufactured Import Promotions Organization (MIPRO). These external organizations (gaikaku dantai) allow METI to maintain an analytical and logistical presence abroad without having to rely on MOFA. Other ministries have established their own institutional diplomacy through similar schemes. Examples include MOF’s Japan Center for International Finance (JCIF), and the Construction Ministry’s Research Center for Construction and Engineering (RICE).¹³⁶ MOFA has also utilized external organizations to facilitate second-track dialogue and negotiations on subjects not appropriate for official dialogue. Retired ambassadors and visiting scholars at the ministry’s Japan Institute for International Affairs (JIIA) have moved Japan’s diplomatic agenda forward with all the major nations in Northeast Asia through meetings that mix scholars and officials.

The resources and influence of the government-sponsored research institutes highlights the paucity of independent think tanks in Japan. Japanese politicians frequently complain that they are constrained in policymaking by the lack of independent sources of information.

¹³⁵ Inoguchi Takashi and Purnendra Jain “Japanese Foreign Policy Today” Scholarly and Reference Division and Palgrave Publishers (Newyork, U.S.A 2000),p.35-37

¹³⁶ Library of Congress, “Japanese Public Policy:Perspectives and Resources” (Washington,DC:The Japan Documentation Center of the Library of Congress,1995)p.45

Scholars in and out of Japan have long called for new independent institutions to chart Japan's future and provide information for a more open debate on policy.¹³⁷

In the 1990s the growing competition for information from politicians and the media and the proliferation of international second track networks such as CSCAP (the Council on Security and Cooperation in the Asia Pacific) and PBEC (the Pacific Basin Economic Council) have given new life to independent research institutions in Japan. In foreign policy, the most noteworthy are the National Institute for Research Advancement (NIRA), the Okazaki Institute (headed by a former ambassador), the Institute for International Policy Studies (founded by former Prime Minister Nakasone), the Hiroshima Peace Institute (host of the Tokyo Forum in 1999), the Japan Forum on International Relations, mc. (founded on the initiative of Dr. Okita Saburo, the former foreign minister, and now headed by Chairman Imai Takashi and President Ito Ken'ichi), the Research Institute for Peace and Security (a major institute for foreign affairs experts in academia), the Tokyo Foundation (backed by the Sasakawa Foundation), and Keidanren's Twenty-first Century Public Policy Institute. All of these think tanks have some ties to the government and none exhibit the same influence as some of their counterparts in the United States, but the larger political and societal trends in Japan suggest that they will continue to grow in importance.

Equally important has been the growing role of nongovernmental organizations (NGOs) in Japanese diplomacy.¹³⁸ Large parts of Japanese ODA are now implemented through NGOs. The NGO project subsidy increased dramatically, by 523 percent, between 1990 and 1998.¹³⁹ Grant assistance for grassroots projects also increased nineteen times since it was introduced in 1989.¹⁴⁰ In the treaty to ban anti-personnel mines in 1998, Japanese NGOs actively shaped the perceptions of politicians and the media and eventually won Japanese support for the treaty, against the advice of many security experts in MOFA and the JDA. NGOs were also active on the ground in East Timor in late 1999 at a time when

¹³⁷ Rinn-Sup Shinn, "Japan's Foreign Affairs Establishment," Congressional Research Service, May 16, 1996, p.23. Akiko Fukushima, National Institute for Research Advancement (NIRA), "The Role of Think Tanks in a Civil Society," a speech for the Middle East Think Tank Conference, "How to Market Ideas: From Education to Advocacy," Cairo, November 3, 1997

¹³⁸ Ikegami Kiyoko "Toward a Cooperation between GO and NGO" March 1999 p.427-459

¹³⁹ The Budget of the Subsidy System for NGO projects "Diversity of the Actors of Japanese Foreign Policy" March 1999, p.37

¹⁴⁰ The Budget of the Subsidy System for NGO projects "Diversity of the Actors of Japanese Foreign Policy" March 1999, p.37

Tokyo was unwilling to dispatch the JSDF. This recent phenomenon has emerged for three reasons. First, Japanese NGOs have been empowered to work on issues such as combating the international spread of AIDS by their American counterparts—particularly through the U.S.-Japan Common Agenda, which seeks bilateral government support for such efforts. Second, the nongovernmental movement in Japan has shifted from Left-wing antigovernment activities (often supported by the Communist or Socialist parties) toward a more cooperative relationship with government. Finally, the Diet bowed to public pressure and passed a new nonprofit organization (NPO) law in March 1998, which lowers the financial barriers to nonprofit status and reduces bureaucratic control. NGOs and NPOs are still constrained by unfavorable tax status and by the bureaucrats' continuing efforts to control their activities informally. Nevertheless, this new dimension of foreign policymaking and implementation will probably continue to expand in the future.

4.2.8.4. Extreme Groups

In spite of the demise of bipolarity in Japanese politics, there are still extreme organizations on the Right and Left that have retained their stubborn institutional continuity throughout the post-Cold War era. On the Left, these include groups such as Chukaku-ha and other antimilitarists and pseudo anarchists that influence Japanese security policy primarily through protests at U.S. bases and nuclear power plants. Their ranks are graying rapidly and their numbers dwindling, though, and no new far Left organizations are rising in their wake.

More persistent and able to rejuvenate themselves are the groups on the Far Right, the so-called Uyoku, best known to Tokyoites for their gray or white sound trucks that travel the roads blaring loud martial music and castigating Russia, China, the United States, or anyone else who impinges on Japanese national sovereignty or dignity. There is no evidence that the ranks of the Uyoku have grown, but the various groups on the Right (groups like Nihon Seinensha, the Japan Youth League) have managed to continue raising enough funds through extortion (being paid not to blare martial music in certain areas) and sympathetic donors to keep in steady operation even through the post bubble years. The Uyoku's close ties to the LDP have frayed with political realignment, but that has also made it more difficult for conservative politicians to control these groups when they

interfere in foreign policy by raising lighthouses on internationally contested territories or protest outside embassies.¹⁴¹

4.2.8.5. Mass Media

Japan's largest daily newspapers (Asahi, Yomiuri, Nikkei, Mainichi, and Sankei) were as much accomplices of the 1955 system as the political parties and the bureaucracy. But as noted earlier, the newspaper reporters' close relationship with the politicians began breaking up in the 1980s as television news programs, city page editors, and weekly magazines began scooping the political sections on stories about LDP corruption and scandal. Today television news commentators, such as Tawara Soichiro and Kume Hiroshi, terrify politicians and bureaucrats with their ability to mobilize popular opinion against an individual political figure or government policy. And the same power of television has empowered younger telegenic policy experts within the ranks of the LDP and the opposition.

For their part, the dailies have increased their focus on both Asia and security issues. Sankei and Yomiuri (the paper with the largest circulation) have always been more conservative and pro-defense. But recently the government and LDP's greatest critic on the Left-the Asahi Shimbun-has also been highlighting the dangers of North Korean and even Chinese behavior. An intense battle is under way for the soul of Asahi between the realists in the political and economic sections and the idealists in the city page and Kansai region, but, as in Japanese politics, the realists tend to dominate the next generation of leadership. In addition, a new generation of magazines blossomed in the 1990s-magazines such as Foresight, Sapio, and Seiron-that dissect foreign and defense policy in detail, and often with a dose of sensationalism and nationalism.

In short, the media has played an ever larger role in amplifying the external shocks and pressures the Japanese system has felt since the end of the Cold War. This growing influence on foreign policymaking has everything to do with the unbundling of the 1955 system and the fluidity in Japanese politics. Therefore, the very salience of the mass media

¹⁴¹ Michael J. Green "Japan's Reluctant Realism, Foreign Policy Challenges in an Era of Uncertainty Power, A Council on Foreign Relations Book ", (New York ,Palgrave,2003), p.68

in Japanese decision-making today no doubt heightens the potential importance of any dramatic events overseas in the day-to-day policy calculus in Tokyo and could well be a force for substantial and rapid foreign policy transformation in the future, in response to overseas developments.¹⁴²

4.2.9. Centralization and Decentralization and The Prime Minister's Office

The core weakness in Japan's traditional foreign policy structure lies in the Prime Minister's Office (newly reorganized into the Cabinet Office in 2001).¹⁴³ On paper, the prime minister should have power as the head of state. As Shinoda Tomohito notes in his study of the office: "As head of the cabinet in which the Constitution vests executive power, the Japanese prime minister leads the executive branch." He remains a member of the Diet and representative of the majority in the legislative branch. Through the cabinet's authority to appoint judges to the Supreme Court, he has some influence over decisions made in the judiciary branch. The prime minister, therefore, influences all three government branches and seemingly wields enormous power over government operations."¹⁴⁴

In addition, in foreign policy, Japan's larger profile in international relations, and the increase in G-8, APEC, ASEM (Asia-Europe Meeting), and other summit meetings, all provide a prime minister with the external prestige and *gaiatsu* (external pressure) he needs to consolidate his influence vis-à-vis the bureaucracy and the other faction or coalition party leaders. But for the most part, the Japanese prime minister is at best a first among equals, forced to coordinate all his policies with faction or coalition partners. In many cases, the prime minister is only a pawn, put in office because his very weakness serves the other faction leaders' interests.

Moreover, the Prime Minister's Office itself is also woefully under staffed, compared with the British Prime Minister's office and certainly the White House. The senior secretaries for external relations, security, and economic affairs are all seconded from MOFA, MITI,

¹⁴²Michael J. Green "Japan's Reluctant Realism, Foreign Policy Challenges in an Era of Uncertainty Power, A Council on Foreign Relations Book", (New York, Palgrave, 2003), p.68-69

¹⁴³Shinoda Tomohito "Ozawa Ichiro's Role in Formulating Foreign Policy" in Hashimoto, p.25 and Tase Yasuhiro "The Power Short Prime Minister", *Chuou Kouron*, April 1993, p.64-73

¹⁴⁴Shinoda Tomohito "Leading Japan: The Role of the Prime Minister", (Westport, Connecticut, London: Praeger, 2000) p.45

MOF, National Police Agency, or other ministries and exist to control the prime minister as much as to serve him.

The Prime Minister's Office also suffers from a lack of centralized information and analysis. The Cabinet Information Research Office (now Cabinet Intelligence Office) is supposed to synthesize information for the cabinet, but lacks authority over other ministries' intelligence arms or data collection capabilities of its own. The JDA's Japan Defense Intelligence Headquarters, MOFA's Information Analysis, Research and Planning Bureau, and the Public Security Investigative Agency all often stovepipe information for turf reasons, with the result that the prime minister rarely receives an integrated intelligence assessment. Prime Minister Hashimoto and his chief cabinet secretary, Kajiyama Seiroku, reportedly relied on private Internet newsletters and drinking sessions with reporters for up-to-date intelligence.

Finally, the prime minister does not have clearly established authority to deal with national emergencies. Conservative LDP politicians have been pushing for years for a national emergency legislation that would give the prime minister emergency legislation over local governments and bureaucracies in the event of military crises or natural disasters. The legislation has never moved forward, however, because of the historical experiences of martial law in the 1930s and 1940s.

In short, while the prime minister is vested with certain powers in the Constitution, his "direct authority over the executive is surprisingly limited."¹⁴⁵

Nakasone was the first prime minister to attempt structural improvements in his office's ability to conduct foreign affairs and security policy. In 1986 he introduced an independent Cabinet Councilors' Office on External Affairs, a Cabinet Security Affairs Office, a Cabinet Information Office, and two other domestic offices as well as a crisis management office, which he utilized throughout his tenure. However, these same innovations proved useless during the 1990 Gulf crisis, because then Prime Minister Kaifu refused to rely on them. In the 1990s further crises highlighted the poor state of readiness of the Prime Minister's Office. When a major earthquake struck Kobe in January 1995 and the

¹⁴⁵ Shinoda Tomohito "Leading Japan: The Role of the Prime Minister", (Westport, Connecticut, London: Praeger, 2000) p.45

doomsday religious cult Aum Shinrikyo attacked the Tokyo subway system with sarin nerve gas in March 1995, Prime Minister Murayama Tomiichi's inept response led to calls for improved crisis management from all the major political parties (even the Socialists) and the media.¹⁴⁶

In response to these crises, the Hashimoto cabinet established a crisis response room in the Prime Minister's Office and launched a series of interagency study groups on crisis management. The revision of the U.S.-Japan Guidelines in 1997 also fit within this larger effort at improved crisis management, but even the new Defense Guidelines are of limited utility without full emergency authority for the prime minister in a crisis. The North Korean Taepo-dong missile launch in August 1998 added more momentum to the centralization of emergency powers and facilitated the establishment of a cabinet Intelligence Council to coordinate the Cabinet Security Affairs and Crisis Management Office to streamline cabinet coordination in a crisis. The LDP pushed for further crisis management legislation in 1999, focusing primarily on coordination in emergencies among civilian ministries, and leaving the more difficult task of legislating new emergency powers to the prime minister for a later day.

4.2.10. Administrative Reform

While Nakasone and Hashimoto were the two prime ministers who pressed hardest for new capabilities in the Prime Minister's Office, their most significant achievement in strengthening the government's capacity to address national priorities lies in their active advancement of administrative reform. The first Provisional Commissions for Administrative Reform (Rincho) was established in 1962. Subsequent "Gyokakushin" were organized through the 1980s and 1990s. The Rincho recommendations charted a road map for privatizing NTT and the Japan National Railroads and implementing deregulation and decentralization of regulatory authority to local governments. Also central to the administrative reform process was the strengthening of the Prime Minister's Office. Under Nakasone, administrative reform led to the establishment of the Management and Coordination Agency (Somucho) with authority over general bureaucratic issues such as

¹⁴⁶ Barbara Wanner "Tokyo Confronts Crisis Management Shortcomings in Wake of Hanshin Earthquake Disaster" JEI Report, No.4 A, February 3, 1995, p.47

personnel, statistics, and administrative inspections . Hashimoto's Administrative Reform Council, which he personally chaired, recommended a wholesale reordering of the bureaucracies in its final report in December 1998. Based on the Hashimoto plan Japan consolidated the government from nineteen to twelve ministries and placed budgetary and emergency response authority in the Cabinet in 2001.¹⁴⁷

The centralization and decentralization themes of administrative reform run up against three powerful obstacles in Japan. The first is the Japanese political culture's mistrust of centralized authority in one office, a legacy not only of the experience of prewar militarism, but also one passed down from the Meiji oligarchy. The second obstacle is the massive debt in local and prefectural governments and the growing consolidation of corporate headquarters in Tokyo as firms downsize. The third obstacle is the pervasive structural influence of the Ministry of Finance.¹⁴⁸ It is not a coincidence that the most active supporters of administrative reform have been former police officials such as Gotoda Masaharu, the main rivals of the MOF for power and influence in post war Japan.¹⁴⁹

Ultimately, administrative reform that will strengthen the Prime Minister's Office is more likely to be implemented in a meaningful way after the process of political realignment results in lasting party structures. Cohesive parties with strong leadership will want to strengthen their administrative hand by pulling power away from the bureaucracies and toward the Prime Minister's Office. Not all changes must wait, however. Even in the midst of political realignment, the external pressures on Japan are pushing toward a centralization of emergence authority, as demonstrated by the reforms implemented after the North Korean missile launch of August 1998.

¹⁴⁷ Harano Joji "The Hashimoto Reform Program" Japan Echo, Vol.24, No.2 (1997), p.30-33

¹⁴⁸ Asian Survey "The Politics of Administrative Reform in Japan" Vol.38, No.3 (March 1998), p.307

¹⁴⁹ Asian Survey "The Changing Relationship between Japan's LDP and the Bureaucracy: Hashimoto's Administrative Reform Effort and Its Politics" Vol.38, No.10 (October 1998), p.968-985

Table 4.4: List of Ministries and Agencies of the Government of Japan

Cabinet Office [Naikakufu]
National Public Safety Commission [Kokkakoan-iinkai]
Defense Agency [Boeicho]
Ministry of Public Management, Home Affairs, Posts and Telecommunications [Somusho]
Ministry of Justice [Homusho]
Ministry of Foreign Affairs [Gaimusho]
Ministry of Finance [Zaimusho]
Ministry of Education, Culture Sports, Science and Technology [Monbukagakusho]
Ministry of Health, Labour and Welfare [Koseirodoshu]
Ministry of Agriculture, Forestry and Fisheries [Norinsuisansho]
Ministry of Economy, Trade and Industry [Keizaisangyosho]
Ministry of Land, Infrastructure and Transport [Kokudokotsusho]
Ministry of Environment [Kankyosho]

Source: "List of Ministries, etc. as from 6 January 2001," in January 2001: Central Government Reform of Japan (Tokyo: The Headquarters for the Administrative Reform of the Central Government, 2000)

http://www.kantei.go.jp/foreign/constitution_and_government/list_0106/list_as_0106.html

The forces of change that knocked the LDP out of power in 1993 are still colliding with the forces of conservatism and continuity that brought the party back in a year later. Nevertheless, the process of political realignment is irreversible. The 1955 system is over. The transition to a new equilibrium has only begun. Though no one is certain what is coming, the impact on Japanese foreign policy for the near term is already evident.

First, the institutions of Japanese policymaking—the factions, parties, associations, bureaucracies, and organizations—are all less disciplined. Japan has moved from politics based on interest groups to politics based on special interests.¹⁵⁰ These special interests are exerting themselves more forcefully and decisively as the larger interest groups lose their ability to impose discipline within. These special interest groups have skewed Japan-China and Japan-North Korea relations in ways that the LDP and the MOFA cannot control. This

¹⁵⁰ Michael J. Green "Japan's Reluctant Realism, Foreign Policy Challenges in an Era of Uncertainty Power, A Council on Foreign Relations Book ", (New York ,Palgrave,2003), p.73

also explains the new impact of nongovernmental organizations in Japanese foreign policymaking. The foreign policy process is less hierarchical, less predictable. More entrepreneurial, and more driven by media.

Second, the declining autonomy and confidence in the bureaucracy has meant that unpopular foreign policy is much harder to promote within Japan. The emphasis on “national interest” in Japanese foreign policy reflects this basic fact; it is becoming relatively easier to argue against external pressures than to manage an increasingly complex and unpredictable decision-making process internally. The weak standing of the LDP reinforces this trend. As prime ministers struggle to hold together coalitions and maintain volatile public support, they are less able to take unpopular stands on foreign policy issues and more vulnerable to special interest pressure and media criticism. This has made Japanese foreign policy alternately immobile and highly reactive to external developments, depending on the domestic pressures.

Third, there is no mandate for the articulation of a clear foreign policy strategy. Particularly among the younger generation of politicians, there is a growing consensus on constitutional revision, the need for a more independent diplomatic identity, and the need to diversify diplomacy beyond economic power. However, aspiring leaders in both the DPJ and the LDP are still trying to form broad enough coalitions to rule, and security and foreign policy is not an effective magnet to do that. Even reform itself carries risks as a theme, since so many politicians in the LDP still rely on construction and agriculture and so many DPJ voters need labor. Political leadership in Japan still requires leaders to act with ambiguity, in large measure because the Japanese people are still ambivalent about many of the changes occurring in their society. The changing patterns of foreign and security policy are therefore not being trumpeted with strategic concepts or doctrines.

Finally, the institutional constraints on Japanese security and foreign policy have weakened. The Left no longer obstructs defense policy the way it did when the Socialists were more powerful. The leadership of both the LDP and the DPJ agree on the need for a more robust security and diplomatic presence in the world. Institutional rigidities exist because the LDP has less power to coordinate. The government is risk-averse in foreign affairs because of the volatility of support for the ruling coalition. But this same

environment of weakened institutions would also be more permissive to significant departures in security policy if Japan were confronted with major external threats to its position.¹⁵¹

4.3 ELECTIONS

The Japanese political system has three types of elections: general elections to the House of Representatives held every four years (unless the lower house is dissolved earlier), elections to the House of Councilors held every three years to choose one-half of its members, and local elections held every four years for offices in prefectures, cities, and villages. Elections are supervised by election committees at each administrative level under the general direction of the Central Election Administration Committee. The minimum voting age for persons of both sexes is twenty years; voters must satisfy a three-month residency requirement before being allowed to cast a ballot. For those seeking office, there are two sets of age requirements twenty-five years of age for admission to the House of Representatives and most local offices, and thirty years of age for admission to the House of Councilors and the prefectural governorship.

In the general election of February 18, 1990, the thirty-ninth held since the first parliamentary election in July 1890, the 130 multiple-seat election districts of the House of Representatives returned two to five representatives depending on their population. There were two exceptions: the district encompassing the Amami Islands, south of Kyushu, elected only one representative to the lower house, while the first district of Hokkaido elected six successful candidates were those who won at least the fifth largest aggregation of votes in a five-person district, the fourth largest in a four-person district, and so on. Voters cast their ballots for only one candidate. Competition for lower house seats in the February 1990 general election varied from district to district. Tokyo's fourth district had seventeen candidates running for five seats, while the second district in Ibaraki Prefecture had only four persons running for three seats. In Okinawa Prefecture's single five-seat district, there were only six candidates.

¹⁵¹ Michael J. Green "Japan's Reluctant Realism, Foreign Policy Challenges in an Era of Uncertainty Power, A Council on Foreign Relations Book " , (New York ,Palgrave,2003), p.74-75

In House of Councilors elections, the prefectural constituencies elect from two to eight councilors depending on their population. Each voter casts one ballot for a prefectural candidate and a second one or a party in the national constituency system.

Percentages of eligible voters casting ballots in postwar elections for the House of Representatives have varied within a rather narrow range from 76.9 percent in May 1958 to 67.9 percent in December 1983. The figure for the February 18, 1990, general election was 72.4 percent. Although interest in politics is greater in urban than rural areas, voter turnout in the latter is generally higher, probably because constituents have a greater personal stake in such elections.¹⁵²

Elections, as in any other democracy, are at the heart of the political process in Japan. The Japanese electoral system is a unique one that creates some special problems but also has definite advantages. Governors, mayors, and a few of the members of the House of Councilors are elected in the American fashion, and the 100 members of the upper house who are elected at large are chosen through party slates in a manner common in continental Europe; but the lower house, which is by far the most important political body, the remaining members of the upper house, and the members of the local assemblies are elected by the unique Japanese system in which there are multiple-seat electoral districts but each voter has only a single vote. This system produces a loose sort of proportional representation that is not subject to the sudden large shifts in seats that occur in the Anglo-American system and is also free of the extreme divisiveness of splinter parties found in some of the democracies of continental Europe.¹⁵³

Japan has had a national election system since February 11, 1889, although in the beginning the suffrage was drastically restricted by tax and residence qualifications to a very small portion of the adult male population. Thereafter, it was gradually liberalized; universal manhood suffrage was finally adopted in 1925, and universal adult suffrage-for women as well as for men-in December, 1945. Prior to the Second World War, however, general elections were not of primary political importance in Japan. They determined membership in only the lower house of the Imperial Diet, or Parliament, and that house

¹⁵² Ronald E. Dolan and Robert L. Worden "Japan A Country Study" Headquarters, Department of Army (Washington D.C. 1992),p.320

¹⁵³ Edwin O. Reischauer "The Japanese Today" Harvard University Press ,(London, England 1988),p.261

played but a subsidiary and carefully controlled role in the making of public policies. Since Japan's defeat and the enactment of a new Constitution in 1947, however, this situation has changed radically. Elections are now a fundamental aspect of the Japanese political system. There are many levels and varieties of elections in contemporary Japan, but by far the most important and dramatic are the general elections of the entire membership of the House of Representatives, the lower house of the National Diet that has steadily increased in significance in postwar Japan. Control of a majority or plurality of its seats is tantamount to control of the entire national executive and administrative machinery of the state, and, in practice, it is victory in a general election that determines which party will succeed in achieving this cherished goal. As a consequence, general elections are both tense and gala occasions in Japan. Tremendous sums are expended-legally and otherwise-on campaigning, publicity, entertainment, and other means of garnering votes and support. All the media of modern mass communications are called into play, and the public is incessantly entreated and harassed in noisy attempts to gain its support for this or that candidate and party. When on election day the Japanese voter finally declares his choices, it is a decision of the gravest political consequence, comparable in importance to the results of a British general election or the combination of presidential and congressional elections in this country.¹⁵⁴

Like so much else in the Japanese government, this system has been inherited from prewar days. There had been a long dispute over the respective merits of the one-man American-type constituency, called in Japan the small electoral district system, and the large electoral district system, in which as many as sixteen persons (in the case of Tokyo) were chosen from a single district. Finally in 1925 the present middle-sized electoral district system was adopted. In accordance with it, the members of the lower house are elected from three- to five-seat districts and about half of the members of the upper house from two- to four-seat districts. The same system is used for prefectural assemblies and those of larger cities, but in villages, towns, and small cities candidates run at large.

In the key lower house elections, close to 20 percent of the vote in a five-seat district will elect a member. This permits a certain degree of proportional representation for minority

¹⁵⁴ Robert E. Ward "Japan's Political System" Comparative Asian Governments Series, University of Michigan (New Jersey 1997), p.52-53

parties but squeezes out most small splinter groups. It also necessitates a shift of more than 20 percent of the vote to alter a party's strength by more than one seat in a district, making improbable a sudden great change in party strength, as happens all too frequently in the Anglo-American system, in which a political landslide can result from a shift of only a few percentage points in a large number of one-seat, winner-take-all districts. As a consequence, the Japanese Diet is much more stable in makeup than its Anglo-American counterparts and much less fragmented than many of the continental parliaments.

Another strong feature of the Japanese electoral system is that it strikes a healthy balance between party discipline and a close relationship between the members of the Diet and their constituencies. Since in the larger parties candidates contend for votes more with other members of their own party than with those of other parties, whose votes they probably could not attract in any case, they must have strong personal local appeal. They cannot be some worthy of the central party assigned a safe seat, as in the English system, nor are they simply faceless names on a national list, as in some continental systems. They must be in the American manner, genuine native sons-bona fide local residents or at least hometown products that have made good in the big city. They also need their own local political machines to support them. But this does not mean that they can flaunt party discipline, as is almost the rule in the United States. To have much hope of being elected, they normally require party endorsement, which cannot be achieved independently through local primaries but can be granted only by central party headquarters. This situation ensures party discipline over Diet members despite their individual local power base. Even when a particularly self-confident local candidate bucks the system and is elected as an independent, he normally returns at once to the party and its discipline.

There is a weakness in the system, however, in that it poses special problems for major parties. A small party naturally runs only one candidate in a district, but a large party can hope for more than one seat. However, if it runs three candidates in a district where it has the votes to elect only two, it may so dilute its vote as to end up with only one elected. Similarly, if one of its candidates is too popular and draws an excessive share of the votes, other party candidates will fail of election, though they might have won if the party vote had been more evenly divided.

An even greater weakness of the Japanese electoral system is that there is no automatic method for bringing electoral districts and numbers of seats in line with population changes. After World War II the traditional 466 seats were quite equitably assigned, but since then rural areas have lost population and bigger urban areas gained vastly. Occasional additions of a few seats for urban areas ameliorated the situation only slightly, and a 1976 Supreme Court ruling that the system was unconstitutional as being unequal had no immediate effect. But the subtraction for the first time in 1986 of 7 seats from rural areas and the addition of 8 in urban areas for a total of 512 seats made the situation a little more balanced. Before, the ratio of seats was five to one between the most overrepresented rural district and the most underrepresented urban area, but the reform reduced the discrepancy to three to one. Discrepancies of close to five to one also exist in the value of votes for the members of the House of Councilors elected by prefectures. But, of course, this is trifling compared to the discrepancy of seventy-five to one for members of the powerful American Senate.

The under representation of urban areas, combined with Japan's political history, has given politics a strong rural flavor, which has persisted to some extent to the present day. Japan was a predominantly agrarian society when the electoral system first developed during the 1880s and 1890s, and the tax limitations on the suffrage excluded most city dwellers until after 1925. As a result, rural Japanese have had more experience with elections than their urban compatriots, and even today they vote in higher proportions than do city people. Local elections, at least in rural areas, also draw more interest than national elections, and local issues more attention than national ones. Voting rates in all parts of Japan, however, are far above those for the United States.

Another characteristic of Japanese electoral politics is its intensely personal nature, much like that of the United States and contrasting with the ideological basis for politics in most of Western Europe. This feature is tied in with the closeness of candidates to their constituencies and the group orientation of Japanese society as a whole. Electoral politics started in the nineteenth century with relatively small leader-follower groups, largely rural in makeup and typically Japanese in style. Village groups, led by local "men of power" (yuryokusha), tended to vote as blocs on the old assumption of village solidarity and for the sound reason that split votes would cancel each other out and thus weaken local

political leverage. Congeries of such blocs would be put together to elect local assemblymen, and pyramids of such groupings to elect a member to the House of Representatives.¹⁵⁵

4.4 THE DECISION-MAKING PROCESS

The legislative process in Japan is much like that of the United Kingdom and most other parliamentary democracies differing considerably from that of the United State because of the concept of the division of powers in the American presidential system. The prime minister and his cabinet act as a sort of executive committee for the Diet, not as a balancing power with Congress. They oversee the preparation of most bills, which they present to the Diet for virtually certain passage. The Diet subjects the proposed legislation to scrutiny and votes on it both in committees and in plenary sessions, but rarely makes major changes.

This system means that most political decisions are made, not in the Diet, but within the party in power, where a great deal of preliminary work goes into a bill before it is presented to the Diet. As a consequence, the party organization must represent the whole party fairly and have a structure more or less parallel to that of the Diet. When an LDP president is chosen at a regular convention or following the resignation or death of a prime minister, his selection is usually accompanied by agreements on several other key party and cabinet positions, carefully balanced to give each faction a f share of posts, held by either the faction leaders themselves or their leading henchmen.

Next in importance to the president (and prime minister) in the LDP hierarchy is the secretary general, who supervises the party organs. The chief of these are an Executive Council, an Election Policy Committee, which has the important task of designating candidates for Diet elections, and the Policy Research Committee (known in Japanese by its shortened name, Seichokai). All these groups made up in such a way as to represent the balance of factions in the Diet.

The drafting of legislation normally starts with proposals by various groupings in the bureaucracy and negotiations by them with the sub committees of the Policy Research

¹⁵⁵ Edwin O. Reischauer "The Japanese Today" Harvard University Press ,(London, England 1988),p.263

Committee that have responsibility for the problems concerned. Each Diet member of the party is a voting member of one such subcommittee, but all Diet members can attend the meetings of any sub committee and speak their minds freely. The proposed legislation produced by the various subcommittees together with the bureaucrats is then submitted first to the Policy Research Committee as a whole and then to the Executive Council for emendations and approval after which it is submitted to the cabinet. There it is passed to the Council of Administrative Vice-Ministers for a final vetting by the bureaucracy to avoid conflicts or inconsistencies with other legislation. The cabinet then makes its final judgment on the bill before presenting it to the Diet for action. After this careful preparation, most legislation naturally is passed without significant change by the LDP's Diet majority. When insoluble difficulties are encountered down the line, the decision may be referred to the Executive Council, to informal negotiations among the faction leaders or chief party officers, or even to the prime minister himself, but this is rarely required. The whole process is reminiscent of the normal decision-making process throughout Japanese society in which consensus is sought throughout and the initiative often starts in the lower echelons of the leadership group. Given such a procedure, strongly unified support is to be expected when the Diet finally votes a bill into law.

While the party in power is the key actor in the legislative process, other elements of society do have a role in political decisions. The various elements of the bureaucracy do most of the original drafting of bills and 70 percent of their drafts receive eventual enactment, compared to 30 percent of those offered by individual members of the Diet, and almost none by opposition parties. An example of the power of the bureaucracy can be seen in the way in which the budget is drawn up. Each ministry or agency prepares its own budget, usually somewhat higher than that for the previous year but apportioned among its various branches in much the same way as the year before. The Finance Ministry in making the final budget proposal attempts to maintain the old balance among the ministries and agencies, though of course with some deference to the current views of the prime minister and other members of the LDP as well as to public opinion.

Other important forces in the decision-making process are outside pressure groups. Many political commentators have thought of these primarily in terms of big business, which was extremely influential during Japan's rapid rise to economic power and also happens to the

chief source of funding for the LDP. A picture has been built up of a country run by a tightly knit triumvirate: the LDP, which is financially under control of big business, which in turn is under control and patronage of the bureaucracy; and the bureaucracy, which in turn depends on the legislative power of the party in order to operate. This symbiotic relationship was seen as being strengthened by the Japanese practice facetiously called *amakudari*, or “descent from heaven,” in which after their retirement influential ex-bureaucrats and sometimes ex-politicians are given respectable, relatively lucrative, but not very taxing positions in business, often in the very industries over which they exercised control while in office.

The concept of an establishment triumvirate had some validity at an earlier time, when all three groups were chiefly concerned with Japan's economic growth and therefore concentrated on helping one another promote it. But this alliance has faded considerably in recent years. Economic growth is no longer the only priority concern of the LDP and bureaucracy, and as a consequence big business looms less overwhelmingly in their policies. Other conflicting interests such as pollution and foreign affairs have become rival concerns. Moreover big business now supports the LDP's finances less exclusively; it also contributes to some of the other parties, though these derive their main incomes from other sources—the Socialist, Democratic Socialist, and Communist parties from labor unions the Komeito from the Soka Gakkai religious movement and the Communists from their very successful party newspaper, *Akahata* (Red Flag). The bureaucracy has relinquished much of its detailed control over big business. As a result of these changes, big business has become freer of bureaucratic controls but has also lost much of its political influence and is now simply one among many external forces that play a role in political decisions.

The Japanese political process, however, can still be viewed as three-sided. The bureaucracy supplies the expertise and administrative continuity; the party in power makes the final political decisions; and the general voting public and a mass of pressure groups bring influences to bear upon the party's decisions and the bureaucracy's attitudes.

Among the outside forces the voting public is the most important because it determines the party or parties in control of the Diet. Among the pressure groups big business is undoubtedly still the most powerful, but there are also many other strong groups, such as

the farmers' cooperatives, the Japan Medical Association and many other professional and business groups, the Teachers Union and various federations of labor, women's organizations, and, in recent years, a great number of single-issue "citizens' movements" and "local residents' movements." These bring pressure directly on the bureaucrats concerned, the subcommittees of the Policy Research Committee, and the various political parties as a whole, and, through the mass media, on Diet proceedings when these finally take place. The great newspapers must be recognized as important shapers of public opinion. The government for its part attempts to draw on the knowledge and views of the public and to communicate its viewpoints in return through a great number of advisory boards attached to the various ministries and agencies.

The role of the opposition also should not be overlooked. The general desire in Japan for consensus agreements and the resulting popular dissatisfaction with narrow majority decisions on important matters give the opposition parties more influence than in most other democracies, where their minority position leaves them quite helpless. Debate in the Diet offers them a final opportunity to block undesirable legislation through delaying tactics or even the boycotting of sessions, and such disruptive tactics find support in the mass media and mass demonstrations in the streets. If the LDP were to use its perennial majority to ram through many hotly contested bills without allowing time for full debate, its action would be seen as undemocratic and would run the risk of stirring up public demonstrations to the point of civil disorder, as happened in 1960. At the least it would cut into the LDP's vote at the next election. As a result, the LDP limits the number of important controversial bills presented in any one session. Three or four such bills tend to be seen as the maximum advisable. A good case in point is the proposal that the Defense Agency be raised to a Defense Ministry. The LDP has long wished to do this and has the votes but year after year the bill is shelved as being more symbolic than substantive and therefore to be sacrificed for some more meaningful legislation.

Severe clashes over legislation were characteristic of the politics of the 1950s, but since then they have become noticeably less frequent and less bitter. One reason for this is that the LDP politicians have learned to confer both with the Opposition parties and with concerned pressure groups in drawing up proposed legislation in an effort to make it as acceptable to them as possible. As a result, close to two thirds of the bills voted by the Diet

are passed unanimously. If meaningful changes are going to be made in legislation by they are much more likely to occur in advance through quiet negotiations with the LDP rather than through Diet debates and votes. Somewhat the same situation exists in the British Parliament, but the British put great store on forensic skills and love to display them in Parliament even in essentially meaningless debates. The Japanese, having less respect for verbal skills, tend to limit their Diet debates to embarrassing questions and evasive answers, with the effect on the next election chiefly in mind.

In summary, the political process in Japan, though extremely complex, is reasonably effective and seems well adapted to Japanese styles of interpersonal relations. It is flexible and thorough but inevitably slow. It probably accords more veto power to minority opposition groups and therefore produces more compromises than most other democratic systems. Its most basic procedures are conducted largely out of sight in negotiations and informal consultations among bureaucrats, party organs, opposition parties, and pressure groups. What is most clearly visible may not be very attractive to Westerners' ideas of how a democratic government should conduct itself. There is little enlightening Diet debate but instead considerable disruptive activity in the Diet and a certain amount of mass confrontation in the streets. Concentrating only on these visible portions of the process, foreigners have often come to uncomplimentary conclusions about the quality and effectiveness of the Japanese political process. But when compared to wild scramble every four years in the U.S. to choose presidential nominees and the continuous jockeying for votes in the American Congress, the Japanese system is in fact very orderly and efficient. It is unlike the other advanced democracies in certain respects, but it operates quiet smoothly and appears to be as efficient as any other system in translating the will of the electorate into political actions by the government.¹⁵⁶

¹⁵⁶ Edwin O. Reischauer "The Japanese Today" Harvard University Press ,(London, England 1988),p.273-277

5. JAPAN-RUSSIAN RELATIONS

In the early twentieth century, Sir Halford Mackinder advanced a strategic theory known as Eurasianism that posited that the earth will be forever divided into two naturally antagonistic spheres: land and sea.¹⁵⁷ For the sea powers, the greatest threat was hegemonic dominance of the Eurasian landmass by a hostile power. It was the geopolitics of Eurasianism that drove British and Russian strategy in the nineteenth and early twentieth Centuries. With the collapse of the Soviet Union and the end of the Cold War, the United States, China, and Turkey all rushed to establish a business and diplomatic presence at the heart of the Eurasia as well. The latest aspirant to this “Great Game” has been Japan.



Figure5.1: Russian President Vladimir Putin and Japanese Prime Minister Yoshiro Mori

Source: <http://pro.corbis.com>

¹⁵⁷ Charles Glover, “Dreams of the Eurasian Heartland” *Foreign Affairs*, Vol.78, No.2 (March/April 1999), p.9-13

From about the time Mackinder advanced his theory of Eurasianism, Japan's relationship with Russia has been trapped in mutual animosity and mistrust. The 1904 Russo-Japanese War, the Soviet invasion of Manchuria the week before Japan's surrender in 1945, and Moscow's continued occupation since the war of Japan's Northern Territories all led Japanese diplomats to warn their Western counterparts well into the 1990s that the Russian threat to Japan would transcend the ideology of the Cold War and the collapse of the Soviet Union. By 1996, however, the Japanese approach to Russia began changing dramatically. In March of that year Prime Minister Hashimoto dispatched Foreign Minister Ikeda Yukihiro to Moscow to explore ways to improve ties. In April Usui Hideo made the first visit of a Japanese Defense Agency director general to Moscow. In July 1997 Hashimoto announced a new Russia policy before a group of Japanese business executives in which he outlined the principles of "trust, mutual benefit, and long-term perspective" as the pillars for bilateral relations with Moscow. Then in a summit meeting with Russian President Boris Yeltsin in the Siberian city of Krasnoyarsk in November, the two leaders unveiled the Hashimoto Yeltsin Plan for economic cooperation. Later they spoke separately of completing a peace treaty by 2000 to address the unresolved issues from World War II. As Russia policy began to shift, Hashimoto turned his eyes farther to the West, articulating a comprehensive vision for a Eurasian strategy that would make Japan a diplomatic player from Sakhalin to the Caucasus.

What accounts for Japan's change of course? The tempting answer would be that Tokyo is simply pursuing economic interests—in the case energy—as it always has in the postwar period. Certainly Japan has a long-term interest in accessing Russia's vast gas and oil resources, but the obstacles to investment in Russia are considerable and Japanese industry is cautious about advancing too far or too fast. More significant have been the geostrategic and ideational changes. With rising Chinese power and fluidity in the Northeast Asian security environment, Japan had no choice but to improve relations with Russia to prevent the emergence of a Sino-Russian alignment in the Eurasian landmass at Japan's expense. In addition, Japan had to improve relations with Russia because U.S.-Russian relations in the mid-1990s warmed so quickly that a tough stance toward Russia no longer reinforced U.S.-Japan security ties—indeed, it only increased the dangers of abandonment. And for Hashimoto, who was looking for a card to demonstrate Japan's proactive diplomacy to domestic and foreign audiences, Russia seemed ideal. Indeed, Japan needed Russia, just as

Russia needed Japan, to reinforce its own geostrategic presence and weight in East Asia at a time of uncertain economic power and regional influence.

However, Japan's new "Russia card" has its limits. Russia's growing economic and political problems and the reemergence of tension between Moscow and Washington have greatly complicated Japan's efforts to strengthen ties with Russia. Ironically, in 2000 Japan stood as the only provider of new major economic assistance to Russia, just as in the early 1990s it once stood alone resisting economic aid to Moscow. Nevertheless, despite these complications, Japan has embarked on a new approach to Russia and Central Asia that reflects a strategic perspective going well beyond narrow economic interests. It is a policy that recognizes, in the words of the Foreign Ministry's 1998 annual Diplomatic Bluebook, "Eurasian diplomacy from a Pacific perspective."¹⁵⁸

5.1 THE WAITING GAME

nokori mono nifuku ga aru -everything comes to he who waits(Japanese proverb)

Tokyo and Moscow are on the verge of signing a historic peace treaty that will finally settle the frontier between their two countries, or so the Japanese newspaper headlines announced. Such predictions have surfaced regularly during the post-Cold War decade and yet the waiting game drags on. The use of games as an analytical tool has a long history in the study of international relations. However, the game referred to here differs from both the rational quantitative methodologies of the game theorists and the role-playing crisis games of international politics departments.¹⁵⁹

For such games to exist players need to fulfill four requirements, namely, they must have "differing interests, " "compete for real stakes," "benefit from maintaining the relationship," and be "governed (if imperfectly) by a set of rules." In other words, this is a contest poised between concord and discord, played out according to certain precepts that constrain freedom of action, but in return offering tangible rewards to both participants.

¹⁵⁸ Ministry of Foreign Affairs, "Diplomatic Bluebook,1998:Japan's Diplomacy toward the 21st Century:New Developments and New Challenges Facing the International Community,p.10

¹⁵⁹ John Creighton Campbell, "Japan and the United States:Games That Work" in Japan's Foreign Policy After the Cold War:Coping with Change (NY:M.E. Sharpe ,1993),p.43-61

An intense alliance relationship-unquestionably, postwar Japan's most intimate-but such logic can also be applied to the difficult relationship with the Soviet Union. The first three conditions are certainly met: if a question mark hovers, then it relates to rules. Rules are defined as "norms about what behavior is appropriate and expectations about how other players will react to various actions." It would be reasonable to assume that the rules in the Japan-Soviet game were less sophisticated and more often disregarded than in the game involving Japan and the United States, where the level of interaction was many times greater, except that the rules in the latter case performed an inverse function. It is tempting to name Japan-Soviet relations as a crisis-maintenance game, where the rules serve to sustain a certain level of hostility. If so, then one is entitled to inquire whence these rules came. The answer is that they are an organic growth that has evolved in response to the actions of the players. Furthermore as Robert Putnam and others have shown, such games are played on multiple levels. Thus, it is necessary to identify not only the main domestic players, but also external actors, although there is no superior international body to enforce the rules.¹⁶⁰

Games are identified a set of three separate but related as coexisting in US-Japan relations: the diplomatic, military, and economic. This was equally true of Japan-Soviet ties. All three games were played simultaneously, but during the Cold War era, each enjoyed a spell in the ascendant. For a short period following the 1956 Joint Declaration that reestablished relations, the diplomatic game was preeminent. After the Sino-Soviet conflict emerged in the early 1960s, however, the economic game became more prominent. Subsequently, with the collapse of detente during the late 1970s, the strategic game came to overshadow the others. Furthermore, it is only a slight exaggeration to say that each game revolved around a single issue: signature of a peace treaty; developing the resources of Soviet East Asia; and the military balance of power in Northeast Asia, respectively.

A decade has now elapsed since the end of the Cold War ushered in a new framework of international relations. Japan-Russia interaction has increased dramatically; relations have progressed on many fronts. Hence, it is vital to assess how far the rules and players of each

¹⁶⁰ Robert D. Putnam, "Diplomacy and Domestic Politics: The Logic of Two-level Games" *International Organization* (Summer 1998), p.427-460

game have changed under the triple impact of the end of the Cold War, globalization, and democratization.

5.1.1 The Cold War Diplomatic Game

The Soviet Union did not sign the San Francisco peace treaty in September 1951, and its mission in Tokyo ignored Japanese requests to leave when the treaty went into effect on 28 April 1952. However, Prime Minister Yoshida Shigeru's government stubbornly refused to recognize its legitimacy, and hence this game did not commence until January 1955, when Yoshida's successor, Hatoyama Ichiro responded positively to a Soviet approach to normalize relations. The joint declaration signed on 17 October 1956 resolved all outstanding issues bar one: the territorial question. This issue, thus, came to dominate subsequent diplomatic exchanges. Japan refused to acknowledge Soviet sovereignty over several islands—the Habomai group, Shikotan, Kunashiri, and Etorofu -northeast of Hokkaido and occupied by the Soviet Army in the dying days of World War II. Moscow promised to return the first two upon the conclusion of a peace treaty, but Tokyo held out for the larger two disputed islands.¹⁶¹ New premier, Kishi Nobusuke, then embarked on a successful campaign to revise the Security Treaty with the United States, in response to which Moscow unilaterally withdrew its promise.



Figure5.1: San Francisco Peace Treaty

¹⁶¹ Tanaka Takahiko, “A Historical Study of the Restoration of Japan-Soviet Relations” (Tokyo:Yuhikaku,1993),p.49

Source: www.corbis.com

Prime Minister Yoshida signs the San Francisco Peace Treaty on 8 September 1951. Japan signed the San Francisco Peace Treaty with 48 other countries to bring an end to their state of war with Japan. The treaty took effect the following year in April, and Japan regained its sovereignty as an independent country.

Japan did not strive to improve political relations with the Soviet Union. From Kishi onward, it preferred a wait-and-see (seikan) attitude and consistently dismissed all Soviet peace initiatives as examples of insincere “smile diplomacy.” Japan stubbornly refused to sign a peace treaty until the frontier issue was settled. Tokyo repeatedly claimed the disputed islands on historical, legal, and moral grounds, distinguishing them from the Kuril Islands it had renounced in the San Francisco peace treaty of 1951. Japan also insisted on all of the disputed islands being returned simultaneously. Efforts by successive Japanese premiers in December 1969, March 1973, and October 1975 to soften this stance were undermined by domestic opposition. Tokyo offered no inducement to the Soviets to smooth the islands’ return, but it did not break off relations: lines of communication were kept open. Moreover, Japan avoided provocative actions. It did not use, or threaten the use of, force to recover the islands, and violent confrontation was generally avoided.

Moscow, by contrast, oscillated between trying to get around the territorial problem and simply denying that it existed. Evidence suggests that the Soviets secretly renewed the “two island” offer in July 1967 and January 1972, but they did not honor Soviet President Nikita Khrushchev’s October 1964 promise to return the two islands when the United States handed back Okinawa in May 1972. Later, in February 1975 and again in January 1978, President Leonid Brezhnev offered to sign a friendship treaty before a full peace treaty, but to no avail.¹⁶²

¹⁶² Hasegawa Tsuyoshi, “The Northern Territories Dispute and Russo-Japanese Relations” (Berkeley: University of California Press, 1998), p.148

Both sides were rigid and inflexible. The characterization of Japanese diplomacy as “know what you want and push until you get it” certainly applies in this case. Consequently, negotiations were ritualistic: a display of shadow boxing. It was a boring game.¹⁶³

A variety of reasons have been advanced to explain why the negotiating positions of 1955-56 subsequently hardened into immutable rules. If one accepts that the disputed islands are of intrinsically limited value to either side-although not without some strategic and economic merit-then their importance must be primarily symbolic. One suggestion is that, in serving as a potent reminder of the Soviet breach of their bilateral Neutrality Pact, the dispute allowed the Japanese to rewrite the history of World War II, with themselves cast in the role of victim. A related idea is that the islands acted as an ideological anti- dote to the popular appeal of communism, and Japan used their “illegal occupation” as a means to poison relations. A third theory asserts that Japan suffered from a pathological condition-the Northern Territories syndrome-a severe case of irredentism. Finally, some argue that it was really a test of relative national strength or status. All these reasons are plausible, if difficult to verify, but it is indisputable that a weakened Japan, aware that any immediately achievable settlement would favor the Soviets, was playing a waiting game.¹⁶⁴

On the Japanese team, there were few players. Diplomats from the Ministry of Foreign Affairs, especially at the Soviet desk are generally acknowledged to have played a central role. The foreign ministry prided itself on “its continuity in personnel; its consistent image of the Soviet Union; and its unwavering negotiating stance.” The unbroken period during which the Liberal Democratic Party (LDP) had been in office reinforced the diplomats inflexibility, although ironically the left-wing opposition party platforms made even greater territorial demands on Moscow.¹⁶⁵

A number of prime ministers and foreign ministers took a deep interest in the game, but the foreign ministry discouraged individual politicians from engaging in “personal diplomacy. “ If planning a visit to the Soviet Union, they were urged by ministry officials to raise the territorial issue as often as possible. Think tanks, such as the Council on National Security

¹⁶³ Michael Blaker, “ Japanese International Negotiating Style” (NY:Colombia University Pres,1977),p.213

¹⁶⁴ Hasegawa Tsuyoshi, “The Northern Territories Dispute and Russo-Japanese Relations” (Berkeley:University of California Press, 1998),p.140-141

¹⁶⁵ John J. Stephan, “The Kuril Islands” (Oxford:Clarendon Pres,1974),p.212-214

Problems led by Suetsugu Ichiro, were said to be influential behind the scenes.-11-- Public opinion, as measured by polls, was overwhelmingly anti-Soviet, and yet the Japanese government felt sufficiently concerned by declining popular interest to institute a Northern Territories Day on 7 February 1981. There was no significant pro-Soviet lobby in Japan.¹⁶⁶

The Soviet State was even more centralized. The Foreign Ministry and the international Department of the Central Committee of the Communist Party, for most of this period under the control of Andrei Gromyko and then Ivan Kovalenko, were responsible for formulating policy, but ultimate authority rested with the Politburo. In general, both sides resisted outside interference in the diplomatic game, although in August 1956 Tokyo unsuccessfully requested Washington to convene an international conference on the territorial dispute. In addition, in 1964 and again in October 1970, Japan raised the issue at the UN, eliciting a very critical Soviet response. The Americans and Chinese, allies of the principals, were naturally the most interested third parties. They were not players in the same sense as the Japanese and Soviets, but they were much more than mere bystanders. Indeed, many point to Secretary of State John Foster Dulles as the real instigator of this border-fixated game. Yet, if his opposition to a territorial compromise in August 1956 had not resonated with a key Japanese constituency-the Yoshida school in the LDP and the foreign ministry-he could not have done so. In July 1964, Mao Zedong suddenly reversed Beijing's stance and proclaimed his support for Japan's territorial claim. Although privately frustrated, Tokyo did not publicly reject Chinese interference until July 1976.¹⁶⁷

5.1.2 The Cold War Economic Game

Postwar Japan-Soviet trade was minuscule until a Treaty of Commerce went into effect on 9 May 1958, spurring rapidly increasing economic exchanges. The first Soviet hints at the possibility of direct Japanese participation in Siberian development came as early as 1960, but they did not really take concrete form until the Sino-Soviet rift acquired an economic dimension. Compared to the stagnant political game, the economic game was more dynamic but no less frustrating.

¹⁶⁶ Hasegawa Tsuyoshi, "The Northern Territories Dispute and Russo-Japanese Relations" (Berkeley:University of California Press, 1998),p.172-173

¹⁶⁷ Hasegawa Tsuyoshi, "The Northern Territories Dispute and Russo-Japanese Relations" (Berkeley:University of California Press, 1998),p.124-126

This was ostensibly a more cooperative game, with both sides sharing a common interest in developing the resources of Soviet East Asia, yet political considerations were always lurking in the background. The Japanese often appeared reluctant, but there was some genuine enthusiasm to take advantage of the limited commercial opportunities offered by the Soviet economy. During most of the 1960s and 1970s, Tokyo did not attempt to link the economic and diplomatic games (*seikei bunri*). However, to strengthen its economic security, Japan sought to diversify its sources of raw materials, increase Soviet reliance on Japanese trade and investment, and profit from the Sino-Soviet conflict.

The Soviets were again inconsistent. They frequently invited greater Japanese participation in Siberia, but then would often unilaterally change conditions: a game of carrot and stick. Emphasizing the two countries' economic complementarities, Moscow hoped to exploit Japanese business for Siberian development as well as heighten Japanese dependence on Soviet resources. The Soviets used Western European (and, much later, South Korean) participation as a kind of bait to evoke in the Japanese a fear of missing the boat. Access to Soviet fishing grounds was restricted, but the Soviets also tolerated a lot of "illegal Japanese fishing" around the disputed islands.¹⁶⁸

Exceptions were rare. In June 1973, Prime Minister Tanaka Kakuei let the studied nonchalance slip and announced Japan's willingness to participate in the Tumen oil project before a summit date was set, revealing Tokyo's trump card without the foreign ministry's knowledge. Tanaka's resource diplomacy put economics first. This had changed by the mid-1980s, when technological advances both reduced Japanese demand for Soviet resources and increased the strategic risks associated with technology transfers, as seen in the Toshiba scandal of April 1987. Henceforth, Japan explicitly linked economic exchange to the diplomatic and strategic games (*seikei fukabun*) and refused to sign an official agreement on long-term economic cooperation proposed by Moscow.¹⁶⁹

Like the political game, a small number of players dominated the economic game. The Japanese government officially avoided any direct role, leaving it to the private sector.

¹⁶⁸ Peggy L. Falkenheim, "Some Determining Factors in Soviet-Japanese Relations" *Pacific Affairs* 50:3 (Winter 1977-1978), p.61

¹⁶⁹ Akaha Tsuneo and Murakami Takashi, "Soviet/Russian- Japanese Economic Relations", (Hasegawa, 1993), p.175

Nevertheless, the foreign ministry effectively discouraged investment through administrative guidance. It faced intermittent competition, however, from the Ministry of International Trade and Industry (MITI) and finance ministry, elements within the LDP, opposition parties, and sectors of the business community. A few trading companies, steel and heavy machinery manufacturers (members of Keidanren's Joint Japan-Soviet Economic Committee inaugurated in September 1965), and the Hokkaido fishing industry were the most intimately concerned. Big business, supported by MITI, saw the Sino-Soviet conflict as a golden opportunity and muscled in on trade previously controlled by small companies associated with left-wing opposition parties. In January 1963, the LDP's right-wing pressured MITI into announcing limits on the amount of credit that could be extended to Moscow. Yet, the Soviet link later helped the right-wing curb pro-Chinese elements within the party. Some scholars have even claimed that an unholy alliance developed between pro-Taiwan politicians and pro-Soviet business interests. During the 1970s, MITI's enthusiasm occasionally threatened to override the practical concerns of industry, for example, over Sakhalin gas.¹⁷⁰

As a centrally planned economy, the Soviet State maintained a monopoly on foreign economic activities. Under the overall direction of Gosplan, the Ministry of Foreign Trade and Committee for Foreign Economic Relations handled all economic relations with Japan.¹⁷¹

The United States used the Coordinating Committee for Export Control (COCOM) restrictions and direct pressure on the Japanese government and businesses to limit Japan-Soviet trade. For example, in the early 1960s, Washington sought to prevent Japanese exports of large-diameter steel pipe and imports of Soviet oil, warning Tokyo that such trade would be used later for political purposes. Such opposition was somewhat undermined by US. grain sales to the Soviets under President John E Kennedy, and by 1965 the American attitude was much more positive. Nevertheless, throughout the 1960s and 1970s, Japan practiced self restraint and insisted on US. partners for big investment projects. U.S. opposition intensified again in the early 1980s. Washington pressured Tokyo into imposing sanctions after the Soviet invasion of Afghanistan in January 1980 and

¹⁷⁰ Joachim Glaubitz, "Between Tokyo and Moscow", (Honolulu:University of Hawaii Press,1995),p.120

¹⁷¹ Myles C. Robertson, "Soviet Policy Towards Japan" (Cambridge:Cambridge University Press,1998),p.66-67

strengthening them after martial law was declared in Poland in February 1982. Japan-Soviet trade declined, but companies managed to find alternative channels to sustain the economic game. Even the US.-inspired Toshiba scandal of April 1987, which led to MITI strictly enforcing the COCOM code, represented but a temporary setback to the revival under President Mikhail Gorbachev.

Similarly, Beijing long acted both as an impediment and alternative channel to Japan-Soviet trade. For example, the Chinese government helped to scupper Japanese participation in the massive Tumen project in October 1974.

5.1.3 The Cold War Strategic Game

Tokyo was scornful when Moscow signed an anti-Japanese alliance with Beijing on 14 February 1950. Although it signed a Security Treaty with Washington on 8 September 1951, Japan was long a reluctant participant in the U.S. global defense structure containing communism. The strategic game did not come of age until the late 1970s.

This game rested on mutual distrust, although neither side really saw the other as a direct threat to its security. Japan attempted to minimize its role in the strategic confrontation between the Free World and Communist bloc, and to avoid involvement in the escalating Sino-Soviet conflict. Moscow oscillated between schemes ostensibly directed at reducing tension in the region, and aggressive actions that escalated them. The Japanese were not intimidated by Soviet displays of military might, but regarded with suspicion any peaceful initiatives originating in Moscow, such as the Asian Collective Security System proposal of June 1969. As this would have involved recognition of the frontiers established by World War II, and is patently aimed at containing China, Tokyo simply ignored it. Similarly, nearly two decades later, Japanese skepticism greeted Gorbachev's new Asian policy, although it focused on arms control measures favorable to Tokyo.¹⁷²

The primary Soviet strategic objective was to prevent encirclement by a hostile alliance. Most Soviet aggressive acts were not directed specifically at Japan. The Soviets observed revival of Japanese militarism during the latter half of the 1970s, but the anti hegemony

¹⁷² Hasegawa Tsuyoshi, "The Northern Territories Dispute and Russo-Japanese Relations" (Berkeley:University of California Press, 1998),p.230

clause in the Japan-China Friendship Treaty of August 1978 and the normalization of China-U.S. relations five months later were bigger concerns. Moscow would have liked to decouple Japan from the United States but it was unwilling even to put up the ante by returning the disputed islands.

The rift with Beijing prompted Moscow to begin a military buildup in the region in the late 1960s, but Japan did not officially identify the Soviet Union as a potential threat until the 1980 Defense White Paper. This followed a series of provocative acts, in particular the stationing of troops by the Soviet Union on the disputed islands in May 1978 and its invasion of Afghanistan in December 1979. Subsequently, the Soviet Army deployed SS—20 nuclear missiles in Asia, and shot down a South Korean airliner on 1 September 1983. Political hawks in Tokyo used this opportunity to play up the Soviet military threat to justify both strengthening the alliance with Washington and increasing military expenditure. Not until 1990 did Japan change course.¹⁷³

The foreign ministry again took the lead in this game, although the Defense Agency played an increasingly vocal role, with the support of the LDP's defense lobby. The Defense Agency, which based its estimates on military capacity rather than political intentions, had been criticized by the foreign ministry for inflating the Soviet threat and intruding on foreign policy, but such differences evaporated after the Soviet invasion of Afghanistan. The weakening pacifist public sentiment still acted as a constraint.¹⁷⁴

In marked contrast to the situation in Japan, the uniformed ranks of the Soviet armed forces exerted a significant influence over the strategic game, although the military remained subordinate to the Politburo.

The United States and China once more played their obstructive role of preventing a Japan-Soviet rapprochement. The United States provided Japan with an effective security umbrella and employed every available means to ensure that it remained loyal to the Security Treaty. The Sino-Soviet Alliance, by contrast, succumbed to the challenge posed by rising Chinese nationalism. Thereafter, Japan became an object of rivalry in the Sino-

¹⁷³ Malcolm McIntosh, "Japan Re-armed" (London: Francis Printer, 1986), p.117

¹⁷⁴ Hasegawa Tsuyoshi, "The Northern Territories Dispute and Russo-Japanese Relations" (Berkeley: University of California Press, 1998), p.165

Soviet conflict, a competition Beijing appeared to win with Tokyo's acceptance of the antihegemony clause in their August 1978 Treaty of Peace and Friendship.

5.1.4 The End of the Cold War and the New Strategic Game

The end of the Cold War represented a paradigm shift in international relations. The collapse of the bipolar power structure removed the fundamental strategic obstacle to Japanese-Soviet rapprochement. Yet, whereas Western Europe, the United States, and China dramatically improved their relations with Moscow during the mid-1980s, Japan did not. The legacy of distrust is slow to evaporate. Japanese opinion is divided: some argue that the Cold War endures in East Asia and that Russia remains a regional rival, while others worry about the danger of violent unrest in Russia and a regional security vacuum. Certainly, it is much easier to identify the rules that no longer apply than to discern those that have taken their place. Unlike the repetitive patterns of the Cold War period, the last decade of Japan-Russia relations have exhibited a distinctly mercurial quality.¹⁷⁵

Cautious as ever, Japan may have been loath to join the new positive-sum strategic game, but there is little doubt that it is now doing so. Security has been effectively separated from the diplomatic game and mutually reinforced through a series of confidence-building measures. The credit for initiating this process rests largely with Gorbachev. While president, he ordered drastic reductions in Soviet conventional and nuclear forces in East Asia and the Pacific, and during his April 1991 visit to Tokyo, promised to demilitarize the disputed islands—a process reportedly completed by the end of 1997. In response, Japan's September 1990 Defense White Paper dropped its reference to the Soviet Union as a "latent threat." Six years later, it even ceased to describe Russia as "a factor of instability in the region." More concretely, Japan slowed its own arms buildup and helped to finance Russia's nuclear disarmament. In recent years, the process has broadened to include talks

¹⁷⁵ Inoguchi Takashi and Purnendra Jain "Japanese Foreign Policy Today" Scholarly and Reference Division and Palgrave Publishers (New York, U.S.A 2000),p.216

on military policy planning; the exchange of military information; visits by defense ministers, uniformed chiefs and warships; and joint search and rescue exercises.¹⁷⁶

President Boris Yeltsin has tried to place the strategic game on a new level. In February 1992 the Russian leader called Japan a partner and “potential ally.” Three years later, Moscow extended its support to Japan’s campaign for a permanent seat on the UN Security Council. Then, at the G-7 summit in Denver in June 1997, Yeltsin promised that Russian nuclear missiles would de-target Japan, saying that the two countries should become strategic partners. Most recently, in the Moscow Declaration of November 1998, Prime Minister Obuchi Keizo agreed with Yeltsin to form a “creative partnership” that would benefit them strategically and geopolitically, as well as contribute to security in the Asia-Pacific region. A new strategic game has begun.¹⁷⁷

On the Japanese side, the central players have remained the same, although their degree of influence may have altered slightly. The Defense Agency, which became increasingly outspoken during the 1980s, was forced to accept the disappearance of the Soviet threat by a weak prime minister, Kaifu Toshiki, in 1990.

Since then, the Defense Agency’s traditional hostility toward Russia has waned somewhat. The influence that the Russian military exerts over the new strategic game does not appear to have diminished to the same extent as its offensive capabilities. Conversely, while the power of the United States and China—the sole remaining superpower and its main potential rival in the post-Cold War era, respectively—has increased, their role in the Japan-Russia game has not. Initially, the divergence between the United States and Japan on Russia policy led Tokyo to question whether Washington was still defending Japanese interests. However, the gap subsequently narrowed, helped no doubt by Moscow’s open support for the US.-Japan Security Treaty, including the new defense guidelines. Their

¹⁷⁶ Reinhard Drifte, “Japan’s Foreign Policy for the 21st Century” (Basingstoke: St. Antony’s Macmillan, 1998), p. 61-65

¹⁷⁷ William F. Nimmo, “Japan and Russia: A Revolution in the Post-Soviet Era” (Westport, CT: Greenwood Press, 1994), p. 124

participation-along with that of China-in the ASEAN Regional Forum (ARF) since July 1993 also seems to have reinforced security to some extent.¹⁷⁸

5.1.5 Globalization and the New Economic Game

Globalization refers to the process whereby national governments are apparently losing control over what were international relations. The category of globalization has come to include a variety of developments-economic, political, and cultural. In Japan-Russia relations, the effect of globalization has, perhaps, been strongest on the economic game.

Globalization challenges the rules of the Japan-Russia economic game from both above and below, via attempts to integrate Russia into the global economy and efforts to form a sub regional economic community in Northeast Asia. The attitude of the Japanese government was initially cool toward both trends.

Tokyo was long a serious restraint on Western efforts to assist Russian economic reform. It saw little national interest in doing so. In part, this reflected the established linkage to the diplomatic game, but there was also genuine concern regarding Russia's ability to absorb and use financial aid effectively. Linked to this was the fear that Washington and the International Monetary Fund, in disregarding Japan's experience with a strong developing state, were imposing an inappropriate laissez faire market model on Russia.**37** has gradually overcome its reluctance to support Moscow's membership of various international capitalist economic institutions. In addition, Tokyo modified its rigid approach-demanding the disputed islands' return prior to improving economic relations-with the introduction in mid-1989 of balanced expansion , allowing political and economic relations to develop in tandem. In January 1991, Tokyo relented and initiated small-scale humanitarian assistance to the Soviet Union. Since then, it has gradually stepped up its financial assistance to Moscow. The substantial sums promised, mostly in the form of loans, have concentrated on technical and intellectual assistance, aid for the environment, energy safety, and defense conversion. The "Hashimoto-Yeltsin plan for economic cooperation," agreed at Krasnoyarsk in November 1997, added investment promotion and is reportedly making steady progress. Nevertheless, cooperation has largely been a one-

¹⁷⁸ Inoguchi Takashi and Purnendra Jain "Japanese Foreign Policy Today" Scholarly and Reference Division and Palgrave Publishers (Newyork, U.S.A 2000),p.217

way street-Japan helping Russia-and bottlenecks have been frequent. Tokyo has been very slow to dispense the promised aid. Exploitation of Russian natural resources remains Japan's primary economic goal. In a December 1996 letter to Yeltsin, Prime Minister Hashimoto Ryutaro appeared ready to abandon any linkage to the diplomatic game in favor of a truly multifaceted approach.¹⁷⁹

A speech in July 1997 seemed to confirm the shift to a "deguchiron policy"—accepting the return of the islands as the result of improved relations. However, while the connection has been steadily eroded, it has not been completely severed. Foreign Minister Komura Masahiko rejected a ban request in March 1999 because of Russian stalling on the territorial issue. For him, progress on economic cooperation and the resolution of the territorial dispute are joined, like "two wheels of a car.

Promotion of Japan-Russia border trade began in the early 1960s, but Gorbachev's decentralizing economic reforms provided a significant boost to such trade. In Japan, local governments in the Hokuriku area (including Niigata) and Hokkaido led the way, but a lack of infrastructure and knowledge has severely limited progress. One could argue that the level of decentralization is insufficient in Japan, but excessive in Russia.¹⁸⁰

The Japanese government, meanwhile, has promoted its own version of regionalism. Initially targeting resources on the former Soviet republics of Central Asia, it later added the Russian Far East, but here its hands remain tied by the territorial dispute. Since autumn 1991, Russia has proposed joint economic development of the disputed islands, but Japan has been reluctant to throw away one of its trump cards. Humanitarian aid was extended to the island residents following an October 1994 earthquake, and fishing has been made an exception, but Yeltsin's latest proposal to convert the islands into a special economic zone remains unacceptable to Tokyo.

All of this has done little to arrest the precipitate decline of the Russian economy. In 1998, trade was at a four-year low as Russian exports to Japan plummeted, influenced no doubt by the August 1998 devaluation of the ruble and moratorium on external debt repayments.

¹⁷⁹ Harry Gelman, "Russo-Japanese Relations and the Future of the U.S.-Japanese Alliance(Santa Monica, CA:Rand:1993),p.43-56

¹⁸⁰ Glenn D Hook, "Japan and Subregionalism: Constructing the Japan Sea Rim Zone" (Kokusaiseiji, March 1997),p.52-53

Japan's business community has exhibited relatively little interest in the Russian market. In their calculation, the members believe that the risks plainly outweigh any potential gains: any incentives offered by the Japanese government cannot compensate for the lack of Russian political, legal, economic, and financial infrastructure. In addition, they fear that the Japanese government will reverse its positive stance if a territorial settlement is not achieved by 2000.¹⁸¹

The foreign ministry remains at the core of the bureaucracy-dominated policy-making system. Now, however, in addition to competing for influence with the increasingly active finance and international trade and industry ministries, the Russia desk must share responsibility with a new foreign ministry section in charge of economic aid to the former Soviet Union, the Commonwealth of Independent States (CIS). For some time after the collapse of the Soviet Union, a shared caution allowed the three ministries to coordinate their resistance to LDP calls for Russian aid. Only intense pressure from Japan's G-7 partners tipped the scales in the politicians' favor. With Russia in the grip of "gangster capitalism," it is virtually impossible to identify the main Russian players in the new economic game.¹⁸²

5.1.6 Democratization and the New Diplomatic Game

Democratization is shorthand for the staggering transformation of Russia's domestic political environment, including the protection of human rights and holding of free elections, and also, perhaps, Japan's very much less ambitious experiment with political reform. Some may point to the lack of progress: the process is certainly incomplete, but already it has greatly complicated the diplomatic game.¹⁸³

Japan was extremely cautious about supporting democratization in the Soviet Union, as was amply demonstrated by the government's tardiness in condemning the attempted coup

¹⁸¹ Dennis T Yasutomo, "The New Multilateralism in Japan's Foreign Policy" (Basingstoke: MacMillan, 1995), p.175-176

¹⁸² Inoguchi Takashi and Purnendra Jain "Japanese Foreign Policy Today" Scholarly and Reference Division and Palgrave Publishers (New York, U.S.A 2000), p.218

¹⁸³ Richard D. Leitch, Kato Akira, Martin E. Weinstein, "Japan's Role in the Post-Cold War World" (Westport, CT: Greenwood Press, 1995), p.147-148s

against Gorbachev in August 1991. It was slow to perceive and respond to the rapidly changing Russian political landscape and, hence, new diplomatic rules have emerged only gradually. In essence, the new game that has evolved is the reverse of the old one. Today, Japan is the one pressing for a final territorial settlement, offering inducements and compromises. At the deshabille summit in Krasnoyarsk on 1 and 2 November 1997, Hashimoto succeeded in persuading Yeltsin to accept 2000 as a target date to conclude a peace treaty. Conversely, Russia, now in the weaker position, is trying to postpone an agreement on the disputed islands, while still seeking a political rapprochement. Since December 1988, Moscow has officially acknowledged that a territorial problem exists with Japan. Instead of denial, it now refutes Japanese claims to the disputed islands with legal and historical arguments. In the Tokyo Declaration, signed by Yeltsin on his first official visit to Japan in September 1993, Russia recognized the validity of agreements from the Soviet era and promised to conclude a peace treaty resolving the territorial dispute on the basis of law and justice.¹⁸⁴

Japan has sought to take advantage of Russia's democratization to woo public opinion and its shapers, aiming to change their perceptions of the costs and benefits of an agreement. Tokyo has certainly succeeded in raising public awareness of the territorial dispute, but in so doing, it has inadvertently turned the islands into a domestic political football in Russia. Initial efforts concentrated on the Russian Foreign Ministry and Japanologists, who appeared receptive to Tokyo's ideas, but their influence proved limited. Japan has sought to avoid pinning its hopes on a single leader like Putin, doubting his ability to deliver on any promise.. The more Japan has propagated its position on the mainland, the stronger has become the opposition from Russian public opinion. Only brutal economic necessity has forced the majority of the diminishing band of island residents to reverse their earlier opposition. Russia, meanwhile, has exploited its newly democratic status to delay an agreement. Moscow argues that to conclude an agreement without the backing of the

¹⁸⁴ Hasegawa Tsuyoshi, "The Northern Territories Dispute and Russo-Japanese Relations" (Berkeley: University of California Press, 1998), p.267

overwhelming majority of the Russian public, including residents of the disputed islands, would be to risk national disintegration.¹⁸⁵

Japan has also turned to the international community for help in pressuring Moscow to return the islands. At first, Tokyo was suspicious of positive European and American reactions to what it saw as another Soviet peace offensive. Prime Minister Takeshita Noboru sounded out European views in 1988, but backing was lukewarm at best. U.S. President George Bush urged Gorbachev to concede on the issue at their summit in July 1991, to no avail. Strong Japanese pressure produced vague statements of support from the G-7 at the Houston and Munich summits in July 1990 and 1992, respectively. However, this attempt at internationalizing the problem back fired when the Europeans later criticized Japan's inflexibility and self-centered attitude, and the Americans increased their support for the Russian president. Yeltsin himself was incensed by Tokyo's actions. Like Japan, Russia had spurned earlier offers from Germany and France to mediate in the territorial dispute, but Moscow has attempted its own form of economic internationalization. The February 1992 fishing agreement with South Korea, and the subsequent offer of leases to foreign investors for development of the disputed islands, are examples of Russian efforts to produce a *fait accompli*. (a thing accomplished and presumably irreversible)¹⁸⁶

Another favorite Russian delaying tactic has been to eschew, as far as possible, awkward summit meetings. Gorbachev canceled a planned trip to Japan in early 1987, and in 1989 announced that he would not visit until April 1991. The most blatant example of avoidance tactics, however, was the Yeltsin shock of September 1992, when the Russian president abruptly canceled a visit on the eve of departure. Tokyo's disappointment turned to anger when Yeltsin publicly blamed Japanese pressure over the territorial dispute for his action. Yeltsin repeated the trick eight months later, although on this occasion a crisis was avoided.¹⁸⁷

¹⁸⁵ Akaha Tsuneo, "The Politics of Japanese-Soviet/Russian Economic Relations" in *Japan in the Posthegemonic World* (Boulder, CO: Lynne Rienner, 1993), p.172

¹⁸⁶ Hasegawa Tsuyoshi, "The Northern Territories Dispute and Russo-Japanese Relations" (Berkeley: University of California Press, 1998), p.435

¹⁸⁷ Dennis T Yasutomo, "The New Multilateralism in Japan's Foreign Policy" (Basingstoke: MacMillan, 1995), p.162

In a series of steps during 1991-92, Japan had made significant concessions regarding the timing and method of the disputed islands' return, and offered reassurances on the rights of current residents. The foreign ministry opened a consulate on Sakhalin in late 1996-over the objections of its treaty bureau-confirming de facto that it is only interested in the four islands. Then in April 1998, at the second dishabille-summit in Kawana, Japan, Prime Minister Hashimoto went half a step further with a secret offer to draw the frontier north of Etorofu and accept a long transition period under Russian administration. In November 1998, when Obuchi paid the first official visit by a Japanese premier to Moscow since 1973, Yeltsin responded by proposing joint economic development of the disputed islands without any transfer of sovereignty. In the Moscow Declaration, they officially endorsed the 2000 deadline, but just three months later, on his first visit to Tokyo, Foreign Minister Igor Ivanov declared it impossible. After criticizing the Japanese government for feeding its people an illusion, Ivanov reaffirmed the call of the Primakov government for a treaty of peace and friendship that merely creates an obligation to resolve the border issue. Tokyo, however, still refuses to contemplate a peace treaty that does not recognize Japanese sovereignty over all of the disputed islands.¹⁸⁸

The foreign ministry is still the dominant Japanese player in this game, and although its monopoly has been broken, the Russian desk retains primary responsibility for day-to-day decisions. Splits have occasionally surfaced within the foreign ministry, for example, over a return to the 1956 Joint Declaration in summer 1992. Some foreign ministry officials maintain close links to LDP politicians and factions, but this has not blunted the ministry's criticism of personal diplomacy. The influence of politicians may actually have declined during Japan's brief flurry of political reform. While the LDP had held an absolute majority in the Diet, prime ministers usually regurgitated their foreign ministry briefings. However, some premiers, like Nakasone Yasuhiro, foreign ministers including Abe Shintaro and Watanabe Michio, and even power brokers such as Ozawa Ichiro and Kanemaru Shin occasionally intervened in the Japan-Russia game. Their motives may have been self-serving, but with their democratic legitimacy, they offered the only realistic counterbalance to bureaucratic inertia. As novices to the game, the coalition governments that followed the LDP's 1993 fall from power lacked new ideas, and were more than ever

¹⁸⁸ Inoguchi Takashi and Purnendra Jain "Japanese Foreign Policy Today" Scholarly and Reference Division and Palgrave Publishers (Newyork, U.S.A 2000),p.221

dependent on diplomats for information and advice. With the reemergence of LDP government, however, Hashimoto Ryutaro was able to inject some urgency into the process. His resort to “personal diplomacy” may have been at the foreign ministry’s behest—the Ryu-Boris friendship certainly seemed somewhat spurious—but the fact that Obuchi has retained his services as a special advisor on Russian relations suggests a genuine contribution.

Japanese public opinion on the territorial issue has changed remarkably little despite everything. The foreign ministry continues its quiet efforts to manage the debate. Amongst opinion leaders, the right of center, enjoying the strongest links to the foreign ministry, remains dominant.¹⁸⁹ In contrast, on the Russian side, the democratization process has resulted in a series of conflicts over the right to join the game. The Russian Soviet Federated Socialist Republic challenged the authority of the Soviet Union, forcing Japan to deal with both governments for a while. The regional government based on Sakhalin asserted its own jurisdiction, especially during nationalist Valentin Fedorov’s time as governor, but the district governments of the disputed islands in turn insisted on being heard. The most noticeable change, however, has been the increased influence of public opinion. The divergence of views unleashed by glasnost and democratization has greatly complicated the diplomatic game. Having mobilized popular support for a hard line, the two governments have made it harder to reach a compromise, hence the secrecy surrounding recent diplomatic maneuvers. On the other hand, an agreement supported by both people should be more likely to endure.¹⁹⁰

Finally, at the international level, the United States has adopted a more balanced stance, but clearly, Washington now favors a territorial settlement. China, meanwhile, maintains a discrete silence. The foreign ministry showed flexibility when relations with the United States and Europe were at stake—afraid lest Japan be blamed for the collapse of Russian democracy.

¹⁸⁹ Hasegawa Tsuyoshi, “The Northern Territories Dispute and Russo-Japanese Relations” (Berkeley: University of California Press, 1998), p.241,253

¹⁹⁰ Hasegawa Tsuyoshi, “The Northern Territories Dispute and Russo-Japanese Relations” (Berkeley: University of California Press, 1998), p.331

5.2 HISTORICAL BACKGROUND

Japan's Eurasian diplomacy and improving ties with Russia stand in striking contrast to centuries of antagonistic relations between Moscow and Tokyo. As early as 1635, the Tokugawa government was mapping the four islands in the Northern Territories (Etorofu, Kunashiri, Shikotan, and the Habomai group).¹⁹¹ By 1791 Tokugawa scholars such as Hayashi Shihei were commenting on the emerging Russian threat from the north. Over the next 150 years, Japan solidified its claims to the islands and its rivalry with Russia through treaties and war. In 1855 the Japan-Russia Treaty of Trade and Friendship (the Shimoda Treaty) confirmed Japan's sovereignty over Etorofu, Kunashiri, Shikotan, and the Habomai group. In 1875 Japan established its rights over the Kurile Archipelago as far as the Kamchatka Peninsula in the Treaty of St. Petersburg. By the end of the nineteenth century, Russian pressure for a warm-water port in the Far East and the Japanese drive for hegemony over Manchuria and protection of the Korean buffer led to the 1904-1905 Russo-Japanese War, which ended in Japanese victory and control over the southern half of Sakhalin Island. At times in the past Moscow and Tokyo were driven to establish cooperation for strategic reasons, to be sure. For example, in 1916 Russia and Japan signed a treaty to cooperate against Germany in the context of World War I. But by 1919 Japan was participating in the Siberian intervention and shifting back to its traditional anti-Russian and now anti-Bolshevik, position.

In the closing days of World War II, the Soviet Union retook all of its lost territories with a sudden attack on an already mortally wounded Japan. The sneak attack struck the Japanese people as an act of betrayal, since Moscow and Tokyo had signed a nonaggression pact at the beginning of the war.¹⁹² Japanese citizens taken on the northern Territories were forcibly repatriated or sent to Soviet labor camps together with hundreds of thousands of military and civilian prisoners taken in Manchuria and Northern China. Over 60,000 died in Soviet captivity; many of the living were not returned to Japan until as late as 1956. Japanese enmity toward the Soviet Union was further reinforced by Moscow's refusal to sign the 1951 San Francisco Peace Treaty.

¹⁹¹ Michael J. Green "Japan's Reluctant Realism, Foreign Policy Challenges in an Era of Uncertainty Power, A Council on Foreign Relations Book ", (New York ,Palgrave,2003), p.147

¹⁹² Takakazu Kase "The Road to the Missouri (New Haven, CT:Yale University Press,1950)p.222

Despite this deep enmity toward Russia, however, some Japanese political leaders saw advantage in stabilizing ties with Moscow in order to win more freedom of action in the complex relationship with the United States. When Hatoyama Ichiro became the first LDP prime minister in 1955, one of his first acts was to attempt a restoration of relations with Russia. Hatoyama traveled to Moscow in 1956 to negotiate a peace treaty and to secure the return of the Northern Territories. Ultimately he failed in both objectives, primarily because the Japanese government was unwilling to sign a peace treaty without resolving the territorial issue, and Moscow was unwilling to return all the territories. However, Hatoyama did succeed in reopening bilateral diplomatic and trade relations with Russia, and Moscow offered to return half of the territories—the Habomai group and Shikotan Island—once a peace treaty was signed. Conservatives in Japan were unwilling to accept a partial settlement, and Washington, concerned about the extent of Hatoyama’s attempted rapprochement with the Soviets, pressed Tokyo to hold out for the return of all occupied territories. When Japan and the United States signed the U.S.-Japan Security Treaty in 1960, Soviet Premier Nikita Khrushchev rescinded the 1956 offer and the first window to resolve the Northern Territories problem was closed.¹⁹³

In the 1970s, as U.S.-Japan relations entered a period of uncertainty following the 1969 Nixon Doctrine, the opening to China, and the beginning of détente, Japan once again moved to secure its strategic position by improving relations with Moscow. In 1973 Prime Minister Tanaka Kakuei traveled to Moscow and attempted to entice the Soviets into signing a peace treaty by offering economic aid and help developing gas and oil reserves in Siberia. The Soviets did not oblige, but Moscow did finally acknowledge in the joint communiqué that a bilateral peace treaty would have to follow “resolution of unresolved issues” between the two countries. Meanwhile, the Japan Export/Import Bank (now the Japan Bank for International Cooperation, JBIC) signed a series of agreements to finance the first Sakhalin oil and gas development projects with the Soviets in 1974. In spite of the unresolved strategic issues, MITI and Japanese trading companies were eager to establish a toehold in Sakhalin and Irkutsk, particularly after the oil shock of 1973. However, the

¹⁹³ Hasegawa Tsuyoshi, “The Northern Territories Dispute and Russo-Japanese Relations: Volume 1, Between War and Peace, 1679-1985”, (Berkeley: University of California, 1998), p.115

Sakhalin projects produced more frustration than gas for Japan over the next two decades, as the Soviet side failed to approve development or to repay the initial loans.¹⁹⁴

Tanaka's efforts in the early 1970s to improve Russo-Japanese relations were very much against the overall tide of domestic Japanese politics and international relations in the Cold War. The Soviet occupation of the Northern Territories provided a unifying theme for the LDP's anticommunism and was particularly important to LDP politicians battling for elections in the economically underdeveloped Hokkaido and Tohoku regions of northern Japan. The Soviet invasion of Afghanistan in 1979 further soured the Japanese public's view of Moscow, in addition to presenting a clear and present threat as the Soviets deployed Backfire bombers in the Far East, ballistic missile submarines in the Sea of Okhotsk, and new MiGs and ground forces on the Northern Territories. The expanded Soviet threat provided the basis for MOFA, JDA, and their allies in the LDP to push through defense budget increases that averaged 6 percent in the 1980s, as well deepening U.S.-Japan defense ties. Advocates of a more activist Japanese security policy had leveraged the Soviet threat to make great gains in this period-and rightly so, given the Soviets' behavior. But these same officials and politicians were loath to drop the Soviet threat after the Cold War ended. The Japanese government argued that the Russian threat, like the Russian occupation of the Northern Territories, transcended the end of bipolar ideological competition and the collapse of the Soviet Union.

However, as Mikhail Gorbachev opened a new chapter in relations with the West through the peaceful unification of Germany in 1989, and then as Boris Yeltsin came on the scene in 1991 as the leader of a newly democratic Russian Federation, Japan increasingly found itself isolated in its hard-line policy toward Moscow. Gorbachev tried to set a new tone with Tokyo by returning to the original 1956 offer to return two of the islands. The last Soviet leader also sweetened the pot by acknowledging at a summit in Tokyo in April 1991 that, in principle, all four islands should be part of discussions for a permanent peace treaty. Japan, under Western pressure, particularly from Germany, and ready to test Gorbachev's intentions on the territorial issue, responded with 1 billion yen in December 1990 as "emergency humanitarian" grant aid. Japan also decided to provide aid totaling

¹⁹⁴ Asahi Shimbun "Russo-Japanese Relations and the Future of the U.S.-Japan Alliance", (Santa Monica, CA: RAND, 1993), p.73

\$2.5 billion in October 1991, including a \$500 million ban for food and medical supplies and their transport. On the whole, however, Tokyo remained skeptical about Gorbachev and perestroika.¹⁹⁵

After Yeltsin came to power in 1991, Japan's reticent policy toward Moscow came under further pressure from the Western camp. At the 1992 G-7 summit, the major Western powers agreed to provide \$24 billion in aid to Russia, despite Japanese efforts to scale down the package. Under European pressure to increase its own economic assistance to the Newly Independent States, Japanese Foreign Minister Watanabe Michio attempted in a visit to Moscow in early 1992 to leverage economic assistance for the return of the Northern Territories on a "flexible" timetable, but Yeltsin complained about this naked use of economic pressure and rejected the Japanese overture.¹⁹⁶

Nonetheless, by this time it was apparent to officials in Tokyo that Japan needed to adjust its Russia policy in order to avoid even greater isolation from the other G-7 members. The rapid decoupling of former Soviet client states that occurred in the early Yeltsin years appeared to offer some promise that a new approach to Moscow might yield compromises on the Northern Territories. Indeed, Yeltsin himself sent a letter to Prime Minister Miyazawa in February 1992 in which he referred to Japan as a "potential alliance partner," and in May 1992 the Russian president claimed that he wanted to sign a peace treaty with Japan during 1993. Sensitive to both Washington's warming relationship with Yeltsin and the potential opening to strike a new deal on the Northern Territories, in 1992 Tokyo began linking economic aid from political discussions with Moscow and stopped pressing for references to the Northern Territories in the G-7 communiqué after the Munich summit.¹⁹⁷

These steps set the scene for a historic state visit by Yeltsin to Tokyo in October 1993, where the Russian president and Prime Minister Hosokawa agreed in the Tokyo Declaration that the territorial issue should be resolved based on: "1) historical and legal facts; 2) a joint agreement signed by both countries; and 3) the principles of law and

¹⁹⁵ Ministry of Foreign Affairs, "Diplomatic Bluebook, 1998: Japan's Diplomacy toward the 21st Century: New Developments and New Challenges Facing the International Community," p.284-285

¹⁹⁶ Mori Shin, Ichiro "Behind the Stage at the Japan-Russia Summit at Kawana" (Sekai, June 1998) p.128

¹⁹⁷ Chikahito Harada, "Russia In Northeast Asia", Adelphi Paper 310 (London: IISS, 1997), p.50

justice.”¹⁹⁸ Tokyo followed that declaration with a \$5 billion proposal for economic assistance that would focus on energy and environmental development in the Russian Far East. Moscow responded by agreeing with a Japanese-led multinational consortium on the exploration and development of the Sakhalin I Gas and Oil project in November 1993, and then signed a contract with a U.S and Japanese consortium for development of a second oil and gas site at Sakhalin II.¹⁹⁹

Ultimately, however, the Tokyo Declaration failed to produce enough momentum for a resolution of the Northern Territories issue. Part of the blame lay with the Japanese government, which refused to yield on its basic political demand that Russia return all of the Northern Territories. In addition, there was little push from the Japanese business community, which remained skeptical that the domestic investment environment in Russia would improve any time soon, or from conservatives in the LDP, who still clung to the Russian threat to explain defense policy and motivate nationalist support on the right. Russia also was to blame. Finally, before making a trip in October 1993, Yeltsin had canceled his visit to Tokyo several times. The cancellations offended the Japanese hosts and raised questions about the Russian commitment to improved relations. Yeltsin’s ability to deliver on his promises was also in doubt, given the growing challenges to his authority on territorial issues in the Russian Duma after nationalist forces ascended in December 1993 elections.²⁰⁰ In addition, German unification had an impact on Japan-Russia territorial negotiation. After unification, which gave the final stroke on Gorbachev’s political leadership, territorial concessions to foreign powers were deemed as an act of betrayal in Russian politics.²⁰¹ When Foreign Minister Hata visited Moscow in March 1993, he found it difficult to extract any reaffirmation of the Tokyo Declaration. For the

¹⁹⁸ ¹⁹⁸ Asahi Shimbun “Russo-Japanese Relations and the Future of the U.S.-Japan Alliance”, (Santa Monica, CA: RAND, 1993), p.87

¹⁹⁹ Oksana Lomazova, “Russia-Japan Oil Market” November 16, 1997, p.1-3, “Sakhalin’s Summer Shelf Season” Russian Far East Update, September 1997, p.7

²⁰⁰ Watanabe Koji, “Engaging Russia: A Japanese Perspective” (Tokyo: Japan Center for International Exchange, 1999), p.192-211

²⁰¹ Tsuyoshi Hasegawa, “The Northern Territories Dispute and Russo-Japanese Relations: Volume 2, Neither War Nor Peace” (Berkeley: University of California at Berkeley, 1998) p.117-119

next few years after that, Japan-Russia relations returned to stalemate-until the geostrategic plates of Eurasian international relations shifted once again.²⁰²

5.3 A NEW RUSSIA POLICY

5.3.1 The Shift

The Japanese rethinking about the strategic importance of ties to Russia in Northeast Asia was sparked by developments in another region: Eastern Europe. With the expansion of the North Atlantic Treaty Organization (NATO) in 1997, the other G-7 countries determined that Russia should be handed concessions in other areas. Specifically, they wanted Moscow invited to the G-7 summits. On the eve of the March 21 Clinton-Yeltsin Helsinki summit, Clinton telephoned Hashimoto to ask for Japan's "understanding" of an expansion of the G-7 to include Russia. The president explained that it was in the mutual interests of the United States and Japan to integrate Russia in the world economy and to avoid a Russian backlash against NATO expansion. Japan's *modus operandi* (a method of procedure) on Russia once again came under external pressure.

As the most hawkish prime minister since Nakasone, Hashimoto might have been expected to curb at Clinton's plans for including Russia in the G-7. Certainly on trade and other issues Hashimoto had developed a reputation for standing up to U.S. pressure. Moreover, as a former national leader of Izokukai, the World War II veterans' association, Hashimoto was well aware of the continued antagonism toward Russia in the Right wing of the political spectrum. However, Clinton's call also catalyzed quiet rethinking of Russia policy already under way in MOFA, MITI, and the Prime Minister's Office itself. As MITI minister in the Murayama cabinet (June 1994 to January 1996), Hashimoto had overseen the creation of a plan for expanding Japanese trade and investment with Russia in large part to balance the Japanese business community's rush to invest in China in the early 1990s.

Hashimoto was also looking for a bold new diplomatic initiative to mark his tenure as prime minister. Precisely because he could speak to the Right wing, he seized on the

²⁰² Gilbert Rozman "Japan and Russia: The Tortuous Path to Normalization, 1949-1999", (New York: St. Martin's Press, 2000) p. 273-312

potential for a breakthrough on the Northern Territories.²⁰³ Animated by the chance to reclaim the islands, key conservative actors such as Suetsugu Ichiro, a representative of the Council on National Security Affairs and a chairman of Steering Committee of Japan-Russia Friendship Forum 21, lined up in favor of a new approach to Russia. Some ways, this new euphoria for a deal may have been as unrealistic as the Right's earlier intransigence on the Northern Territories-but that only became apparent later. The main point in the spring of 1997 was that Japanese domestic politics seemed particularly well configured for a bold move on Russia policy and the Northern Territories with Hashimoto in the lead.²⁰⁴

The prime minister's response to Clinton was therefore positive. He told the president that Japan did not want Moscow included in economic consultations at the summit, but he agreed that Russian participation in the political discussions would be a positive step. After the call, Hashimoto pressed the bureaucracy to come up with a new formula for Russia policy that balanced Japanese concerns on the Northern Territories with the geostrategic considerations he had discussed with Clinton and had been considering himself for some time.

MITI was an eager accomplice, and MOFA, despite its traditional hard line on Russia, also came around. The announcement of a Sino Russian Strategic Partnership by Jiang Zemin and Yeltsin only weeks after the U.S.-Japan Joint Security Declaration in April 1996 had caused veteran Russia hands in MOFA to reconsider Russia policy in new geostrategic terms. As Professor Hasegawa Tsuyoshi argued at the time:

The quickness with which Russia and China have forged a "strategic partnership" makes Japan nervous. The volatile situation in North Korea, the most serious security threat to Japan, requires cooperation with Russia. It has finally dawned on the Japanese political leadership and Gaimusho officials that continuing stalemate in Russo-Japanese relations would not be in the best interests of the country.

²⁰³ Anzen Hoshou Mondai Kenkyukai "Council on National Security Affairs" (Tokyo:Bungei Shinso,1999)p.48-51

²⁰⁴ Hakamada Shigeki, "Japanese-Russian Relations in 1997-1999:The Struggle against Illusions" (Tokyo:Bungei Shinso,1999) ,p.229-251

Prime Minister Hashimoto also focused on this geostrategic factor in an interview with Funabashi Yoichi in July 1998, saying:

Japan may lose if we play the same game as China: the realpolitik game. China has been very skillful at this game since the days of the Three Dynasties Rivalry. Japan should not attempt to play such a dangerous game in the present context of Japan-U.S.-China trilateral relationship. Japan needs to transform this trilateral game into quadrennial one by bringing Russia in the game. Russia is certainly an important partner for Japan.²⁰⁵

Small tests of the political and security relationship with Russia in 1996 had also gone well. On April 29, 1996, Usui Hideo signed a series of confidence-building measures with Russian Defense Minister Grachev in the historic first visit of a JDA director general to Russia. The first of these confidence-building measures, a port visit to Vladivostok by three MSDF vessels in July, received positive press inside Japan, including an endorsement of warmer ties with Moscow by the conservative editorial pages of the Sankei Shimbun. The political environment in Russia improved as well, after Yeltsin won reelection in June and promised to return to the progress hoped for in the 1993 Tokyo Declaration. And Yeltsin's granting of sovereignty over the Crimea to Ukraine suggested that the reelected Russian president might have the power also to manage politically charged territorial issues in the Far East.²⁰⁶

By the time Clinton telephoned Hashimoto in March 1997, therefore, MOFA and MITI were separately converging on the idea of improving relations with Moscow already. In that sense, the loss of G-7 support for Japan's position on the Northern Territories was less of a shock than a nudge in a new direction that key figures in the Japanese bureaucracy had already largely accepted. In May 1997 Tokyo formally dropped its objection to Russian participation in a G-7 meeting, though continuing to insist that Russia be excluded from discussions on exchange rates, financial markets, and other macroeconomic issues. When Russian Defense Minister Igor Rodionov visited Tokyo the same month, he gave clear signals that Tokyo's move would have geostrategic dividends, noting-in contrast to the

²⁰⁵ Funabashi Yoichi "Former Prime Minister Hashimoto Talks about His Diplomacy" Asahi Shimbun, July 30, 1998.

²⁰⁶ Ikeda Prmakov, "Agree to Resume Peace Talks ,Meet in November" Japan Digest ,July 23,1996

theme of the April 1996 Sino-Russian Strategic Partnership statement-that “the U.S. Japan Alliance is essential to the security of Asia.”

At the Denver summit in June 1997, Hashimoto took further steps to signal a new approach to Russia. In a side meeting with Yeltsin at the summit, he promised to hold annual meetings with the Russian leader. Yeltsin, in turn, endorsed Japan’s permanent membership in the UN Security Council (without being specific on the terms). The two also discussed an expansion of Japanese economic investment in the Russian Far East, including possible Japanese participation in the major gas project at Irkutsk.

Despite this progress, however, Hashimoto’s new approach to Russia was not winning his government the credit he expected, either in Japan or on the world stage. MOFA officials were particularly irked that in Hashimoto’s bilateral session with Clinton at Denver, the U.S. president again pressed Japan to improve relations with Russia-something Japan had just done. A U.S. offer to mediate in the Northern Territories dispute was even more disconcerting, since it suggested Japan was incapable of managing its own interests with Moscow. Clearly, Japan’s new policy was not sufficiently understood or appreciated.²⁰⁷

Hashimoto again turned to the bureaucracy to come up with a clear statement on Russia policy-this time in the form of a major policy speech. MITI officials under Isayama Takeshi, the deputy director general of the International Trade Policy Bureau, pushed for an emphasis on the energy connections between Japan and Russia, but MOFA modified the speech to put these connections in a geostrategic context. As MOFA’s senior Russia hand, Tamba Minoru, put it, “some explained Japan’s effort to move closer to Russia based on economic factors relating to oil and natural gas, but if you ask me, that is only one factor. In my mind was a geostrategic approach.” Ultimately, neither bureaucracy expected energy to drive relations with Russia without a strategic rationale behind it. When the prime minister delivered the speech before the Keizai Doyukai on July 22, 1997, the centerpiece of his speech was Mackinder’s geostrategic concept of Eurasianism. Hence forth, the prime

²⁰⁷ “Clinton Suggests Three-Way Summit to Improve Tokyo-Moscow Relations” Japan Digest, June 23, 1997

minister declared, Japan would steer a “new course” with Russia based on the three principles of” trust, mutual benefit, and a long-term perspective.”²⁰⁸

5.3.2 A Peace Treaty by 2000

From that point, the Russo-Japanese bilateral relationship made rapid improvements. Yeltsin and Hashimoto met in Krasnoyarsk, Siberia, in November 1997, after which MOFA officials made the stunning announcement that they intended to complete a new peace treaty by the year 2000. At the “no-necktie summit,” the two leaders also announced a six-point Hashimoto-Yeltsin Plan to help the Russian economy. Tokyo also officially endorsed Russian membership in APEC. The next month Moscow and Tokyo suddenly resolved long-standing and contentious negotiations over fisheries, and in February of 1998 Foreign Minister Obuchi promised \$1 .5 billion in loans to Russia.

Hashimoto’s visit to Krasnoyarsk was followed by Yeltsin’s visit to Kawana, Japan, in April 1 998. At Kawana Hashimoto proposed an international border demarcation that would give Japan sovereignty of the four islands while Russia retained some form of administrative control and economic assistance from Japan. Yeltsin countered with a proposal for tax incentives and other measures to encourage joint investment in the territories before resolution of the sovereignty issue. The two leaders concluded with a confirmation that they would make their best efforts to conclude a peace treaty by the year 2000.²⁰⁹

In the end, little was actually resolved at the Kawana meeting in terms of the Northern Territories problem. This should have been a sign that momentum would soon run out of the Russo-Japanese new relationship. Nevertheless, the Japanese side clearly relished its new Russia card. As a MOFA official observed after the summit in Kawana, “this engagement policy will have an extremely good impact on Japan’s diplomacy toward China. Even if the Krasnoyarsk agreement leads to no peace treaty with Russia, it will still work as a plus for Japan’s diplomacy.” A Tokyo Shimbun editorial put it this way after the Kawana summit: “with China in the middle of the new U.S.-Japan-China-Russia

²⁰⁸ Ministry of Foreign Affairs, “Diplomatic Bluebook,1998:Japan’s Diplomacy toward the 21st Century:New Developments and New Challenges Facing the International Community,p.22

²⁰⁹ Hakamada Shigeki “ Japanese-Russian Relations in 1997-1999”in Rozman p.244

quadrilateral international system, the Japan-Russia movement will be a plus in Japan's diplomacy toward China." The same editorial noted that Russia diplomacy would pay off in Japan's bid for a UN Security Council seat and in other areas where Tokyo was trying to raise its diplomatic profile and China was an obstacle. The potential security dimension of Japan's closer ties to Russia were further symbolized in pilot training conducted by the JSDF and Russian forces in February March 1998, and joint search and rescue in July 1998.²¹⁰ From the military threat that gave political momentum to the JSDF in the 1980s, Russia was now the partner that added political legitimacy to a regional security presence for Japan after the Cold War. In addition, the meeting at Kawana did lead to a new agreement on fisheries, Japanese support for Russian membership in APEC, an investment protection treat and a \$1 .5 billion JEXIM credit in partnership with the World Bank.

5.3.3 Lost Momentum

The Russia card is only as good as the progress in the Russo Japanese relationship itself. By 1998 it was becoming evident that the enthusiasm of Krasnoyarsk and Kawana was unsustainable and that the goal of completing a peace treaty by the end of 2000 was unrealistic. Prime Minister Obuchi tried to keep up the appearance of continued progress during his November 1998 visit to Moscow, but his trip was reduced to a short ninety-minute meeting from which the two leaders issued the Moscow Declaration and agreed to establish two subcommittees: one on border demarcation and the other to study the possibility of conducting joint economic activities in the disputed area without prejudicing either side's legal claims. Meanwhile in the Duma, Yeltsin was coming under increasing criticism from Communists and nationalists, while polls showed over 70 percent of the Russian public opposed the return of the Northern Territories. Popular support for improved relations was also a problem in Japan as well. An Asahi-Itar Tass poll taken on the eve of Obuchi's trip to Moscow showed that only 4 percent of the Japanese public had positive feelings about Russia, a sign that popular sentiment had not tracked with the changing strategy of the Japanese government.²¹¹

²¹⁰ "The Japan Self Air Defense Force Pilots Conducting Test Ride on Russian Fighting Aircraft Craftily", *Asahi Shimbun*, March 30, 1998

²¹¹ Hakamada Shigeo, "Political Change in Russia and Yeltsin's Japan Visit", (Chou Kouron, May 1998), p.224-230

Japan tried to test Russian interest in a proposal for recognition of ultimate Japanese sovereignty of the Northern Territories in exchange for immediate economic joint development of the islands, but Moscow was evasive. Finally, in December 1998, the Russian ambassador to Tokyo confessed that his government did not expect to achieve a treaty until well after the 2000 deadline. As Yeltsin's position weakened inside Russia, the prospects for resolution of the territorial and peace treaty issues dimmed.

Nor has the post-Yeltsin era offered new promise of a peace treaty, while as prime minister Vladimir Putin endorsed the idea of a peace treaty with Japan, he did little to move beyond Yeltsin's formula after assuming the presidency on December 31, 1999, when Yeltsin resigned. Worse, from Tokyo's perspective, Russia's growing strategic cooperation with China has redoubled in response to the Kosovo campaign in the spring of 1999, the US move to develop National Missile Defense, and Russia's diplomatic isolation after the 1999 assault on Chechnya. Russian sales of Su-27 fighters, Mi-17 helicopters, anti-air and ship-to-ship missiles, and naval vessels (including Kilo-class submarines and the Sovremenny class destroyers, with their Sunburn cruise missiles) have had a direct impact on Japanese security, while Beijing's common cause with Moscow in criticizing missile defense has complicated Tokyo's own plans for cooperation with the United States. Concerned about the loss of its Russia card, Tokyo defied the other G-7 nations in 1999 by releasing a \$375 million aid package to Russia—the only loans by the outside world after Russia's attacks on Chechnya and revelations that billions of dollars of IMF stabilization funds had been embezzled by Moscow oligarchs. Ironically, Japan again stood as the holdout in the G-7 on Russia policy—only this time as the one nation extending assistance.²¹²

In August 2000 MOFA officials finally conceded to the press that a peace treaty would be impossible by the end of 2000. Instead, Japan agreed to consider Putin's proposal at his July 23 summit with Mori for an "interim friendship pact" aimed at promoting bilateral ties until a formal resolution of the territorial issue permits a peace treaty.²¹³

²¹² Bates Gill "China's Newest Warships" *Far Eastern Economic Review*, January 27, 2000, p.30

²¹³ "Japan Russia Talks: Concluding a New Pact that Will Not Cover the Territorial Issue," *Mainichi Shimbun*, August 4, 2000.

5.3.4 Prospects for Future Relations

Will Japan-Russia relations now return to the confrontation of the past? Probably not. In spite of growing complications in Russia's domestic politics, Japan is likely to continue pressing for improved relations with Russia, and Russia will likely reciprocate to some extent, as the two countries now need each other:

Japan and Russia are great powers with unbalanced standing in the world order and an unfulfilled quest to return to "normalcy." They have shared the experience of fallen powers and are now searching for international support to boost their standing. The two countries matter for each other in at least three ways: 1) as symbols to each other of arrogance and lack of respect for legitimate great power aspirations; 2) as complementary economies with potential to contribute to both regional and national long-term needs; and 3) as parallel cases in some respects and contrasting cases in others in the struggle to adjust national ambitions and domestic capacities to suit the new world order that is taking shape.²¹⁴

For his part, the Foreign Ministry's Tamba argues: "Our message to Yeltsin and the Russian people had a different meaning from the message we wanted to send to the Japanese people; it was 'Russia! Please join Japan in playing a more assertive role in the Asia Pacific Region.'"

5.4 THE ENERGY CONNECTION

The change in Russia policy simply would not have occurred without a shift in the geostrategic thinking of people like Hashimoto and Tamba. However, the initial impulse for improving relations did come in large part from MITI, based on long-term energy considerations. While the prospects for joint energy development between Japan and Russia are in some ways even more complicated than the prospects for settlement of the territorial issue, the matching of Japanese energy requirements and Russian energy resources could provide the glue needed to strengthen Japan's new Russia policy over the long haul.

²¹⁴ Gilbert Rozman, "Japan and Russia :Great Power Ambitions and Domestic Capacities," in Rozman p.357

For Japan, energy and geostrategy are closely linked, of course. After the experiences of the 1973 and 1979 oil shocks, a broad consensus emerged in Japan that vulnerability to oil supply shocks must be reduced as a matter of "comprehensive security." In April 1993 an influential MITI-affiliated report entitled "Energy Security and Environmental Problems" outlined a four-part strategy that anticipated the ministry's growing interest in improving relations with Russia. The report recommended that Japan:

1. Diversify and maintain friendly relations with energy suppliers
2. Establish independent energy development projects
3. Reduce reliance on oil and increase efficiency
4. Take measures to help prevent environmental disasters.²¹⁵

In terms of diversifying and maintaining friendly relations with energy suppliers, Russia was a natural choice for MITI. MITI officials estimated in 1994 that Russia could meet up to 30 percent of liquid natural gas (LNG) and 5 percent of Japan's oil needs. This same logic was behind MITI's 1994 plan for improving investment and trade with Russia.

However, Japanese industry has remained far more skeptical about the prospects for investment and energy development in Russia than MITI. Even as Yeltsin and Hashimoto were putting ink to their plan for economic cooperation in Krasnoyarsk in 1997, Japan-Russia trade had fallen to one-half of its 1989 "Cold War" level.²¹⁶ Past Japanese business experience in Russia has generally not been positive. In the 1970s, during the brief flowering of positive relations under Tanaka and Japan invested \$160 million for oil and gas exploration in Sakhalin. The money simply disappeared. Japanese industry groups, including the Keidanren-sponsored Japan-Russia Economic Council, complain of numerous obstacles to investment, including criminality, corruption, detrimental legal and tax structures, and uncertain power struggles between the Maritime Provinces and

²¹⁵ Zaidan Houjin "The Energy Security Commission Report on Energy Security and Environmental Problems", (Tokyo, April 1993), p.27

²¹⁶ "The Data Speaks Russo-Japanese Trade Fallen to Half Level of the Soviet Era", Tokyo Shimbun, May 26, 1998

Moscow.²¹⁷ A survey by the Japan External Trade Organization (JETRO) found that in 1996, Japan did not have a single investment in Siberia larger than \$1 million, while

U.S., Australian, Korean and Western European firms had doubled their investment in the Russian Far East from the 1995 level. Russian Prime Minister Sergei V. Kirienko signed a series of investment insurance and joint venture agreements with the Japanese government in July 1998, which sparked interest among several Japanese trading companies in building hotels and restaurants in Russia, but as one official from Mitsubishi Corporation warned Kirienko, investment in larger scale manufacturing in Russia “will take more time.”

Japanese diplomat Harada Chikahito was even more to the point in a 1997 International Institute for Strategic Studies (IISS) monograph about Russia:

There are many obstacles to foreign direct investment. Russia has not yet developed a coherent legal framework with transparent rules for domestic and foreign investment or joint ventures. Duties levied against importers have been regularly increased leading to rampant corruption, custom rules are applied inconsistently. The Russian mafia ‘control of business, difficulties in obtaining accurate business information, and poor transport and other infrastructure are also powerful obstacles to investment.

5.4.1 Oil and Gas Investment

These obstacles notwithstanding, Japanese corporations have invested in two oil and gas projects in the Russian Far East and are exploring three more:²¹⁸

- Sakhalin One. This project for an estimated 2.5 billion barrels of oil and 421 billion cubic meters of gas was agreed upon in 1993 by SODECO (Sakhalin Oil and Gas Development Co., Ltd., Japan) (30 percent), EXXON (30 percent), and a Russian consortium (40 percent). The estimated cost is \$15 billion. Based on a general agreement in 1975 with MITI.

²¹⁷ Nichi Ro Keizai, “Japan-Russia Economic Council and Proposals and Obstacles Concerning the Promotion of Japan-Russian Economic Exchange” Keidanren, July 1994

²¹⁸ Oksana Lomazov, “Russia-Japan Oil Market” Paper prepared for the Trilateral Forum on North Pacific Security, Tokyo December 9-11, 1998 p.13

-Sakhalin Two. This project for an estimated 1 billion barrels of oil and 392 billion cubic meters of gas was agreed upon in 1994 by the MMMSM Consortium (McDermott, Marathon, Mitsui, Shell, Mitsubishi) (20 percent), Shell Sakhalin Holdings (20 percent), Diamond Gas Sakhalin (owned by Mitsubishi-20 percent), and Russian Petroleum (50 percent). The estimated development cost is \$6 to \$ 10 billion. Based on a general agreement in 1991, to begin in 2003.

-The Irkutsk pipeline. Japan National Oil Corporation and ten Japanese utilities and trading companies agreed to do a feasibility study on the \$10 billion Irkutsk-to-Beijing natural gas pipeline in October 1997, after Moscow and Beijing signed an agreement in June to develop the fields without Japan. The Irkutsk pipeline faces massive technical and political hurdles (including the possible routing of the pipeline through North Korea), but Tokyo could not afford to stay out of the project for strategic and longer-term energy reasons.

It is not certain how far these joint energy projects will progress. The projects with the greatest potential and existing commitment are Sakhalin One and Two. Each was expected to begin delivering gas to Japan by the year 2005. However, the main consumers, Japan's utility companies, claimed in March 1999 that they had sufficient contracts for natural gas through 2010 due to the Japanese recession and low oil prices. Meanwhile, the utilities estimate that Japan might not need any of the 25 billion cubic meters of gas to be pumped from the Irkutsk pipeline until after the year 2020.²¹⁹

Even with uncertain Japanese demand for Russia's LNG and oil, however, the Japanese government-and MITI in particular-will continue pressing industry to remain involved in the development of Sakhalin and Irkutsk's oil and' gas fields. For one thing, longer-term energy strategy dictates that Japan wean itself from its high reliance on the Gulf for oil imports. Maintaining investment in Sakhalin and a foothold in Irkutsk secures an additional energy source for Japan, should market conditions or political stability in the Gulf shift. In addition, Japan has clear interest in helping China meet its own growing energy requirements. The alternatives to Chinese imports of Russian oil and gas would be increased Chinese reliance on coal or nuclear energy, both of which threaten Japan's

²¹⁹ Oksana Lomazov, "Russia-Japan Oil Market" paper prepared for the Trilateral Forum on North Pacific Security, Tokyo December 9-11, 1998 p.5

environment, or increased Chinese reliance on Middle East and Gulf oil, which might tempt Beijing to develop naval power projection into Japan's vital sea lines of communication. Finally Japan has an interest in encouraging multilateral development of Irkutsk in order to reinforce economic cooperation in the region with itself a central player.

In short, the energy and geostrategic considerations behind Japan Eurasia diplomacy are inseparable. This is not simply because Japan's strategy is to secure its energy from Russia, but also-and perhaps more important-because energy development in Russia is a tool for Japan to reinforce regional cooperation and stability and its own diplomatic weight.

5.4.2 Proliferation and Environmental Concerns

One final factor must be added to the energy component of Japan's comprehensive approach to Russia, and that is the environmental and proliferation threat presented by Russia's aging civilian nuclear power plants and military nuclear weapons. As early as 1990 MITI and Japanese trading companies expressed interest in working with Moscow to improve nuclear safety and to help with the dismantling of nuclear weapons. Washington discouraged the latter, but the Japanese government did provide aid in 1993 for nuclear safety training to Russia after the Russian navy dumped radioactive nuclear waste in the Sea of Japan. Supporters of Japan's controversial plutonium recycling program also focused on Russia as a target of assistance for clean and safe fast-breeder reactor development-and as a potential source of legitimacy for Japan's own besieged program.²²⁰

Cooperation in this area was limited until the rest of Japan's Russia policy began to turn around in 1997. U.S. concerns about Japanese involvement in Russian nuclear weapons-related programs also diminished somewhat in comparison with larger concerns about Russian "loose nukes." In May 1999 the Japan Nuclear Cycle Development Institute and the Russian Research Institute for Atomic Reactors agreed to a five-year pact to work together on developing ways to convert plutonium from dismantled warheads into nuclear reactor fuel. The Science Technology Agency (STA) began funding Russian experiments with conversion and use in civilian reactors of plutonium extracted from nuclear warheads. Japan burned about 44 pounds of MOX (mixed oxide fuels) from Russian warheads in

²²⁰ Ryukichi Imai and Seizaburo Sato, "Dismantlement of Nuclear Weapons: From Balance of Terror to Peace Dividend" (Tokyo: Denryoku Shimbo, 1993) p.39

Russian reactors in March 2000, a figure that will rise to 1.3 tons a year by 2010. This combination of Japanese energy development and nonproliferation policy adds credibility to Japan's beleaguered plutonium recycling scheme and leverages Japanese technological strengths to national security purposes.

5.4.3 The Great Game in Central Asia

With this merging of energy, nonproliferation, and geostrategic thinking, Japan's eyes have traveled beyond Russia proper to Central Asia and the Caucasus. In his July 1997 speech, Hashimoto announced Japan's intention to play a more assertive role across this region: "Positive assistance by Japan for the nation-building efforts of these countries will most certainly have a constructive significance, not only for these newly independent states, but also for the peace and prosperity of Russia, China, and the Islamic states, and I am certain that it will expand the frontier of Japanese foreign policy to the Eurasian region at the dawn of the 21st Century."²²¹

In his speech, Hashimoto conjured the images of the "Silk Road" that linked China and Imperial Rome through the Caucasus and Central Asia. It was a wise choice. The Silk Road was an extremely popular television documentary series in Japan in the late 1980s and the Japanese media quickly identified with the romance of this "new frontier" for Japan's foreign policy. If Hashimoto's declaration of Japan's participation in the "Great Game" of Central Asian diplomacy was largely romantic, however, it was also rooted in the same energy and geostrategic calculations that led to the shift in relations with Moscow.

Estimates about the size of the Caspian oil reserves vary widely, but most in MITI/METI and MOFA have latched on to the U.S. Department of Energy estimate that 179 billion barrels of oil, or 10 percent of world reserves, lie in Central Asia.²²² Hashimoto ended his Eurasia diplomacy speech with a call for Japanese business to take advantage of these oil and gas resources in the Caucasus and Central Asia. Japanese investment in the region's energy resources began in a modest way in 1992, the year after Armenia, Azerbaijan,

²²¹ Ministry of Foreign Affairs, "Diplomatic Bluebook, 1998: Japan's Diplomacy toward the 21st Century: New Developments and New Challenges Facing the International Community, p.210

²²² Tanabe Yasuo, "The Political Economy of Caspian Sea Oil Resources", Gaiko Forum, August 1998, p.64

Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan became independent countries. Still, Japan's total imports from this entire region totaled only \$235 million in 1997, a figure smaller than its imports from North Korea. Investment picked up in April 1996 when the Itochu Corporation took a 3.9 percent share in a consortium and later a 20 percent share in two oil projects in Azerbaijan. Sumitomo followed in October 1996 by joining Mobil in a project to develop the Tulpar fields in Kazakhstan. Later Mitsui Trading Company took a 15 percent share in the Kurdasi project in Azerbaijan. In 1998 Marubeni and Mitsubishi joined the rush, signing four contracts with Kazakhstan.

Despite these "down payments" on future energy development, however, Japan and other nations face massive political, financial, and technical challenges in transporting gas and oil from the remote Central Asian and Caucasus regions to markets in Western Europe and Asia. There are four pipeline proposals, only one of which—the Baku-Ceyhan Main Export Pipeline—does not run through Iran or Russia. For strategic reasons, the Clinton administration threw its weight behind the Baku-Ceyhan pipeline in 1997. Japanese industry remains hopeful that the cheaper pipeline through Iran might become a political reality someday, but Tokyo has maintained neutrality on the pipeline choice, arguing only that it should be made based on economic principles. Many would argue that those very economic principles may prevent the costly trans-Caucasus pipelines from ever being built. In the meantime, the investments in the region's energy resources remain place savers that keep Japan abreast of China's aggressive energy diplomacy in the region and keep open Japanese options for participation in future projects.²²³

Japan's foray into Central Asia and the Caucasus also parallels the geostrategic and diplomatic objectives of the new approach to Russia. As an analytical piece in *Sankei Shimbun* argued in February 1998, Japan's diplomatic and economic engagement of Central Asia and the Caucasus strengthens Japan's diplomacy vis-à-vis both Moscow and Beijing by making Japan a positive economic player in their own back yards. This comprehensive strategic approach to engaging the region was articulated in a "Silk Road Action Plan" prepared by MITI, MOFA, and MOF at Hashimoto's direction and released on March 7, 1998. The action plan consisted of three pillars: "strengthening political

²²³ Amy Myers Joffe and Robert A. Manning, "The Myth of the Caspian Great Game: The Real Geopolitics of Energy" *Survival*, Vol. 40 No. 4 (Winter 1998-1999), p. 112-131

dialogues, assisting with economic and natural resource development, and cooperation in facilitating nuclear nonproliferation, democratization, and stabilization for peace.”As part of the security pillar, in March 1999 MOFA hosted a conference on comprehensive strategy in Tokyo for representatives from the region as well as Turkey, China, Russia, and the United States. Diplomatic connections were also energized by the first of what would be regular head-of-state visits to Japan by Presidents Heydar Aliyev of Azerbaijan in February 1998 and Eduard Sheverdnadze of Georgia in March 1999. Both leaders went home with considerable packages of aid and joint venture deals bringing greater focus on Japan’s diplomacy in the region. Japan has spread this largesse to other countries through investments in a “New Silk Road” project to link Central Asia and the Caucasus with transport and communications networks. In the long run, the Central Asia card may not provide much energy to Japan, but it does empower Tokyo to explore a larger diplomatic role in an area of crucial strategic significance to its powerful neighbors on the Eurasian landmass.

5.5 CONCLUSION

5.5.1 Concluding Thoughts

Having examined the Japan-Soviet Cold War games, we are now in a position to highlight their most distinctive characteristics. The first thing one can say is that they were not the primary or even secondary games of either side, both parties having been reluctant players. The underlying element of danger, however, lent the games a significance that escaped many friendlier international relationships. They were essentially a mirror image of the US.-Japan games, with conflict concentrated in the diplomatic and security games rather than in the economic game.

For Japanese diplomacy, the guiding principle of which has been to seek good relations with all other states, the Soviet Union was a partial exception. As a rising economic power, Japan was attracted by the Soviet Union’s vast natural resources, but repelled by its superpower arrogance and economic inefficiency. From Moscow’s point of view, fear of a potential Japan-China axis necessitated avoiding a complete breakdown of relations, while the reality of the U.S.-Japan alliance prevented relations with Tokyo from becoming close. The Soviets were impressed by Japan’s economic advances, but dismayed by what they

saw as its continued subservience to the United States. The result was a set of Cold War games that always seemed to be perched precariously on the verge of break down, yet perversely exhibited remarkable stability. The rules simultaneously promoted conflict and kept it within certain bounds that were rarely broken during more than three decades of play.

Japan adopted a purely passive stance. Certainly, the Soviets appear to have been responsible for taking most initiatives, and as a result of Japanese obstinacy, opportunities for reconciliation were doubtless lost. Yet in Tokyo there was never a consensus in favor of compromise with Moscow. Japan was pursuing its national interest-not that of America-according to its own assessment of the best methods to achieve its objectives. The foreign ministry played an unusually prominent role in this game, its job having been to enforce the rules, not to make new ones; but it zealously resisted bold policy changes, and even blocked democratically elected politicians from making them. Tanaka, and perhaps Nakasone, were rare exceptions who managed to challenge the rules of each game, albeit only briefly. Moreover, the government had some success in conscripting public opinion.

The post-Cold War games, unlike their predecessors, appear frequently to be on the brink of a significant breakthrough, but are rather erratic. They are still in a period of transition and hence any attempt to codify their rules is probably premature.

The Cold War in East Asia differed in several important respects from that experienced elsewhere, and so it should come as no surprise that the end of the Cold War has produced dissimilar results. The old rules endured for longer in part because of the immobilism of the Japanese decision-making process. The Japanese were slow to acknowledge that Russia was no longer the Soviet Union. The Russians, on the other hand, wanted new games because they realized they could not win the old ones, but not so much that they were willing to sacrifice their trump card-the islands-from the outset. Although democratization strengthened Moscow's bargaining position vis-à-vis Tokyo, the rise of globalization and the end of the Cold War substantially weakened it. The World War II positions as victor and vanquished have been reversed, and thus it is now Russia's turn to play the waiting game.

Is the Japan-Russia game simply more intense than that of its predecessor? A case can be made for the proposition that in Russia at least we are really seeing the opposite trends to those described above—a revived Cold War mentality, rising economic nationalism, and an antidemocratic backlash. Yet one can equally well argue that relations with Japan are now as good as they have ever been. The gap between the two sides has narrowed dramatically, even though it remains too wide to span in the near future. History still weighs heavily on this relationship. At base, the clash of nationalisms persists. The Cold War had merely solidified preexisting negative images and reinforced age-old mutual distrust. With the exception of the remarkable emergence of an enraged public in Russia, the players, too, remain essentially unchanged. The revised rules and, hence, the character of the new games, however, differ significantly.

It is in the national interests—strategic, economic, and political—of both Japan and Russia to improve relations. They can assist each other in many ways. In other words, there is a high cost, in terms of lost opportunities, to pay for the continuing schism. However, there can be no firm bilateral relationship without domestic stability. In the short term, this is difficult to achieve in Japan, and impossible in Russia. Japan must remain patient. It will have to wait until the Russians want to give the islands back; otherwise, they will sour relations between future generations. The waiting game will continue for as long as either side remains convinced that time will work to their favor.²²⁴

5.5.2 Japan's New Eurasia Diplomacy:

The shifting terms of Japan's relationship with Russia through the first decade of the post-Cold War era echo patterns as seen in Japan's changing interaction with China and the Korean Peninsula. Indeed, the first conclusion one can draw from the emergence of Japan's new Eurasia diplomacy is that geostrategic considerations were the dominant factor in Japanese thinking. Certainly Japan's increasing isolation from the rest of the G-7 created pressure for a new approach to Russia and undermined Tokyo's traditional source of leverage in dealing with Moscow on the Northern Territories problem. But that *gaiatsu* does not explain the enthusiasm and deliberateness with which Hashimoto and his fellow

²²⁴ Inoguchi Takashi and Purnendra Jain "Japanese Foreign Policy Today" Scholarly and Reference Division and Palgrave Publishers (New York, U.S.A 2000), p.222-223

travelers in MOFA and MITI embarked on their new Eurasia policy. Clearly they were motivated by concerns about balancing China and preventing a Sino-Russian alignment at Japan's expense.

Ideational factors interacted with these power considerations. Japan and Russia share a sense of uncertainty about their future roles in East Asia. Japan's situation clearly is not as desperate as Russia's, but both nations craved a position of influence and respect in East Asia that was denied them by the diplomacy of the Four Party talks on Korea and the rise of Chinese influence, particularly on the American diplomatic radar. The "boldness" of Japan's new approach to Russia marked Japan as a geostrategic player—a "normal" country capable of playing the "Great Game" alongside other major powers—even in the heart of the Eurasia landmass itself. Notably, it was Tokyo that initiated the new relationship—a contrast to 1956 and 1973, when Tokyo waited for Moscow to make the first move. At the same time, it must be noted that the ideational side of Japan's Russia policy also made it quite dysfunctional and ultimately less than successful. The Hashimoto government's euphoria for the Russia card and a clear resolution of the Northern Territories dispute led to unrealistic expectations, over interpretation of minor Russian gestures, and bold pronouncements and deadlines that could not be met.

Hashimoto's bold move on Russia would not have been possible without the right domestic political constellation. Changes in domestic Japanese politics favored an improved relationship with Russia just as they led to increased friction with China. Hashimoto, the most Right-oriented leader Japan had seen since Nakasone had the domestic credibility to propose a closer relationship with Moscow. For nationalists within Japan, the increasing focus on anti-Chinese sentiment caused by episodes like the Senkaku dispute also eased the domestic pressure on Russia. It helped that from Russia there was little finger pointing over history. Indeed, the Russian Duma stopped celebrating Victory Over Japan Day in 1999. The business community was also supportive, if not enthusiastic. There was long-term interest in investing in Russian energy resources, but the primary obstacles to that investment were related to domestic Russian political problems rather than the state of diplomatic ties between the two countries. Still, improved political relations certainly did not hurt from the perspective of business, and this left plenty of room for MITI to push the rest of the government to change its thinking about Russia. In the end,

this mix of domestic interests gave Hashimoto enough flexibility to push a new approach. However, it was not enough to allow a compromise on Japan's basic demand for a return of all four islands. Editorials in the conservative Sankei and Yomiuri newspapers during the Krasnoyarsk and Kawana summits made this demand clear, even as they endorsed a more strategic approach to Russia. Moreover, the domestic political constellation of elite interest has not translated into depth of popular support for ties with Russia, as opinion polls demonstrate.

In terms of the U.S.-Japan alliance, it is worth noting that Eurasia diplomacy solidified only after the reaffirmation of the U.S.-Japan alliance in April 1996. True, Hashimoto was also responding to Clinton's request for help during NATO expansion, but Japan needed the confidence that it could defend itself with American help before Hashimoto could move forward. In short, U.S. pressure on Japan to improve relations with Russia mattered, but only after geostrategic circumstances in the region led key Japanese policymakers to the independent conclusion that they needed a new Russian policy and only after the United States provided reassurance of its commitment to the alliance.

Given the stalled progress on the Russo-Japanese peace treaty negotiations, it may be tempting for U.S. officials to offer mediation. The United States should approach this role with great caution, however. When the United States offered to broker a deal between Tokyo and Moscow in June 1997, the reaction from both sides was negative. In Tokyo there is still a view the Northern Territories problem could have been resolved decades ago without U.S. interference aimed at keeping Japan from moving too closely to the Soviets during the Cold War. In addition, Eurasia diplomacy is still the "new frontier" of Japanese independent diplomacy, and the United States would be trampling on important national aspirations by pressing too hard for a central role on the Northern Territories problem. It should be remembered that U.S.-Japan relations began to sour at the beginning of the twentieth century when Theodore Roosevelt brokered the first Russo-Japanese peace treaty at Portsmouth in 1905. The Japanese people rioted in Tokyo because they were outraged by concessions forced in Portsmouth even though Japan won the war with Russia. Japan also won the Cold War, and the United States should consider carefully the implications of once again pressing Tokyo to concede to Russia at the beginning of the twenty-first century. Moscow and Tokyo have the diplomatic acumen necessary to reach a peace treaty

as two mature nations. The United States can therefore be most helpful in a quiet, behind-the-scenes supporting role.

At the same time, Tokyo's new Eurasia diplomacy could form part of a much stronger U.S. policy toward Russia. The expanding Soviet threat of the late 1970s and early 1980s provided the glue for closer U.S.-Japan military cooperation in the Reagan years. It is possible for the United States and Japan to form a similarly close partnership in helping Russia to build democratic institutions, reform the domestic economy, and dismantle the disintegrating Soviet nuclear forces left from the Cold War. Together, the United States and Japan could also enhance Russia's sense of belonging to the emerging Asia-Pacific community. Japan's new relationship with Russia, despite its numerous problems and likely future setbacks, still remains a positive force on Russian behavior, a useful expression of Japan's diplomatic potential, and a helpful complement to the United States' own objectives for relations with Moscow. Stable Western relations with Russia require recognition of Russia's role as not only a European power, but also an Asian power-and that perspective will be enhanced by Japan's new Eurasian diplomacy.²²⁵

²²⁵ Michael J. Green "Japan's Reluctant Realism, Foreign Policy Challenges in an Era of Uncertainty Power, A Council on Foreign Relations Book ", (New York ,Palgrave,2003), p.164-166

6. JAPAN-CHINA RELATIONS

China has always held a key place in Japan's foreign policy. In the 1930s Japan subjugated the Chinese people in a humiliating occupation, and it was not China but the United States that ultimately defeated the Japanese military. The U.S. occupation of Japan did not ease Chinese concerns. Chinese leaders watched with apprehension as the United States rehabilitated many Japanese wartime leaders and helped revive Japan's industrial economy. The February 1950 Sino-Soviet treaty focused on the Japanese threat as the cornerstone of security cooperation between Moscow and Beijing. Despite Japan's minimal military capabilities and weak economy for much of the Cold War, U.S.-Japanese cooperation was the linchpin of America's effort to encircle and weaken the People's Republic of China.

Chinese Communist leaders spent the first twenty years of their rule trying to detach Japan from the U.S. alliance system. They persistently attacked the U.S.-Japan security alliance and the revival of Japanese "militarism" and attempted to work with the Japanese Socialist and Communist parties to create political pressure on the ruling Liberal Democratic Party (LDP) to improve diplomatic relations with China. China tried to manipulate Japanese war guilt, hoping that the Japanese people's desire to make restitution for the occupation of China would force the government to open diplomatic and economic relations with Beijing. Following the Korean War and the 1954 Geneva conference that ended the first Vietnam war, Beijing emphasized "peaceful coexistence" in Sino-Japanese relations. Premier Zhou Enlai pushed for the establishment of diplomatic relations, and Japan seemed ready to respond. But the United States compelled Japanese leaders to turn aside China's overtures. In 1957 Prime Minister Nobusuke Kishi of Japan adopted a hard-line China policy and paid the first state visit to Taiwan by a Japanese prime minister. The Japanese military also began training Nationalist soldiers. Sino-Japanese relations deteriorated as Chinese diplomacy hardened. Beijing dangled before Japan the economic lure of the Chinese market, holding Sino-Japanese trade relations hostage to Japan's opening of diplomatic relations with Beijing. This led to Chinese policy gyrations.²²⁶

²²⁶ Chae-Jin Lee, *Japan Faces China: Political and Economic Relations in the Postwar Era* (Baltimore: Johns Hopkins University Press, 1976), p.99

During the mid-1950s, on the basis of a succession of private trade agreements and the support of both governments, trade gradually expanded. China tried to use the accords to develop de facto diplomatic relations. In 1955 Tokyo agreed that Chinese trade representatives would have diplomatic privileges. In 1957 it granted Chinese agencies additional privileges, including the right to fly the PRC flag. But determined opposition from Taiwan and the United States compelled Tokyo to abandon the 1957 agreement. China retaliated by canceling all economic and cultural relations with Japan. Beginning in 1960, faced with the economic dislocations of the Great Leap Forward, China tried to develop unofficial "friendship trade" with Japan. It would trade only with Japanese companies it identified as "friendly"—those that did not oppose Sino-Japanese diplomatic relations and that opposed a two-China policy and the U.S.-Japan security treaty. By 1962 Beijing had identified 162 such enterprises. But friendship trade promoted neither Sino-Japanese trade nor friendship.

In 1962 Chinese leaders once again entered into semi-official trade relations to promote Sino-Japanese economic and political ties. On the basis of annual memorandums between Chinese government officials and leading officials of the LDP, trade expanded. During the mid-1960s Japan replaced the Soviet Union as China's number one trading partner. Tokyo also agreed that the two sides could establish official trade liaison offices in each other's country. But Beijing could not persuade Tokyo to establish diplomatic relations and break relations with Taiwan. In 1967 Prime Minister Eisaku Sato paid a state visit to Taiwan. These setbacks and the ideological fervor of the Cultural Revolution led to a decline in Sino-Japanese memorandum trade, to a renewed PRC emphasis on friendship trade, and to a decline in total trade.²²⁷

Beijing's economic diplomacy had failed. Japan was too dependent on the United States for its security and economic growth to diverge from U.S. policy on such an important issue as China policy. When Japan finally decided to open relations with China, the impetus was not developments in China's Japan policy but in America's China policy. When Richard Nixon announced in July 1971 that Henry Kissinger had just visited Beijing and that the president planned to hold a summit there, Japan suffered "Nixon shock." Tokyo quickly made policy adjustments. In July 1972 Tokyo opened normalization negotiations with Beijing, and in

²²⁷ Andrew J. Nathan, Robert S. Ross, "The Great Wall and Empty Fortress", (New York:Norton,1997), p.85

September Prime Minister Kakuei Tanaka traveled to China, where he and Zhou Enlai issued a joint statement establishing diplomatic relations, which included Japan's agreement to sever diplomatic ties with Taiwan. Now Sino-Japanese trade expanded without diplomatic impediments. Total trade tripled between 1972 and 1975; China became Japan's third-largest export market and the eighth-largest exporter to the Japanese market. Only in the final year of Mao's life, when radical ideologues experienced a burst of renewed authority and Chinese managers suspended relations with Japanese firms, did trade suffer a temporary decline.²²⁸



Figure 6.1: China's President Hu Jintao and Japan's Prime Minister Koizumi applaud at the APEC leaders' declaration in Santiago.

Source: <http://pro.corbis.com>

U.S.-China rapprochement also transformed Sino-Japanese security relations. China now saw the United States and Japan as counterweights to the Soviet Union, and regarded the American defense umbrella over Japan as a guarantee that Japan would not remilitarize in the face of the Soviet threat—above all, that it would not make nuclear weapons. The

²²⁸ Chae-Jin Lee, "China and Japan: New Economic Diplomacy", (Stanford: Hoover Institution Press, 1984), p.111

strategic importance Chinese leaders attached to the relationship were underscored in 1978. In August, as Soviet-Vietnamese cooperation reached new heights, the prospect loomed of a Vietnamese invasion of Cambodia. These Soviet moves also posed a threat to Japan, which depends on the sea-lanes for its energy supplies, much of its food, and most of its other international trade. In these circumstances Beijing and Tokyo finally reached agreement on a peace treaty ending the Sino-Japanese state of war dating back to World War II. The accord included a clause in which the two countries denounced "hegemony," Beijing's code word for Soviet expansionism and "encirclement" of China.

Throughout the 1980s common Sino-Japanese interests in the face of the Soviet threat provided the basis for frequent summitry, political consultations, and friendly diplomacy. Economic relations flourished. From 1977 to 1981 two-way trade tripled, reaching more than \$10 billion. During much of the 1980s Japan was China's number two trade partner, second only to Hong Kong. In 1979 the two sides reached their first agreement on Japanese loans to China. The loans totaled fifty billion yen and assisted in the completion of six major construction projects in China. Altogether, from 1979 to 1989, Japanese low-interest loans to China amounted to over \$17 billion.²²⁹

During the Cold War, Beijing and Tokyo pushed aside secondary conflicts of interest and underlying long-range concerns so that they could jointly counter the Soviet threat. Nonetheless, Chinese leaders did not forget the potential danger of resurgent Japanese militarism. Through the 1970s and 1980s, in the context of U.S.-Japanese security cooperation regarding the Soviet Union, Japan developed its military capabilities. Defense spending increased along with the GNP. Much of the new spending went to the buildup and modernization of the Japanese navy, as Tokyo sought to fulfill its commitment to the United States to undertake the defense of the sea-lanes within 1,000 nautical miles of the home islands.²³⁰

Japan now boasts the largest surface fleet in the western Pacific. Almost all of its naval vessels have been built within the last fifteen years and are constructed and equipped with

²²⁹ China's Foreign Economic Statistics, (Beijing: China Statistical Information and Consultancy Center, 1992), p. 333

²³⁰ Richard J. Samuels, "Rich Nation/Strong Army: National Security and the Technological Transformation of Japan", (Ithaca: Cornell University Press, 1994), p.133

highly advanced technology. Japan, unlike China, possesses the technology to build, support, and manage aircraft carriers, the key element in power projection—although it has not so far chosen to do so. Indeed, it deployed aircraft carriers over fifty years ago during World War-II. Tokyo has also modernized its air force. In 1976 Japan decided to coproduce with McDonnell-Douglas the American F-15 fighter jet. In the 1980s it agreed to codevelop and manufacture with the United States a cutting-edge military jet, dubbed the F-2. The F-2, based on the U.S. F-16, will be superior to any aircraft China can manufacture. Japan also developed some of the most advanced missile technology in the world, including missile guidance systems that were better than America's, and in the 1990s acquired advanced electronic warfare equipment, such as airborne warning and control system (AWACS) aircraft. Japan has developed all the elements of a nuclear weapons program except the assembly and testing of a nuclear device, so it would take only a matter of months for Tokyo to deploy a nuclear warhead on a long-range missile.

Meanwhile, Chinese defense spending continued to stagnate, with the result that by the end of the 1980s Japan had achieved military superiority over China in all forms of weaponry, with the sole exception of nuclear weaponry, an exception Tokyo could rapidly eliminate. These Japanese successes occurred with minimal economic sacrifice. The Japanese defense budget stayed below the politically sensitive threshold of one percent of the GNP for most of this period, so Japanese gains have barely approximated Japanese spending and technological potential. During the 1970s and 1980s Japan also developed its economic presence in Asia. Its aid and investment have been determining factors in the economic growth of Thailand, Malaysia, Indonesia, and South Korea, fostering considerable influence in their decision making.²³¹

The growth of Japanese power caused apprehension in the Chinese elite, but the leadership remained largely silent until Beijing began to improve relations with Moscow. In the mid-1980s China initiated a relentless campaign against support for "militarism" in the Japanese leadership. China joined South Korea and other Asian countries in criticizing Japanese politicians' statements and government-approved secondary school textbook revisions that so much as hinted at positive reappraisals of Japanese behavior during World War II. In 1987 Deng Xiaoping told a visiting Japanese delegation, "Frankly,

²³¹ Andrew J. Nathan, Robert S. Ross, "The Great Wall and Empty Fortress", (New York:Norton,1997), p.87

China bears no responsibility for the historic conflicts in the history of Sino-Japanese relations....Relations have developed, but we cannot be very satisfied with them. Japan can and should do more. It should appropriately resolve some unhappy incidents." The party ideologist Hu Qiaomu wrote, "We do not want to bring up the past, but things are going contrary to our wishes. Some people in Japan deliberately try to forget and change these unforgettable and unalterable historical facts. . . . Japan gives China the cold shoulder. China will not accept it quietly. It is Japan that will suffer in the end."²³²

China also carried out campaigns against even the slightest intimations that Japan was developing a "two-China" policy. China's concern about Japan's Taiwan policy is second only to its concern about America's Taiwan policy. Tokyo controlled Taiwan from 1895, when China ceded it to Japan after military defeat, until the end of World War II, and many people on Taiwan have favorable recollections of the Japanese occupation. Chinese leaders suspect Japan of having strategic objectives in regard to Taiwan. Just as Taiwan was an "unsinkable aircraft carrier" for the United States during the period of Sino-American confrontation, it could become a Japanese asset if Sino-Japanese relations deteriorate. Chinese leaders also suspect that the Taiwan leadership considers an alignment with Japan as a fallback position if the United States reconsiders its commitment to Taiwan's security.

In the mid-1980s Beijing adopted a belligerent posture following a 1986 Japanese court decision that a student dormitory owned by the Taiwan government remained the property of Taiwan despite the normalization of Sino-Japanese relations in 1972. Deng Xiaoping personally warned Japanese legislators that the court decision created a "very serious" problem for Sino-Japanese relations, the PRC Foreign Ministry threatened retaliation, and a Sino-Japanese media war erupted. The Foreign Ministry also tried to pressure the Japanese government to cancel the plans of private citizens to host an international meeting celebrating the hundredth anniversary of the birth of Chiang Kai-shek, insisting that the event was "tantamount to support for the creation of two Chinas."²³³

Beijing campaigned against increases in the Japanese defense budget. Polemics became especially harsh in 1987, when the defense budget increased to just over one percent of the

²³² Renmin ribao, June 29, 1987, p. 1

²³³ Allen S. Whiting, "China Eyes Japan", (Berkeley: University of California Press, 1989), p.154

Japanese GNP. One percent had been a threshold reflecting Japan's post-World War II commitment to abandon the use of force in diplomacy. Before the increase Foreign Minister Wu Xueqian expressed China's concern that once Japan's defense budget crossed the threshold, Tokyo would be on its way to becoming a major military power. *People's Daily* warned that after this break with tradition, "it is unavoidable that the second and third 'breaks' will follow, and that the state of affairs will get out of control."

China's shifting appraisal of the Japanese threat was reflected in PRC policy concerning the Soviet-Japanese dispute over the four islands Japan calls its Northern Territories. The southernmost islands of the Kuriles chain had been taken from Japan by the Soviet Union after World War II and are considered unreclaimed territory by the Japanese. The Northern Territories have natural resources, a predominantly Russian population, and a strategic location near Soviet naval ports. China supported Japan's position during the Cold War, contributing to the cohesiveness of the anti-Soviet coalition. But in early 1991, after the demise of the Soviet Union, it shifted to a neutral stance on the islands. The value of strategic cooperation with Japan had declined, and China was no longer inclined to support Tokyo's effort to recover lost territories. Not only would support for Japan's claim needlessly aggravate relations with Moscow, but Beijing also has no interest in seeing Japan actually recover the islands. On the contrary, in some respects the Russo-Japanese territorial dispute now complements Chinese interests. It focuses the attention of the Russians and the Japanese on each other, inhibits Russian-Japanese economic and political cooperation, and keeps Japan from fully concentrating on its worries about China.

In the aftermath of the 1989 Tiananmen incident, China halted its intense criticism of Japanese policies, despite Japan's participation in UN peacekeeping operations in Cambodia and its contribution to the allied effort in the 1991 Persian Gulf War, both of which represented a weakening of the taboo on deploying Japanese troops abroad. Faced with near global isolation and Western economic sanctions, Beijing was compelled to woo Japan to regain access to Japanese aid and loans and to drive a wedge in the West's isolation of China, Chinese efforts paid off in 1990, when Japan took the lead among Group of Seven (G-7) countries in ending sanctions and reaching new agreements with China on generous loan and aid programs. Japan also rewarded Chinese silence by adopting a low profile on such issues as China's human rights abuses, its nuclear testing program, and its growing

defense budget and by avoiding provocations regarding Taiwan. Stable diplomacy, growing economic cooperation, and the beginning of a security dialogue in 1993 suggested that Beijing and Tokyo had developed ways to manage a potentially explosive relationship.²³⁴

But by 1995 the divisive issues resurfaced in Sino-Japanese relations. With the development of multiparty politics in Japan following the collapse of LDP hegemony in 1994, China policy has become politicized. This is particularly true of the Taiwan issue. Taiwan's economic and political successes and growing Japan-Taiwan economic relations have created Japanese domestic interests opposed to accommodation of the mainland and the diplomatic isolation of Taiwan. After Lee Teng-hui visited Cornell University in March 1995, Japanese opposition politicians urged their government to grant Lee a visa to visit Kyoto University, his undergraduate institution, or to invite him or Taiwan's Vice Premier Hsu Lee-teh to attend the November 1995 APEC summit in Osaka. China warned that any such visits would place the relationship "in the greatest danger," and President Jiang Zemin promised to boycott the summit if either Taiwan leader attended the meeting. Ultimately, Japan succumbed to Chinese pressure, and Taiwan was represented in Osaka by Koo Chen-fu, the head of its Straits Exchange Foundation.²³⁵

The trend in Japanese politics was nonetheless clear. Throughout 1995, politicians from various parties in Japan called for enhanced Japanese-Taiwanese diplomatic contacts. Beijing criticized "pro-Taiwan forces" and warned the Japanese government to oppose any pro-Taiwan activities in Japan. When it seemed that a Japanese cabinet member might participate in a pro-Taiwan demonstration, Beijing made "solemn representations" with the Japanese Foreign Ministry.²³⁶

During the 1996 Taiwan Strait crisis, hard-line members of the Liberal Democratic Party, reacting to China's military maneuvers, demanded that the Japanese government freeze its yen loans to China, compelling Japan to defer completion of a new agreement on yen loans. When asked about the prospect that Japan might freeze the loans, China's Foreign Ministry spokesman responded that China "would like to send a very clear and unmistakable

²³⁴ Allen S. Whiting, "China and Japan: Politics versus Economics," *Annals of the American Academy of Political and Social Science*, (January 1992): 39

²³⁵ FBIS/China, June 26, 1995, p. 1

²³⁶ FBIS/China, September 21, 1995, p. 1

message to the Japanese side, which is that the issue of Taiwan is purely an internal matter of China which brooks no foreign intervention or interference of any kind." The "Taiwan lobby" is now embedded in Japanese politics, and the Taiwan issue has added an element of uncertainty in Sino-Japanese relations.²³⁷

The "China threat" has also emerged as an issue in Sino-Japanese relations, reflecting the changes in Japanese domestic politics as well as in Japan's post-Cold War strategic circumstances. Just as the end of the Cold War freed China to focus on Japanese capabilities, the demise of the Soviet threat has turned Japanese attention toward China's capabilities. There is opposition in Japan to Chinese nuclear tests, and in 1995 Tokyo retaliated against them by suspending its grant program to China. Chinese military exercises during the 1996 Taiwan Strait crisis heightened Japanese apprehension. The annual Japanese defense white paper now expresses direct concern about the modernization of China's nuclear, air, and naval forces, and treats China as a greater threat than Russia. The change in Japan's China policy is further reflected in the issue of human rights. Beginning in the mid-1990s Chinese violations undermined support for Japan's economic assistance program for China. Should China again use force against democracy activists, Japan's reaction might be more hostile than it was in 1989.

Shifts in Japanese policy since 1994 have brought on renewed counterattacks in China. Chinese media gave prominent coverage to the fiftieth anniversary of the end of World War II, featuring the atrocities of the Japanese occupation and warnings of the potential for revived militarism. For the first time since the 1970s, the Chinese media criticized Japan's military capabilities, including its nuclear program. It charged that Tokyo's defense buildup makes clear that Japan "harbors a strong desire to play a bigger military role in the world" and that it will "produce new instability" and "expand its sphere of influence through military means." One Chinese observer warned that the "situation in Japan is somewhat similar to that in pre-war Japan. What road will Japan take?—this question definitely cannot be ignored."²³⁸

²³⁷ FBIS/EAS, March 15, 1996, p.7

²³⁸ Chen Lineng, "The Japanese Self-defense Forces Are Marching toward the 21st Century," *Guoji zhanwang*, no. 2,1996, in FBIS/China, May 1,1996, p. 12

Compounding Chinese concern about Japan's military program is the improvement in U.S.-Japan security cooperation. China has long accommodated itself to the U.S.-Japan alliance because of its role in inhibiting Japanese "militarism" and helping maintain stability in East Asia. But at the April 1996 U.S.-Japan summit, Washington and Tokyo adopted a joint action plan calling for greater Japanese military responsibility in the alliance, including for the first time responsibility in joint defense operations throughout Asia. This suggested to Chinese leaders that the alliance could promote rather than inhibit a Japanese defense buildup. Beijing floated the view that the agreement was a "dangerous signal" that Japan has been "brought into U.S. global strategy" and that it will "strengthen coordination with the actions of U.S. troops" in Asia. It "gives the feeling" that the two countries "work hand-in-hand to dominate the Asia-Pacific region." The Chinese were especially disconcerted by U.S.-Japan discussions of deploying a theater missile defense (TMD) system in Japan. China has argued that an East Asian TMD would be "clearly aimed at China" and would "render ineffective" China's limited second-strike nuclear capability, enhancing Chinese vulnerability to U.S. military power and to a potential Japanese nuclear capability. It warned that it would reconsider its commitment to participating in a comprehensive test-ban treaty if such a system was deployed.²³⁹

China's hardened Japan policy reflects Beijing's concern about a renewed threat from its East Asian rival. Still, China's policymakers are mindful of Japan's economic importance. In the first six months of 1995, Japanese capital invested in China increased nearly 48 percent over the same period in 1994. Large Japanese firms, including Matsushita, NEC, and Toyota, began investing in large-scale manufacturing projects involving high-technology industries. In early 1996 Japan agreed to provide China with 580 billion yen in new loans for the period 1996-98, although it postponed formalization of the agreement in reaction to Chinese nuclear tests and tension in the Taiwan Strait.

Beijing is also aware of the potential costs of heightened Sino-Japanese conflict. If Japan were fully to mobilize its economic and technological potential, China would have to divert considerably more of its scarce resources from economic development to military modernization, impeding its modernization and its ability to catch up with its great-power

²³⁹ Liu Huaqing, "Evaluation and Analysis of China's Nuclear Arms Control Policy," *Xiandai junshi*, November 11, 1995

rivals. Sino-Japanese tension would destabilize Asian security and encourage the United States and Japan to enhance their cooperation in opposing China and to mobilize other Asian countries to distance themselves from Beijing.

Sino-Japanese relations continue highly sensitive and mutable. Chinese leaders often warmly welcome Japanese leaders and praise the two sides' success in developing economic and political ties. But Beijing is quick to criticize public Japanese statements suggesting support for a more activist defense policy or for a friendlier diplomatic posture toward Taiwan. It attacks Japan's nuclear weapons program and enhanced U.S.-Japan security cooperation. Most important, China continues to modernize its military capabilities, despite Japanese apprehensions and the pressure this places on Tokyo to adopt countervailing military measures. But the alternative would be for China to accept permanent military and technological inferiority vis-a-vis Japan and the other great powers.

And additional contentious issues loom on the horizon. One is the territorial dispute over the Diaoyutai/Senkaku Islands. The dispute has quietly existed since 1949, but in 1996 pressure from the Japanese legislature led Tokyo to reaffirm its claim publicly. Beijing responded by dispatching an oil-drilling vessel to the disputed waters and by warning Japan to avoid provocative actions. Later that year right-wing groups tried to reassert Japan's claim by building a lighthouse on the islands, further inflaming relations. Another source of friction is Japan's effort to obtain a permanent seat, with attendant veto power, on the UN Security Council. Chinese leaders worry that permanent Security Council membership would encourage Japanese military and political assertiveness. Beijing cannot look forward to the prospect of U.S.-Japanese cooperation on the Security Council. One Chinese report went so far as to assert, "It is absolutely impermissible to grant the veto to newly admitted permanent members."

But there are encouraging signs as well. In 1996 the annual Sino-Japanese security dialogue broadened to include diplomats and defense officials. That same year the Japanese and Chinese foreign ministers agreed to hold talks on the economic development of the waters surrounding the disputed Diaoyutai/Senkaku Islands. Such low-profile

meetings may provide constructive ways to defuse mutual concerns about defense and foreign policies and minimize the risk of inadvertent conflict.²⁴⁰

Nothing marks Japan's shift toward reluctant realism more definitively than the changing relationship with China.²⁴¹ Throughout the postwar period Japan maintained a policy of constructive engagement toward Beijing. This strategy was established by Yoshida Shigeru, who predicted that Japan and the West would eventually wean China away from Moscow by providing an alternative to dependence on the Soviet Union. In Yoshida's view, a prosperous China would inevitably become friendly with Japan and the United States. At the core of his strategy was a faith in the principles of economic interdependence with China and in Japan's own growing mercantile power.²⁴²

Yoshida's approach was hotly debated between the pro-Taipei and pro-Beijing groups within the ruling LDP, but his assessment of Sino Japanese relations was largely prescient. Beijing began splitting with Moscow by the 1960s, and shortly after President Nixon's visit to China in 1972, the Japanese government normalized relations with the main land. With time, Sino-Japanese economic ties deepened, particularly after the Cold War Trade between Japan and China grew from \$18.2 billion in 1990 to \$62.4 billion in 1996. Over the roughly the same period, Japan's foreign direct investment into China expanded from \$438 million in 1989 to \$4.5 billion in 1995. The consensus behind Yoshida's formula for China relations deepened, and confidence in a close Sino Japanese relationship shaped Japan's vision of a post-Cold War diplomacy in Asia.

But Yoshida's predictions were only partly correct. Greater trade, aid, and investment could not fully insulate Sino-Japanese relations from the turbulent developments of the 1990s. First the end of the Cold War opened the prospect of tenuous bilateral relations because Japan and China were no longer indirectly aligned against the Soviet Union. Then the shocks of the Gulf War and the collapse of the Japanese economic bubble undermined Japanese confidence, while the interruption of stable long-term LDP rule opened the

²⁴⁰ Andrew J. Nathan, Robert S. Ross, "The Great Wall and Empty Fortress", (New York:Norton,1997), p.93

²⁴¹ Alastair Iain Johnston and Robert S.Ross, "Engaging China:The Management of of an Emerging Power" (London:Routledge,1999)p.207-234

²⁴² Warren Cohen "China in Japan-American Relations" (Lexington,KY:University of Kentucky Pres,1989)p.36-60

Japanese foreign policy process to greater pluralism and unpredictability. And eventually Chinese power and ambition became more visible in Asia.

The impact of these changes was not felt in the bilateral relationship for several years, however. Ironically, the crisis created by the Chinese government's massacre of student protesters in Tiananmen Square in 1989 created an artificial honeymoon in Sino-Japanese ties. After initially suspending yen loans to Beijing in tandem with other Western sanctions to protest the incident, Japan was sucked back into the vacuum created by China's international isolation a year later. In June 1991 Tokyo resumed aid; China responded by inviting Emperor Akihito for a historic visit in 1992 while heaping praise on Japan's regional security role when the JSDF was dispatched to Cambodia for peacekeeping. Heartened by this new Chinese attitude, Japanese intellectual leaders began writing of the new "Asianization of Asia."²⁴³

By the middle of the decade, however, the real impact of the collapse of the Cold War structure was being felt directly in bilateral relations. Prime Minister Hosokawa Morihiro and Foreign Minister Hata Tsutomu began setting a new tone in the relationship in 1993 when they pressed Beijing publicly for greater military transparency. Subsequently, an angry Diet then forced the Foreign Ministry to suspend \$75 million in grant assistance after China ignored Japanese warnings and continued with a string of nuclear weapons tests in 1995. Then in 1996 the Taiwan Straits crisis, the reaffirmation of the U.S.-Japan alliance, and an emotional dispute over the Senkaku (Diaoyutai) Islands sent Sino-Japanese relations to a postwar low. These punctuated changes in official relations were accompanied by a sea change in attitude toward China demonstrated in Japanese public opinion polls and newspaper editorials over the same period. The Japanese and Chinese foreign ministries tried to turn the tide with a celebration of twenty-five years of relations in 1997, but a disastrous visit to Tokyo by Jiang Zemin in December 1998 only solidified the new view of China. In the space of only a few years, Japan's fundamental thinking on China shifted from a faith in economic interdependence to a reluctant realism.²⁴⁴

²⁴³ Asahi Shimbun, June 5, 1989; evening version, June 13, 1989; and June 21, 1989

²⁴⁴ Tomoda Seki, "Strategy toward China: The Best Scenario, the Worst Scenario", (Chou Kouron, December 1995), p.54-62

The shift is relative, however. A strict realist policy based on balance of-power logic would have Japan pursuing relative gains at the expense of China. Japan would cut off all aid and investment and generally take policies to retard China's economic growth. This Japan has not done. Instead, Japan's China policy is moving forward at two levels. At one level Tokyo continues to provide massive economic assistance in the form of yen loans, with only slight decreases in ODA (matching the pace of Japan's overall aid budget). At another level, however, Tokyo is actively seeking to counter Chinese political influence in Asia while hedging against the prospect of longer-term Chinese threats. This synthesis of engagement and hedging was well expressed in an LDP foreign policy paper in 1997: "Ultimately, China's future rests in its own hands-including how stably it will develop. Therefore, even as we seek to preserve and enhance our amicable relations with China, we must maintain a close watch on the direction China is headed and be prepared to cope with a variety of contingencies."²⁴⁵

There is still a strong consensus in Japan that friendly relations must be maintained with the People's Republic of China (PRC). There is also a continuing search for economic, technological, and diplomatic tools to shape the growth of the Chinese economy and Chinese foreign and security policy in directions that are beneficial-or at least not harmful-to Japan. However, this traditional strategy of engagement is now tempered by a suspicion of Chinese motives, doubts about Japanese capabilities to effect change in China, and a desire to use multilateral and bilateral security networks to balance, and even contain, Chinese influence.

These changes are illustrated with five pictures in post-Cold War Sino-Japanese relations:

1. The 1995 Chinese nuclear tests, which exposed the limits of Japan's economic influence on Chinese behavior
2. The 1996-97 Senkaku dispute, which highlighted the changing domestic politics of China policy in Japan

²⁴⁵ Foreign Policy of Liberal Democratic Party ,Part I:Japan's Asia-Pacific Strategy: The Challenges of Transformation (Tokyo:LDP,undated translation released in early May,1997),p.23

3. The Sino-Japanese contretemps over strengthening of the U.S. Japan alliance in 1996—97, which revealed the post-Cold War bi-lateral defense dilemma between Tokyo and Beijing
4. The 1998 Jiang-Obuchi summit, which demonstrated how much the divergent Chinese and Japanese treatment of history would obstruct future cooperation
5. The changing patterns of Japanese trade and investment in China from 1995 to 1999, which suggested that Japan's relative economic influence on Beijing is on the decline

The chapter concludes by examining the implications of this emerging Sino-Japanese relationship for the U.S.-Japan alliance.

6.1 THE FIRST SHOCK WAVE: CHINA'S NUCLEAR TESTS,

6.1.1 Aid and Security

At the core of Japan's traditional policy of engagement toward China has been foreign aid. China experts in the Japanese Ministry of Foreign Affairs often comment that Tokyo's bilateral economic assistance has grown from the "seed to the roots and the trunk" of bilateral Sino-Japanese relations. After opening contact with Beijing in 1972, the United States was barred by legislation from providing aid to Communist countries. This opened up an enormous role for Japan. Beginning with the 1978 Japan-China Treaty of Friendship, Japan agreed to provide large five-year yen packages to China. By the 1990s these yen packages accounted for half of China's total economic assistance from abroad. For Beijing, the yen loans were seen as mandatory reparations for Japan's subjugation of China during the war. In Tokyo, however, economic assistance had meaning as the centerpiece of broader economic interdependence and as insurance against future political or military confrontation. Beneath these diverging views of economic assistance lay even broader gaps in each nation's assumptions about the other. These gaps were exposed by a series of

nuclear explosions deep in the Chinese interior-the first shock wave in Sino-Japanese relations after the Cold War.²⁴⁶

6.1.2 Beijing Explodes Bombs . . . and Tokyo's Complacency

On May 15, 1995, China conducted its forty-second underground nuclear explosion in Lop Nur, a remote desert area south of Mongolia. While the existence of Chinese nuclear weapons was hardly shocking, the timing of the test stunned Tokyo. Prime Minister Murayama Tomiichi had only just asked the Chinese premier, Li Peng, for a moratorium on testing during a visit to Beijing the same month, reminding his Chinese hosts of the Japanese people's intense feelings about nuclear weapons. If Japan's economic interdependence with China had teeth, this was an issue that mattered. But as it was, the nuclear tests proved just how limited economic investment and years of yen loans and foreign aid were as constraints on Chinese military behavior. Indeed, the Lop Nur test generated an intense debate in Japan about whether economic tools should be used as sticks against China at all. There was a consensus within MOFA and MITI that Japan should move from multiyear ban agreements to annual negotiations with China in order to increase Japanese leverage. However, interrupting aid was seen by many in the government as too heavy a stick to use on China even in response to nuclear testing. On the other hand, since 1991 MOFA had been bound by an ODA charter that specifically required Japan's aid policy to give full consideration of a recipient's military expenditures and the possible development, production, import, or export of missiles and weapons of mass destruction. This charter had been created precisely to demonstrate Japan's readiness to use aid as a strategic tool after the Cold War, but thus far it had been applied only to distant and not terribly powerful Burma. Would it now be applied to the "root and trunk" of Sino-Japanese relations?²⁴⁷

MOFA went back and forth on this question after the Lop Nur test. On May 15 Vice Foreign Minister Saito Kunihiko called in the Chinese charge Wu Dawei in Tokyo, and

²⁴⁶ Michael J. Green "Japan's Reluctant Realism, Foreign Policy Challenges in an Era of Uncertainty Power, A Council on Foreign Relations Book ", (New York ,Palgrave,2003), p.80

²⁴⁷ "Tokyo Issues Standard Protest of Latest Chinese Nuclear Test" Japan Digest, May 16,1998,p.7

warned specifically that Japan's 1991 ODA charter might require an aid cut-off in response to the Chinese tests. Foreign Minister Kono Yohei then backed off from this threat in testimony to the Diet two days later. However, his suggestion that Japan would not-and in fact could not-use aid to demand better behavior from Beijing provoked a firestorm from within and outside of the government. The political pressure on Kono and MOFA was intense. Senior politicians from all three coalition parties were calling for suspension of yen loans to punish China. On the Left of the coalition Sakigake and the Socialist parties were motivated by antinuclear sentiment. On the Right, the LDP was pushing for a more assertive Japanese stand toward Beijing for reasons of national pride. Even the Asahi Shimbun warned that, given China's clear violation of the principles articulated in the ODA charter, "Japan's diplomacy is being questioned." As one anonymous senior MOFA official told the Yomiuri Shimbun, "we cannot leave the situation as it is."²⁴⁸

Outflanked on both the Right and Left in a far more fluid political environment, MOFA and the government eventually compromised with the coalition partners on a symbolic suspension of \$75 million in grant assistance, exempting medical equipment and flood relief. Beijing was unimpressed, however, and conducted further nuclear tests in August and September of 1995. With the Taiwan missile tests in March of the next year and worsening tensions over the Senkaku Islands, LDP calls for a suspension of the yen loans grew louder. Senior Chinese officials reacted with indignation, arguing that suspension of the yen loans would constitute "interference in China's internal affairs" and pointing to Japan's obligation to continue paying reparations, "particularly on the 50th anniversary of the end of World War II." Beijing's claim that the loans were not Japan's to suspend further raised the ire of the LDP. Vice Minister of Foreign Affairs Hayashi Sadayuki warned the LDP that the yen loans were still "the main pillar of Japan's China policy." But MOFA officials also recognized that continued Chinese nuclear testing might leave little choice but to reconsider the yen loan packages.²⁴⁹

Then on July 30, 1996, China set off its last nuclear test at Lop Nur and announced its readiness to join the Comprehensive Test Ban Treaty (CTBT). The immediate crisis passed. The yen loans survived. However, Japan's faith in the power of economic

²⁴⁸ "Kono Says Chinese Nuclear Test Won't Affect Aid" Japan Digest, May 18, 1998, p.1

²⁴⁹ "Persistent Calls Are Heard from the LDP for a Freeze on Aid to China" Japan Digest, March 21, 1996, p.2

interdependence and Japanese ODA was badly shaken. It was now clear to the Japanese public that China saw little obligation because of economic assistance just as it was clear to China that Tokyo could no longer manage anti-China sentiment within the Diet. The LDP's senior China hand, Gotoda Masayoshi, tried to warn his Chinese audience in a speech in Beijing that summer that the Japanese people had "connected China's nuclear tests with its potential for becoming a major military power." Gotoda was alarmed by the strong anti-China sentiment that had suddenly emerged within his own party and the opposition, particularly among younger members.

"If Sino-Japanese relations continue like this," he cautioned, "things will be rough."²⁵⁰

6.2 THE SENKAKU DISPUTE

6.2.1 Diverging Elites

Gotoda was speaking to his Chinese hosts as the last of a dying breed of elder statesmen who had managed the normalization of relations with Beijing since 1972. These were men whose views of China had been shaped in the 1937 to 1945 Sino-Japanese War; men who equated Japan's militarism with its mistreatment of China; men who wanted to make amends. Prime Minister Tanaka Kakuei had been a sergeant in the Kwantung Army and developed a particularly close relationship with the leadership in Beijing after he normalized relations with the People's Republic as prime minister in 1972. Tanaka's pursuit of stable ties with Beijing was also the result of his hard-headed pragmatism. As a leader of the most powerful faction in the LDP, he and other elder statesmen in the party wanted to avoid ideological splits among younger Diet members comparable to confrontation between the pro-Taiwan Asia-ken group and the pro-Beijing Asia-Africa ken group in the late 1960s.

²⁵⁰ "Straight Criticism at the Japan-China Peoples' Meeting" Yomiuri Shimbun, April 5, 1996

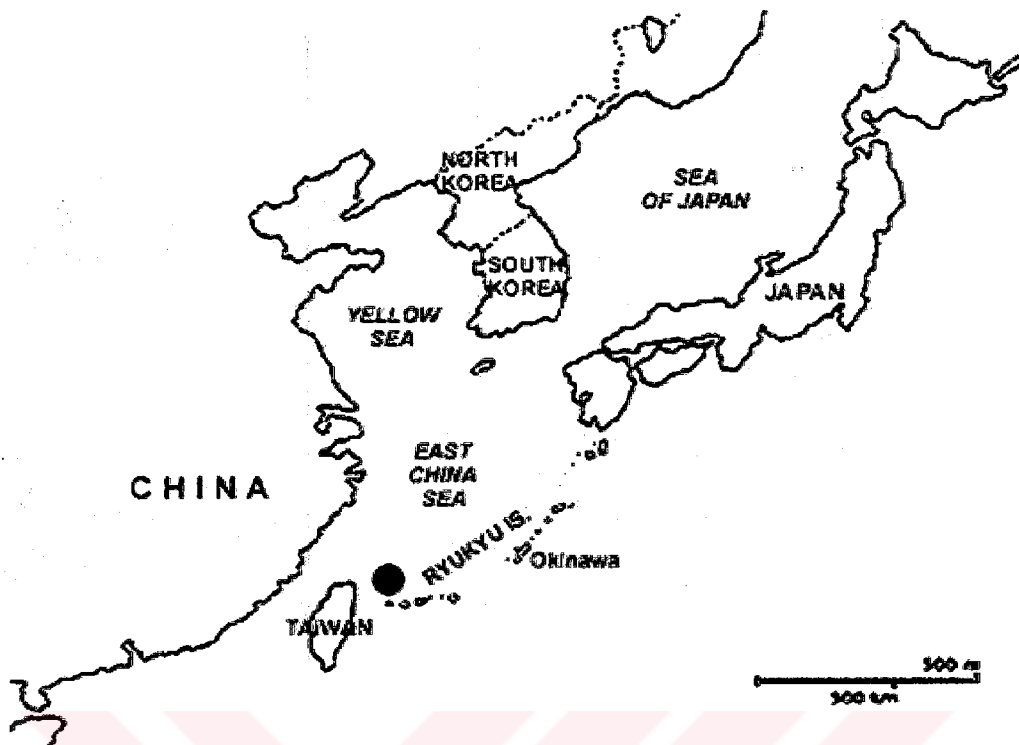


Figure 6.2: Senkaku Islands

Source: <http://www.globalsecurity.org/military/world/war/images/senkaku-map3.gif>

Gotoda's warning to the Chinese in 1996 stemmed from his knowledge of the changing ties between Japanese and Chinese elites. Generational change and unfolding political realignment had removed some of Beijing's closest supporters from the ranks of the LDP leadership. In 1996 Prime Minister Hashimoto Ryutaro and opposition leader Ozawa Ichiro were both products of the Keiseikai (Tanaka faction). But neither had the same emotional or political ties to Beijing that their mentor, Tanaka Kakuei, had. Indeed, observers in Beijing tended to view both men as dangerous nationalists, since Hashimoto headed the World War II Veterans War Bereavement Association and Ozawa was author of a best-selling book calling for Japan to become a "normal nation." Other influential Diet members active in China policy included Takemi Keizo, a former professor at Tokai University fluent in Mandarin and weary of the old way of doing business with Beijing. These "hawks" and new China hands were counterbalanced by political inheritors of the Yoshida School, including Kato Koichi, a former diplomat who served in Hong Kong, and Hayashi Yoshiro, chairman of the Japan-China Friendship League. However, even those advocating softer line toward China lacked the commitment to relations with Beijing of the

previous generation. The breakdown of China's network in Japan extended to the Left as well, where the Asahi Shimbun—once an amplifier of Chinese criticisms of Japanese nationalism—led the editorial attack on China's nuclear tests.²⁵¹

Tokyo's fraying elite ties with Beijing were being paralleled by a quiet but growing affinity for Taiwan among the newer generation of Japanese politicians. The original Taiwan lobby was motivated by the ideology of the Cold War. After the Cold War, Japan's Taiwan connection lost some of these elite fraternal ties, similar to what occurred in relations with Beijing. But there was a critical difference. Taiwan became a democracy and shared not only a comparatively benign colonial legacy with Japan, but now a value system as well. Taiwan's president, Lee Teng Hui, enjoyed broad popularity in all the major parties in Japan for his fluent Japanese language skills (he attended Kyoto University) and his flattering view of Japan's historical legacy in Asia. When the People's Republic Embassy in Tokyo attempted to establish a "parliamentary exchange" to lure younger politicians away from Taiwan, the endeavor backfired. The same Japanese participants who had met fellow politicians in Taipei were treated to lectures on the wrongs of Japanese history by Chinese Communist Party (CCP) officials in Beijing. This affinity for Taiwan has not been operationalized in Japan's formal foreign policy—Tokyo maintains a strict consistency in its "One China" policy—but the quiet Japan-Taiwan connection increasingly began to worry Beijing in the 1990s.²⁵²

Finally, the political changes in Japan since 1993 have loosened the LDP's control of the Far Right groups that championed anticommunism during the Cold War. Though not necessarily larger in numbers, these groups are in many respects less constrained. This vocal nationalism weighed heavily on those like Gotoda who were concerned about Chinese behavior transforming the politics of Sino-Japanese relations in Tokyo.

In short, new electoral rules and political realignment in Japan added a further fluidity to the politics of diplomacy toward China—a fluidity that surprised the Foreign Ministry and the Chinese in the attacks on foreign aid after China's nuclear tests and later allowed the

²⁵¹ Chalmers Johnson "The Patterns of Japanese Relations with China, 1952-1983" *Pacific Affairs*, Fall 1986, p.403

²⁵² "China's Real Tough Friendship with Japan's Political Parties" *Asahi Shimbun*, June 19, 2000

cork to fall off the bottle of nationalism during a dispute over some uninhabited rocks less than 100 miles off Okinawa.

6.2.2 Senkaku Islands?

In 1895 the Meiji government sent a ship from Okinawa to explore a collection of eight islands and reefs near Taiwan that were called the Senkaku Islands in Japanese and the Diaoyutai in Chinese. The ship reported back that the islands were uninhabited and apparently unclaimed by Imperial China. In 1895, after Japan's victory over China in the Sino-Japanese War, the Meiji government issued a cabinet resolution claiming the Senkaku Islands as Japanese territory. The islands appeared to have little importance and were even used for fighter bomber practice by the U.S. Navy during the occupation of Japan after the war. But the islands took on new value in 1969 when UN geologists issued a report stating that considerable reserves of oil and natural gas might lie around them. With the prospect of oil reserves, Beijing formally announced its own claim to the Diaoyutai in 1970, arguing that Chinese vessels had first charted the islands in 1534. The Japanese Foreign Ministry formally rejected this position, arguing that China had never established a presence on the islands and pointing out that the United States had implicitly recognized Japanese sovereignty by transferring "administrative control" over the islands with the return of Okinawa to Japan in 1971.

While the diplomats in Beijing and Tokyo traded historical and legal arguments over the islands, however, the political leaders on both sides were always careful not to allow the territorial issue to become emotional or nationalistic. During his visit to Japan in 1978, Chinese leader Deng Xiaoping announced that the territorial issue should be put off for the future so that Tokyo and Beijing could focus on jointly developing the islands' resources based on the spirit of the new Japan-China Friendship Treaty. This formula for depoliticizing the Senkaku issue held for over a decade. In 1991, for example, when Right-wing LDP politicians threatened to land on the islands to plant the Japanese flag, the Prime Minister's Office and the LDP leadership persuaded them to desist. Other potential clashes

over fishing rights around the islands were also quickly averted by quiet, behind-the-scenes negotiations between Tokyo and Beijing.²⁵³

However, by the middle of the 1990s, this formula was strained to the breaking point. First the rules began to change with the opening of the UN Convention on the Law of the Sea (UNCLOS) in November 1 994. Intent on establishing its territorial claim in the context of UNCLOS, Beijing had passed a territorial seas law in 1992, which opened the islands to Chinese oil exploration and asserted that force might be used to protect China's claim. By 1995 Chinese oil exploration vessels were regularly reported around the islands, and in February 1996 Foreign Minister Ikeda confirmed that a Chinese rig was seen drilling for oil near one of the islands. These incursions were played up in the Japanese press—particularly in the conservative Sankei Shimbun—and they amplified the impression of a belligerent China already created by the nuclear testing. MOFA protested through official channels, but by this point these sorts of official channels were no longer sufficient to contain a bilateral confrontation.

In July 1996 the Right wing again took the Senkaku's problem back into their own hands when six members of the Japan Youth Federation put up a lighthouse on one of the islands. Beijing protested that Tokyo had broken the formula for nonpoliticization introduced in 1978 and demanded that the Japanese government stop the Right-wing groups as it had done six years earlier. But Tokyo's response was very different this time. The Chinese nuclear tests had worn down the already frayed China hands in the LDP and MOFA, and politicians in Tokyo were far less willing to respond to Chinese complaints about the Senkakus than they had been in 1991 . Even if the LDP had been inclined to control the Right wing, it was far less able to do so since the collapse of the 1955 system. Even within MOFA, where China experts wished to void confrontation, the general mood was not one of conciliation. If anything, there was rising sentiment within the China school that they should no longer be China's "puppet." Beijing did not receive the response it expected. The government's spokesman, Chief Cabinet Secretary Kajiyama Seiroku, told the press on July 18 that there was some danger of a diplomatic incident, but added: "I personally

²⁵³ Sasajima Masahiko "Storm over Senkakus:How to Deal With Hot Non-Issue" (Tokyo,1995),p.45

don't think we should say this and that about something being constructed legitimately with permission from the Japanese landlord.”²⁵⁴

Emboldened by the hesitation in Tokyo and the implicit support of many in the LDP, the Right-wing Japan Youth Federation escalated the situation by placing a war memorial on the islands in August. Then in September the group was allowed back to the islands to repair its light house. The Japanese Transport Ministry refused to officially recognize the lighthouse, but it also claimed that the Rightists were acting within the law, based on permission received from the islands' elderly landlord. It was, after all, Japanese territory, they maintained. Protests in Taiwan and Hong Kong increased, and there were even demonstrations in China, where the government usually attempted to control such spontaneous activities for fear that an anti-Japanese movement might turn against the ruling Communist Party.²⁵⁵

Chinese charges of resurgent Japanese nationalism were further fueled by Prime Minister Hashimoto's "personal" visit to the Yasukuni War Memorial Shrine on July 29. Despite warnings of "serious damage" to Sino-Japanese relations from Beijing, however, the Japanese government did not back down—indeed, the Maritime Safety Agency sent seventeen cutters to repel protest boats sent from Taiwan and Hong Kong. Even MOFA officials who were eager to prevent further damage to bilateral relations recognized that stopping the Rightists from visiting the island would have given legitimacy to Beijing's claims and weakened Japan's negotiating position. In any case, the ruling LDP would allow no backing down in the face of Chinese pressure, an intention clearly signaled in the party's 1996 campaign platform, which claimed that the Senkakus would remain Japanese territory despite Beijing's pressure.²⁵⁶

The stiffening of Japan's position on the Senkakus was not just the result of its inability to control the Right wing. The Japanese government was also legitimately concerned about the growing nationalism it perceived in China, including Beijing's 1992 claim that force

²⁵⁴ "China, Taiwan, Denounce Japanese Rightists 'Lighthouse' on Senkaku Islands" Japan Digest, July 19, 1996, p.2

²⁵⁵ Allen S. Whiting, *China Eyes Japan* (Berkeley, CA: University of California Press, 1989), p.66

²⁵⁶ "LDP Deliberately Inserts Japanese Claims to Islands in Party Platform" Japan Digest, October 1, 1996, p.2-3

could be used to defend the islands, a theme repeated in statements by the commander of the People's Liberation Army's Academy of Sciences in September 1996.

From the U.S. perspective, this escalating confrontation over the Senkaku Islands was a sideshow. Few in the U.S. government thought that Japan and China would ever resort to force to resolve the confrontation, and the Clinton administration's first priority was to diffuse the tension as quickly as possible by demonstrating strict U.S. neutrality on the territorial issue. However, the administration had completely missed the Japanese public's sudden and unprecedented sense of insecurity about China. Thus, when MOFA privately and the Sankei and the Yomiuri Shimbun publicly pressed for a symbolic statement that the United States would support Japan if China used force to seize the Senkaku Islands, the State Department responded that the U.S.-Japan alliance did not apply in this case. In fact, the United States was obligated to defend territory administered by Japan-which the islands were, according to U.S. records from the return of Okinawa in 1971. But the administration's extension of neutrality on the territorial issue to neutrality in the event of Chinese use of force seemed safe, since military confrontation was so unlikely. Under growing domestic pressure and fearful of an anti-alliance backlash in the LDP and the press, MOFA put its diplomatic efforts into high gear in Washington to clarify the U.S. defense commitment. Eventually, senior Defense Department officials stepped in and unilaterally told the Japanese government and the Japanese press that the United States was still obligated to defend the Senkakus against attack according to the Security Treaty. For the time being, the Senkaku issue quieted down, but it was striking that after decades of maneuvering to avoid entrapment in a U.S. confrontation with mainland China, Tokyo was for the first time urging a harder line than Washington.²⁵⁷

In September 1997 Prime Minister Hashimoto finally reached an agreement in Beijing to set aside the issue of ownership of the Senkaku Islands and to establish a 200-mile-wide "joint management zone" that would allow fishing in the area by both nations and coordinated utilization of resources. However, Chinese warships and research vessels increased their activities around the islands, ignoring Japanese Maritime Safety Agency requests to clear the area. U.S. officials had been puzzled by the Japanese Foreign

²⁵⁷ "U.S.-Japan Security Treaty Covers Senkaku Islands, the U.S. Deputy Assistant Secretary of Defense Expresses a View", Yomiuri Shimbun, November 28, 1996, p.1

Ministry's repeated insistence on an iron-clad defense commitment on the islands when the possibility of Chinese hostilities was so remote. But the Japanese government and the Japanese press were becoming far more attuned than Washington to the activities of the Chinese navy and the emerging test of wills with Beijing. It was precisely to avoid a confrontation-to discourage the nationalists in Japan from calling for a unilateral military capability to deal with the Senkaku Islands-that MOFA was so adamant about clarifying the U.S. commitment.²⁵⁸

Tokyo had another concern as well. During this same period the United States and Japan were engaged in the process of reaffirming and strengthening their bilateral alliance. Tokyo needed that reaffirmation to increase its diplomatic leverage vis-à-vis Beijing, but it also needed proof in the Senkaku dispute that the United States would not abandon Japan after asking Tokyo to play a more active role in regional security-a role that now appeared likely to spark a Chinese backlash.

6.3 THE GUIDELINES, TAIWAN THEATER MISSILE DEFENSE, AND THE NEW DEFENSE DILEMMA

6.3.1 A Shift in the Trilateral Structure of Security Relations

During the Cold War Sino-Japanese security relations were calculated almost entirely within the context of the U.S.-Japan alliance. But while Japan's formal relations with Beijing had to wait until a shift in U.S. China policy in 1972, Tokyo clearly diverged from Washington on the question of whether China represented a military threat. If anything, the legacy of World War II convinced the majority of Japanese political leaders that a hostile relationship with Beijing was contrary to Japanese interests.

Fear of entrapment in a U.S. military confrontation with China over Taiwan or Southeast Asia therefore led successive Japanese governments to deny full military cooperation to U.S. forces, even as Japan reconstituted its own Self Defense Forces.

²⁵⁸ Heisei Bouei Hakusho "1999 Defense White Paper" (Shimbun 1996) p.67-68

The United States squeezed an official expression of support from Japan for the U.S. defense commitment to Taiwan only once—in the 1969 Nixon-Sato communiqué—when negotiating pressure to secure the return of Okinawa led the Japanese government to concede that “maintaining peace in Taiwan region is also an important element in Japan’s national security”²⁵⁹

Beijing’s reaction was predictably negative, and officials in MOFA and the JDA spent the next decade retreating from any hint of a commitment to helping defend Taiwan. When the United States and Japan negotiated the first Guidelines for Defense Cooperation in 1978, Washington tried again to lock in a commitment of Japanese support for the defense of Taiwan and South Korea. However, Tokyo was concluding a Treaty of Peace and Friendship with Beijing at the time and was not about to enlist for missions that would provoke a Chinese backlash. The U.S.-Japan Defense Guidelines were completed with detailed agreements on bilateral cooperation for the defense of the Japanese archipelago against direct attack, but planning for cooperation in regional contingencies was left for another day.

For the most part, however, Washington tolerated Japan’s conscientious objector status in the containment of China. Japan’s primary role in U.S. military strategy was to host U.S. Bases and Tokyo won the support of its ally by providing ever larger amounts of financial support, while not questioning too closely how U.S. forces in Japan were used. In fact, Tokyo put only one restriction on U.S. deployments from Japan when the government bowed to Diet pressure, on February 26, 1960, to define the “Far Eastern” clause of the treaty (Article VI)²⁶⁰ as the area north of the Philippines. This insulated Japan from the unfolding conflict in Indochina (though U.S. forces continued to operate indirectly from Japan throughout the Vietnam War), and it left both Taiwan and Korea theoretically within the scope of permissible direct operations by U.S. military forces in Japan. Later not only the bases but also the JSDF capabilities themselves came to be seen as a military asset for U.S. strategy, particularly after the Soviet military expansion in the Far East in the late 1970s. Japan was not prepared politically to expand the security role of the JSDF, but the location of the Japanese archipelago near the Soviet Far East meant that Tokyo could

²⁵⁹ Tanaka Akihiko “National Security” (Tokyo:Yomiuri Shimbunsha,1997),p.227

²⁶⁰ Article VI of “Treaty of Mutual Cooperation and Security Between the United States of America and Japan.”

obstruct a Soviet breakout by focusing on the self-defense missions already stipulated in the Defense Guidelines. Japan built up its forces in the 1980s for its own defense against direct attack, but with each new minesweeper and E-15, the Soviets' ambitions in the region were further thwarted.

This arrangement served China's interests as well. Behind their fierce rhetoric against the alliance in 1951 and its revision in 1960, Chinese leaders always recognized that the U.S.-Japan alliance contained the return of militarism in Japan. With the Sino-Soviet split in the 1960s, and with the growing Sino-Soviet confrontation in the 1970s, the U.S. Japan alliance also contributed to China's strategic objectives by containing the Soviets' Far Eastern forces. As Washington played its "China card" against Moscow in the late 1970s, Japan made an even clearer tilt toward Beijing, including a transparently anti-Soviet "anti-hegemony" clause in the 1978 Peace and Friendship Treaty with Beijing.

At the end of the Cold War, however, this framework for sustaining mutually reinforcing security ties with Washington and commercial ties with Beijing began to unravel. First, Tokyo came under increased pressure to support U.S. forces more explicitly in conflicts like the Gulf War and later in the showdown with North Korea over Pyongyang suspected nuclear weapons program in 1994. There was also a growing consensus in Tokyo that Japan should pursue a more normal defense policy, particularly after the demise of the Socialist Left removed one major obstacle. China had applauded Japan's participation in peace keeping in Cambodia in 1992 and had not criticized the U.S.-Japan alliance in decades. In Tokyo there was therefore some optimism that Beijing might not fear an incrementally strengthened alliance or more active Japanese security policy. Tokyo was wrong.

6.3.2 The Defense Guidelines and Taiwan

The changes in Japanese defense policy in the mid 1990s were alarming from Beijing's perspective followed a logical and incremental progression from Japan's previous approach to the alliance. The first step came when Socialist Prime Minister Murayama approved revision of Japan's basic force structure guidance, the 1976 National Defense Program Outline (NDPO), in November 1995. The revision had begun under Hosokawa in 1993 in order to streamline the JSDF for post-Cold War missions, but by 1995 the JDA was also using the

NDPO revision to clarify Japanese support for UN peacekeeping and for U.S. operations in “situations that arise in the areas surrounding Japan”—the missing pieces from the 1978 Defense guidelines. The changes in the NDPO were followed in April 1996 by the U.S.-Japan Security Declaration, in which President Clinton and Prime Minister Hashimoto “reaffirmed” the importance of the alliance and promised to revise the bilateral 1978 Guidelines so that they too addressed cooperation in “situations that arise in the areas around Japan.”²⁶¹

The timing of the Clinton-Hashimoto Security Declaration was fateful. President Clinton had originally planned to sign the declaration with Prime Minister Murayama the previous November on the heels of the annual APEC summit, but the president stayed home to attend to a domestic budget crisis with the Congress. When he did travel to Japan in April of 1996, the atmosphere had changed significantly and what might have been a modest bureaucratic achievement instead took on the character of a new strategic initiative. Two intervening events accounted for this. First, Murayama was replaced by Hashimoto, marking a change from the Socialist’s pacifism to the LDP and a politician with a long interest in defense policy. Second, and probably more important China launched a series of missile tests across the Taiwan Straits and held military exercises in March 1996 in an effort to intimidate Taipei before elections and signal the People’s Liberation Army’s readiness to use force if necessary to prevent Taiwanese independence. In response to the Chinese missile tests, the United States deployed two carrier battle groups to the area, while Japan protested Chinese actions and joined Australia and the United Kingdom as the only allies expressing “understanding” of the U.S. deployment. In fact, Japan took on considerably more risk than Canberra or London, since one of the two U.S. carriers was the Yokosuka-based USS Independence—a fact not lost on Beijing or ignored in subsequent Chinese criticism of Japan. Privately, Japanese diplomats in Beijing told the press that the missile tests showed the Chinese were “no better than Yakuza gangsters.”²⁶²

²⁶¹ “National Defense Program Outline in and after 1996” Security Council and Cabinet of Japan, November 28, 1995, p.6

²⁶² Michael J. Green “Japan’s Reluctant Realism, Foreign Policy Challenges in an Era of Uncertainty Power, A Council on Foreign Relations Book ”, (New York ,Palgrave,2003), p.90-91

The Chinese saw the U.S.-Japan Security Declaration as a response to the Taiwan Straits incident-which in a sense it was, since Murayama had not yet approved the Defense Guidelines revision for the original draft of the document in November, while Hashimoto had no difficulty convincing his cabinet to include the revision after the Chinese missile tests. China's response was tough. Beijing charged that the Security Declaration had expanded the alliance by referring to Japan's role in the "Asia-Pacific region" rather than the "Far East," the language used in the original 1960 treaty. Beijing also argued that the alliance was now deliberately being aimed at China and intervention in the Taiwan Straits; and if that was not the case, Japan should explicitly exclude Taiwan from the newly revised guidelines. While the United States and Japan thought that they were reinforcing the status quo, Beijing thought the alliance was being redirected against China.

U.S. and Japanese officials attempted to reassure Beijing that the Security Declaration and the new Defense Guidelines were not aimed at China and ultimately served Chinese interests in a more stable Asia Pacific region. Officially, Tokyo and Washington argued that the regional contingencies being addressed in the review of the guidelines were situational, not geographical. Japan also explained that the review was taking place within the current framework of Japan's Constitution and the existing defensive missions of the JSDF. Privately Japanese officials made it clear through the press that the original impetus for revising the guidelines was the tense situation on the Korean Peninsula and not the crisis in the Taiwan Straits.

However, these efforts at transparency and reassurance were hampered by the fact that the United States and Japan had refused to rule in or out any specific scenario or geographic location around Japan, including Taiwan. Confusion ensued, when the LDP secretary general, Kato Koichi, promised his counterparts during a visit to Beijing in August 1997 that Taiwan would not be included, he forced his rival, Chief Cabinet Secretary Kajiyama, to respond the next day that Taiwan could not be excluded. The new guidelines were released in September 1997 without mentioning Taiwan, but since that time the Chinese government has used Kajiyama's statement to argue that Taiwan is included in the guidelines. When the North American Affairs bureau director of Japan's Foreign Ministry told the Diet on May 22, 1998, that the guidelines would not exceed the geographic

definition of Article VI of the Security Treaty, he was forced to resign by Prime Minister Hashimoto. Hashimoto had told the Chinese that there was no geographic definition, and the director general had made the mistake of reminding the Diet that the government's standing interpretation of Article VI of the treaty included Taiwan.²⁶³

From Tokyo's perspective, these attacks marked a change in China's policy toward the alliance. If China saw a reaffirmed U.S.-Japan alliance as inimical to its interests-in contrast to Beijing's previous tacit support for the alliance-then there was good reason to worry about long-term Chinese intentions. In addition, Beijing's demand that the guidelines exclude Taiwan suggested that China views military action in the Taiwan Strait's as an internal matter with no bearing on Japanese security. While Japan maintained a strict policy of recognizing only one China, the Chinese assertion that a conflict in the Taiwan Straits had no regional implications was an unacceptable premise. Finally, it became clear by September 1997 that Beijing was focusing its pressure almost entirely on Japan and avoiding high-level criticism of the guidelines in relations with the United States. The efforts at transparency and clarification had not exactly led to confidence building.²⁶⁴

6.3.3 Theater Missile Defense

A very similar dynamic was repeated in the debate over theater missile defense (TMD). Japan first embarked on a joint study of missile defense requirements with the United States in 1994 after several years of U.S. prodding for Japanese participation in this major program. TMD, though costly and uncertain in terms of technical feasibility, had the support of Japanese industry, the JDA, and MOFA, as an alliance enhancer, a technology-driver, and a buttress for the U.S. nuclear deterrent against North Korean and Chinese ballistic missiles. Like the Defense Guidelines review, joint work on TMD was seen in Tokyo and Washington as stabilizing and reinforcing the status quo against new threats; but once again Beijing saw the development as aimed at undermining Chinese security.

²⁶³ Michael J. Gren and Mike M. Mochizuki "The U.S.-Japan Security Alliance in the 21st Century" Study Group Paper (New York: Council on Foreign Relations, 1998) p.55-72

²⁶⁴ The New Guidelines :Premier Jiang Zeming before His Visit to U.S.,Japan Is the Only Scapegoat", Mainichi Shimbun, May 28, 1998

Conspicuous Chinese objections to Japanese participation in TMD began in 1995 and have been as strenuous as the objections to the revised Defense Guidelines. Beijing argued from the beginning that U.S. Japan TMD cooperation undermines China's nuclear deterrent and might be extended to the defense of Taiwan. The problem with this logic from Tokyo's perspective was that Japan possesses no nuclear weapons, and therefore China's concern about its ability to maintain a nuclear strike capability against Japan suggests that Chinese missiles not only target Japanese territory, but that China's policies of "no first use" and "no use against nonnuclear states" do not apply to Japan. Ironically, the Chinese objections to TMD only heightened Japanese concerns about a Chinese ballistic missile threat that had been a secondary concern after North Korea in the initial discussions over TMD.²⁶⁵

China's verbal battle to obstruct TMD cooperation in Japan was dealt a serious blow in August 1998 with the North Korea Taepo-dong missile launch. Washington and Tokyo had privately agreed to collaborate on research on the missile interceptor for the Navy Theater Wide system (a major step beyond the joint "study" of requirements started in 1994) and were delayed only by MOFA concern that the announcement not undercut the visit of Jiang Zemin to Tokyo that fall. With the Taepodong launch, however, diplomatic deference to China fell quickly by the wayside, and the United States and Japan announced joint development in October 1998, a month before Jiang's visit. Politicians and officials in Tokyo still have many questions about TMD. Will it work? Will it undermine the Anti-Ballistic Missile Treaty? Will it be affordable? However, Chinese objections alone are no longer enough to derail TMD and could even enhance its support in Japan.

6.3.4 A New Defense Dilemma?

The predictable trilateral security dynamics of the 1970s and 1980s are over. Tightly constrained and asymmetric U.S.-Japan military cooperation is no longer credible in Washington or Tokyo. The Chinese tolerance for the U.S.-Japan alliance has waned. And Japanese planners now assume that Chinese military assets could pose a potential long-term threat to Japanese interests. Ironically, all of this became clear as both China and Japan sought to reestablish what they saw as the status quo:

²⁶⁵ Alistair Iain Johnston, "Prospects for Chinese Nuclear Force Modernization: Limited Deterrence, Multilateral Arms Control" *China Quarterly*, Spring 1996, p.548

China by launching missiles to discourage Taiwanese independence, and Japan by reaffirming the U.S.-Japan alliance, these are the ingredients for a classic defense dilemma, as each side perceives the other's effort to protect itself from change as a new threat. Fortunately, the Sino-Japanese defense dilemma is largely cushioned by the overwhelming presence of the United States in the region and by Japan's continuing reliance on the U.S.-Japan alliance.

At another level, however, efforts to establish confidence and avoid a bilateral defense dilemma have been complicated by the diverging views on historical problems between Japan and China.²⁶⁶

6.4 THE HISTORY QUESTION: LOSING TRACTION

6.4.1 War Guilt as Diplomacy

At the base of the postwar structure of Sino-Japanese relations lies the legacy of the Sino-Japanese War of 1937 to 1945. The Japanese yen ban program, the domestic political consensus on China policy, and even the complementary Chinese and Japanese security policies of the Cold War era all rested on a common understanding that Japan had to make amends for the past. The war defined the legitimacy of the Chinese Communist Party, which had resisted the Imperial Japanese Army, and empowered Beijing to pass judgment on the direction of postwar Japan. When LDP leaders worshipped at the Yasukuni War Shrine or called for dramatic increases in defense spending, the Japanese media would amplify Chinese criticism to demonstrate the dangers of remilitarization. The legacy of the past gave Beijing a powerful card in Japan's domestic debate. Beijing has been unwilling to yield that card until it can be convinced that militarism is dead forever in Japan.

In Japan, however, there is increasing apology fatigue. A new generation of Japanese leaders no longer instinctively understands why China has the right to obstruct Japan's aspirations for influence. While they recognize still the necessity of dealing with the past,

²⁶⁶ Michael J. Green "Japan's Reluctant Realism, Foreign Policy Challenges in an Era of Uncertainty Power, A Council on Foreign Relations Book ", (New York ,Palgrave,2003), p.93

they are resentful of what they see as cynical Chinese manipulation of the history card in bilateral negotiations over issues unrelated to history. After fifty years of democracy, they believe Japan is a different country. They are ready to apologize for the past, but only if they can put it behind them and move forward.²⁶⁷

Japanese leaders have attempted to move beyond the history problem with Beijing by expressing remorse and self-contemplation on a number of occasions. For example:

-In 1982 Prime Minister Nakasone Yasuhiro told the Diet that Japan must acknowledge the “strict international criticism that Japan invaded” other countries.

-In 1989 Prime Minister Takeshita Noboru told the Diet Budget Committee that “it is a fact that Japan brought great destruction on neighboring countries and peoples” and that “it cannot be denied that Japan invaded these countries.”

-In 1990 Emperor Akihito gave a speech urging that the “unhappy past of this century . . . never be repeated again.”

-In 1990 Prime Minister Kaifu Toshiki expressed “full acceptance of the fact that Japan invaded” the other nations of Asia.

-In 1992 Prime Minister Miyazawa Kiichi noted in a speech that Japan must “demonstrate deep reflection and regret.”

-In 1992 Emperor Akihito, in his historic visit to China, told his Chinese hosts that he “deeply deplores” the historical actions of Japan against China.

-In 1993 Prime Minister Hosokawa Morihiro argued that Japan must again express feelings of “deep reflection and remorse for all of the pain and suffering caused to so many people in the past by Japan’s aggressive war and colonization.”

²⁶⁷ Ibid

-In 1994 Prime Minister Murayama Tomiichi repeated this call for “deep reflection and remorse” in his opening speech to the Diet. In 1995 Prime Minister Murayama visited the Marco Polo Bridge, where fire fight began between Japanese and Chinese soldiers which triggered eight years of full-scale conflict between the two countries until Japan lost World War II. Murayama “prayed for Japan-China friendship and eternal peace.”

These expressions of deep reflection and remorse were repeated by Prime Ministers Hashimoto and Obuchi in 1996, 1997, and 1998. Yet none of these tortuously negotiated and considered expressions of remorse ever ended the history problem with China. From Beijing’s perspective, each one almost made things worse, since negotiations with the Japanese government over the exact wording often revealed the extent to which many Japanese leaders did not share the sentiments expressed. Moreover, the preceding list of apologies is offset by a depressing list of gaffes by senior Japanese leaders over the same period. A short list would include the following:

-In August 1986 then Education Minister Fujio Masayoshi was fired after he argued that Japan did not commit “murder” in Nanjing according to international law.²⁶⁸

-On April 24, 1988, Okuno Seisuke, then director general of the National Land Agency, was forced to resign after telling a press conference that Japan was forced into the war to help Asia resist “white aggressors.”²⁶⁹

-In May 1994 then Justice Minister Nagano Shigeto was forced to resign after telling Mainichi Shimbun that the Nanjing massacre was a “trumped-up story.”

-In August 1995 then Education Minister Shimamura Yoshinobu was censored by the chief cabinet secretary for arguing at a press conference that the question of Japanese culpability for World War II was a matter of personal interpretation.²⁷⁰

. The Chinese press and premier Li Peng were highly critical of the Japanese government’s weak official apology on the fiftieth anniversary of the end of the war because the debate

²⁶⁸ Yomiuri Shimbun, September 6, 1986

²⁶⁹ Yomiuri Shimbun, April 26, 1988

²⁷⁰ Mainichi Shimbun, August 11, 1995

revealed such mixed sentiment among Japanese politicians. Even Prime Minister Murayama's own speech expressing deep remorse for Japanese actions did not assuage Beijing.

At the same time, however, Beijing has also failed to see the extent to which the Japanese government's repeated efforts to express remorse have brought closure on the history issue for a new generation of Japanese. In quantitative terms, these gaffes have decreased over the past decade, but each new statement only confirms a deepening Chinese suspicion that Japanese "militarism" is being reborn. Indeed, Chinese perceptions of Japan worsened in the second half of the 1990s. A survey taken in 1996 by the Institute for Reform of the Economic System in China after the Taiwan missile tests in 1996, for example, found that the nation Chinese people disliked most was Japan (47 percent) , followed by the United States at (37.7 percent). The divergence on the history problem is particularly striking among younger generations of Chinese. While younger Japanese are increasingly eager to move beyond the history problem younger Chinese may be taking an increasingly hard-line view. In 1996 the China Youth Report conducted a survey of 100,000 youths in China averaging age twenty-five on the question of Japan-China relations and found that only 15 percent felt "proximity" with Japan, and only 14 percent thought Japan-China relations were good, while 42 percent did not have a "favorable" impression of Japan. Interestingly, an overwhelmingly majority of the youths named wartime premier Tojo Hideki as the most famous Japanese. Japan did not get many points for economic cooperation either, with 45 percent of the youths responding that the main purpose of Japanese investment into China is to occupy the Chinese market. (Only 4.5 percent believe that Japanese companies want to contribute to the economic development of China.) Keio University China scholar Kojima Tomoyuki attributes the negative view of Japan among the younger generation to the persistent teaching of Japan's wartime invasion of China in Chinese textbooks.²⁷¹

6.4.2 The Past Collides with the Future: The 1998 Jiang-Obuchi Summit

This growing divergence in Japanese and Chinese view of the history problem was illuminated in November 1998 during Chinese President Jiang Zemin's official state visit to Japan. This was the first official visit of a Chinese president to Japan, and fell just one

²⁷¹ Kojiyama Tomoyuki, "The Politics of Modern China" (Tokyo:Keio University Pres,1999),p.385-386

year after the twenty fifth anniversary of the normalization of relations between Japan and China. After tensions over the nuclear tests, the Taiwan Straits, the Senkaku Islands, the Defense Guidelines, and TMD, the foreign ministries of both countries were looking for a way to put relations on a more positive footing. The historic occasion of Jiang's visit appeared pregnant with opportunity. But in the end it would only reinforce the mistrust emerging between Beijing and Tokyo.²⁷²

In preparation for the sum the Japanese and Chinese foreign ministries discussed the inclusion of Japan's "deep remorse" and "heartfelt apology" in the joint declaration that would be signed by Obuchi and Jiang. This same formula had worked in the Japanese joint declaration with South Korean President Kim Dae Jung two months before. However, Kim had accepted the Japanese apology as the "final word" and had agreed to move forward with a new Japan-Republic of Korea (ROK) relationship. Jiang, in contrast, rejected his diplomats' formula and argued that there should be no "final word" on the history issue. Without closure, Japan's MOFA could not win domestic political support for a joint declaration that included the word "apologize." Moreover, the LDP refused to support any reference to the "Three No's" on Taiwan (no support for Taiwan's independence, for membership in international organizations, or for two Chinas)-another demand from Beijing that President Clinton had endorsed during his visit to Beijing that June.

With the history problem boiling over, expectations that stability could be reestablished to Sino-Japanese relations quickly began to evaporate. Jiang grew visibly angry and frustrated at his hosts' unwillingness to apologize. During the official dinner with Emperor Akihito on November 26, he wore a Mao jacket to contrast with the imperial splendor in the palace and lectured his host on the history problem during the formal toast. That photo was on the front page of every newspaper the next day. Politicians and political commentators were shocked at the Chinese leader's "rudeness." In his summit session with Prime Minister Obuchi the next day, Jiang broke from the pre-agreed agenda to give a lengthy expression of his dissatisfaction with Japan's treatment of the history issue and Taiwan. Meanwhile, throughout the summit Jiang complained to the Chinese press about the dangers of

²⁷² Japan Ministry of Foreign Affairs "1999 Diplomatic Blue Book, Vol.42),p.33

Japanese remilitarization in interviews that were instantly reproduced in the Japanese media.²⁷³

Obuchi refused to yield on the history question and won broad praise at home for his firm stand. The Asahi and Mainichi and the more conservative Yomiuri and Sankei either remained silent or expressed support for the government's position. Many LDP politicians skipped the state dinner held for Jiang, choosing instead to attend a speech by Korean Prime Minister Kim Jong Pil in Kyushu at the same time. Even the business leaders in the Japan-China Business Association expressed support for the government's firm stand. The only notable dissenter was the chairman of the Japan Communist Party, who expressed dissatisfaction with the Japanese government's statement on history during a meeting with Jiang that symbolized the renewed ties between the two countries' Communist parties. Yet this Communist connection only further reinforced the impression that the Chinese leadership was out of touch with contemporary Japan.

The centerpiece that the foreign ministries had planned for the summit still held impressive contents. The Japan-China Joint Declaration on Building a Partnership of Friendship and Cooperation for Peace and Development contained an agreement for up to 390 billion yen for twenty eight projects during the remaining two years of the Fourth Yen Loan Package. In addition, Obuchi expressed his deep remorse for "the serious distress and damage that Japan caused to the Chinese people through its aggression against China." But Obuchi stopped short of the heartfelt apology that Jiang had wanted and that Kim Dae Jung had received. It was only one word, but its absence spoke volumes.

In the weeks before the summit, China scholars in Japan had called for a "new era in Japan-China relations." After the visit, as one China scholar put it: "the traditional pro-China school has been eradicated by China's behavior."²⁷⁴

6.5 THE DECLINING SALIENCY OF ECONOMIC TOOLS

²⁷³ "Was Jiang Zemin Deliberately Rude to Emperor? Some Japanese Think So" Japan Digest, December 4, 1998

²⁷⁴ Kojiyama Tomoyuki "Premier Ziang Zemin's Visit to Japan Will Succeed", Sankei Shimbun, November 25, 1998

In the midst of tensions over domestic politics, security policy, and history, economic interdependence between China and Japan remains a powerful force. According to MOF, total trade between the two countries grew from \$18.2 billion in 1990 to \$66.2 billion in 1999 while Japanese foreign direct investment into China rose from \$438 million in 1989 to \$4.5 billion in 1995. (This number fell to \$1.1 billion in 1998. These economic activities have created important sinews between Japan and China that were not in place during the Cold War.²⁷⁵

Yet even in business relations, business as usual is over. Despite the explosion of trade and investment since 1989, three major problems emerged by the end of the 1990s to suggest that Japanese economic influence on China and China's economic influence on Japan may have peaked for the time being.

First, there is rising pressure for a decrease in the yen loans. As the LDP Foreign Affairs Commission warned in 1997: "it is highly likely that China will catch up to and overtake Japan economically by around the year 2010. When this occurs, the purpose of the yen credits program, conceived 30 years earlier, will have been fulfilled. Therefore, the time has come to initiate a comprehensive reassessment of Japan's assistance to China, including discussions of whether or not yen credits should be continued."

Within years, that warning became reality. In July 2000, MOFA established a private sector study group to review the yen loan policy to China with an eye to establishing a new framework for the loans that would maximize Japanese leverage (by shortening the duration of the loans, for example) and sustain some level of domestic political support for continuation and refocusing of the loans. That domestic support is proving more difficult, however. With growing Chinese military activities in the Senkaku area, mounting evidence that Beijing provided technical assistance to North Korean and Pakistani missile programs, and Chinese use of ODA to enhance its own influence in Asia and the Third World, the

²⁷⁵ Available on site <http://www.mof.go.jp/english/e1c008.htm> (Japan Ministry of Finance, Foreign Direct Investment Statistics: Outward Direct Investment Country and Region 2000)

LDP's Foreign Affairs and Defense committees began drafting new stricter guidelines for aid to China in the summer of 2000.²⁷⁶

Second, Japanese foreign direct investment in China is likely to decrease in relative importance to the Chinese economy. The number of FDI projects (on a contract basis) decreased 43 percent in 1994, 22.2 percent in 1995, 33.7 percent in 1996, and 14.3 percent in 1997. From 1995 to 1998 the amount of new Japanese FDI to China decreased from \$790 million to \$190 million. Japan-China Economic Association research suggests that this trend accelerated with the economic crisis in Asia, but the economic crisis is not the only factor. Japanese firms have grown frustrated with uncertainty about Chinese exchange rate policy, diminishing returns on investment, and repeated experiences with harmful Chinese regulations. Most damaging has been China's refusal to honor a pledge to dismantle tax structures that favor domestic producers by placing a 17 percent value-added tax on sales from foreign affiliates. As Tanaka Naoki of Keidanren notes, "the reality is that not many companies are making levels of profits that are commensurate with the level of investment being made in China and it is this current reality that is inducing a review of the investment being made in China."²⁷⁷

In 1998 Japan's investment into China (excluding Hong Kong and Taiwan) was still higher than that of the United States or the European Union, but Japanese business leaders expect that U.S. investment into China will surpass Japan's in the future.

Finally, Japanese economic relations with China have been affected by rivalry at the strategic level. The Japan-China Economic Association annual business executive forums in Beijing began to turn sour in 1995 when the Chinese side warned that Japan's suspension of grant aid after the nuclear tests would have a negative impact on Japanese economic interests in China. Li Peng told the delegation headed by Toyota chairman Toyoda Soichiro that "the damage China received as a result of Japan's aggressive war cannot even be compared to Japan's level of aid." In 1996 the Chinese side claimed that Japan's nationalism on the Senkakus "would affect business relations." By the twenty-fifth anniversary celebration of Japan-China business ties in 1997, members of the Japanese

²⁷⁶ Masayoshi Kanabayashi, "Japan May Cut Aid as China Boosts Arms Outlay" Wall Street Journal, July 27, 2000

²⁷⁷ Komori Yoshihisa, "Too Mistakes of Aid to China)Chuou Kouron, March 2000,p.109

delegation expressed frustration to the press at the heavy handed Chinese approach. Japanese business executives argue that working-level relations with local authorities or businesses often proceed well, only to be frustrated by decisions taken in Beijing to reverse Japanese advances for political or strategic reasons.²⁷⁸

The net effect of these changes on Japan's political and economic relationship with China is still uncertain. Officials at the Japan-China Economic Association maintain that the contradictions between the Chinese Communist Party's strategy of containing Japan and the desire for Japanese investment at the local level cannot continue. Either the Chinese side will emphasize the strategic issues because it has confidence in the draw of its market, or China's economic problems will lead to a more conciliatory posture toward Japan in order to attract FDI. What these same officials acknowledge is that the experiences from 1995 to 1998 have led to a convergence of opinions on China in the business community the government, academia, and the media. As one executive at the Japan-China Economic Association put it: "Now that we have come to understand China better, everyone realizes that country's immense problems and possibilities."²⁷⁹

6.6 TERMS OF ENGAGEMENT

From Beijing's nuclear tests in 1995 to Jiang Zemin's history-laden summit in Tokyo in 1998, the Japanese approach to China shifted reluctantly toward a greater realism. The pillars that held the structure of Sino-Japanese bilateral relations in place during the Cold War all crumbled to a significant extent. Japanese domestic politics came unhinged and pressure from both the Left and the Right of the Diet forced an unprecedented suspension of grant aid. Japanese and Chinese security policies stood in stark Contradiction for the first time with the Taiwan Straits crisis and the guidelines review. The atrophying of elite ties between the two countries allowed nationalists to set the agenda for the Senkaku dispute. Dissonance grew between new generations of Chinese and Japanese leaders over

²⁷⁸ A Symposium in Beijing in October, Japan-China Economic Association's Project on the Twenty-fifth Anniversary, *Nihon Keizai Shimbun*, July 10, 1997

²⁷⁹ Michael J. Green "Japan's Reluctant Realism, Foreign Policy Challenges in an Era of Uncertainty Power, A Council on Foreign Relations Book ", (New York ,Palgrave,2003), p.100

the historical issue. Economic interdependence continued to grow, but the relative influence of Japanese economic tools may be in decline.²⁸⁰

6.6.1 Economic Engagement

At the same time, however, it is important to account for what has not changed in Sino-Japanese relations. For one thing, the yen loans-the “root and trunk” of Sino-Japanese relations-have survived repeated attacks from the Diet. Despite some calls for a policy of relative gains vis-à-vis China, and despite the likelihood that the yen loans will decrease in both absolute numbers and relative impact to the Chinese economy, Japan simply cannot walk away from China’s economic development. A politically unstable China would threaten Japan’s fundamental interests as much as a cohesive and hegemonic China would. And as a Keidanren report warned in 1994, the most troubling near term threat from China is not military or political at all, but rather the danger that unbridled Chinese economic growth could cause competition for energy supply as well as increased pollution and environmental degradation. For some time to come, Tokyo will have to use its own funding to address these internal Chinese problems as a matter of Japanese self-interest.²⁸¹

China’s excessive reliance on potentially unsafe nuclear power plants and fossil fuels presents a particularly serious problem for Japan. The Japan-China Energy Exchange Association estimated in 1993 that China would require 1,392 MTOE (million tons oil equivalent) by 2010. Japanese nuclear energy experts warn that if the China Nuclear Corporation’s plans for increasing nuclear capacity tenfold to meet this new demand are realized, Japan would face the possibility of “multiple Chernobyl-style accidents” in which “radioactive clouds will first hit Japan and then spread around the world.” China’s burgeoning interest in fast breeder reactors has also alarmed Japanese energy authorities, who now support the concept of an ASIA-ATOM organization (modeled on the EURATOM) in order to strengthen the prospects for inspection and control of China’s

²⁸⁰ Michael J. Green “Japan’s Reluctant Realism, Foreign Policy Challenges in an Era of Uncertainty Power, A Council on Foreign Relations Book ”, (New York ,Palgrave,2003), p.101

²⁸¹²⁸¹ Fujsawa Kazuo “Report of the Delegation Head from the Keidanren China Committee), No,1 February 15 ,1994, p.5

future recycling programs (and give greater legitimacy to Japan's own troubled program).²⁸²

In the 1980s Japan's grant aid and Overseas Economic Cooperation Fund (OECF) spending in China was devoted almost entirely to large scale infrastructure projects. When acid rain from China began falling on Japan in the early 1990s, however, the focus of assistance was quickly rechanneled to cover environmental protection. The change in emphasis was marked with the establishment in 1991 of the \$ 100 million Japan-China Friendship Environmental Protection Center in Beijing. The portion of grant aid and concessional loans addressing environmental programs in China has steadily increased ever since. Of Japan's \$5.52 billion Fourth Yen Loan Package (1996 to 1998), \$2.25 billion were energy focused, and fifteen of the forty projects under the package were environmental. Environmental projects also accounted for the bulk of projects in the final phase of the Fourth Package (1999 to 2001). Through the Green Aid Plan, MITI has leveraged ODA to encourage Japanese industry associations to cooperate on large-scale environmental projects in China. Japanese interest has also focused on pipeline projects inside China that would enhance interdependence and discourage China from embarking on a naval modernization program aimed at securing natural resources.²⁸³

Concerned about Chinese political stability, the Japanese government has also begun refocusing its yen loans on development of the Chinese interior. In 1997 the Japan-China Economic Association marked its twenty-fifth anniversary (dating to normalization in 1972) with a major symposium in Beijing for economic officials from the interior provinces of China. The final installment of the Fourth Yen Loan package also focused on projects in the Chinese interior. In part this was driven by Beijing's strategy to use Japanese aid to compensate for the lack of private investment in the interior regions, but Tokyo also has an interest in preventing destabilizing gaps in wealth within China. Disintegration of China is one of the worst scenarios considered in Tokyo.

²⁸² Imai Ryukichi "Japan's Nuclear Policy: Retrospect and the Immediate Past, Perspectives on the Twenty-first Century," IIPS Paper (Tokyo, November 1996), p.21-23

²⁸³ Kanayama Hisahiro, "The Future Impact of Energy Problems in China," *Asia-Pacific Review*, Vol.2, No.1 (Spring 1995), p.230

Japan's effort to integrate the China into the global economy has also continued, in spite of new tensions on other fronts. Japan quietly supported Chinese participation in the G-7 summits in the early 1990s and formally proposed China's participation in the Naha Summit in Okinawa in July 2000 (which Beijing rejected). Japan has also pushed for China's early admission in the World Trade Organization reaching agreement in July 1998 on the accession protocols during Prime Minister Obuchi's visit to Beijing. Tokyo has an interest in using the WTO to pry open Chinese markets and also to prevent China from undermining mining the global trading regime. As the 1997 report on WTO compliance by the Industrial Structure Council (an advisory body of MITI) notes "China's accession to the WTO, followed by implementation of its commitments for lowering tariff rates, elimination of trade restrictions, and improvements in its trade and economic systems, should benefit both Japan and the global economy significantly." For Japan, a China outside of the WTO denies "means for either WTO members or China to resolve trade disputes between them other than to try to do so bilaterally."²⁸⁴

Japan-despite increased hedging-is still betting on economic interdependence and the peaceful integration of China in the global economy.

6.6.2 Rivalry

However, it is what is new in Sino-Japanese relations since the end of the Cold War that is most striking-and that is the pronounced rivalry and hedging that have emerged since the middle of the 1990s. Increasingly, Japanese diplomacy has been energized by the effort to engage, constrain, and outmaneuver China in East Asia.

At first the Japanese response to growing tension in relations with China was to push for greater dialogue and transparency. Since Sino Japanese relations had remained friendly for the first few years after the Cold War, there was confidence in Tokyo that Chinese suspicion of the Senkaku problem, the guidelines, and history could be resolved with a simple clarification of Japan's position. For example, a 1995 nongovernmental blue ribbon commission on China policy urged "straightforward dialogue" with China on security issues, including a "frank discussion of historical questions." The 1997 LDP foreign policy

²⁸⁴ Industrial Structure Council, 1997 Report on the WTO Consistency of Trade Policies by Major Trading Partners (Tokyo:of International Trade and Industry,1997),p.300

strategy paper also argued that “Japan must be candid with China and must not hesitate to press for more open sharing of national defense information or to request peaceful negotiations when problems do arise.” As *Nihon Keizai Shimbun* correspondent Ina Hisayoshi noted skeptically at the time, “there is an illusion that everything will be resolved by engagement.”²⁸⁵

Nevertheless, MOFA has wielded the sword of dialogue with gusto. Bureau director-level security policy talks began with China in March 1996, with MOFA officials registering concerns about the Taiwan Strait’s crisis and China rebutting with a list of territorial and historical grievances. In 1997 at the ASEAN Regional Forum (ARF) meetings in Jakarta, representatives from the Chinese and Japanese foreign ministries began crossing swords over TMD, Taiwan, and the guidelines. Then in April 1998 Kyuma Fumio made the first visit to China by a JDA director general in eleven years. Other efforts to expand direct military-to-military talks have proven less successful, primarily because of Chinese resistance (though China did finally agree to an exchange of ship visits in October 2000) . On multilateral diplomacy these confrontations in bilateral and multilateral forums have continued, but Japanese officials still view any Chinese engagement on security issues as a positive development-even if solutions are not found.²⁸⁶

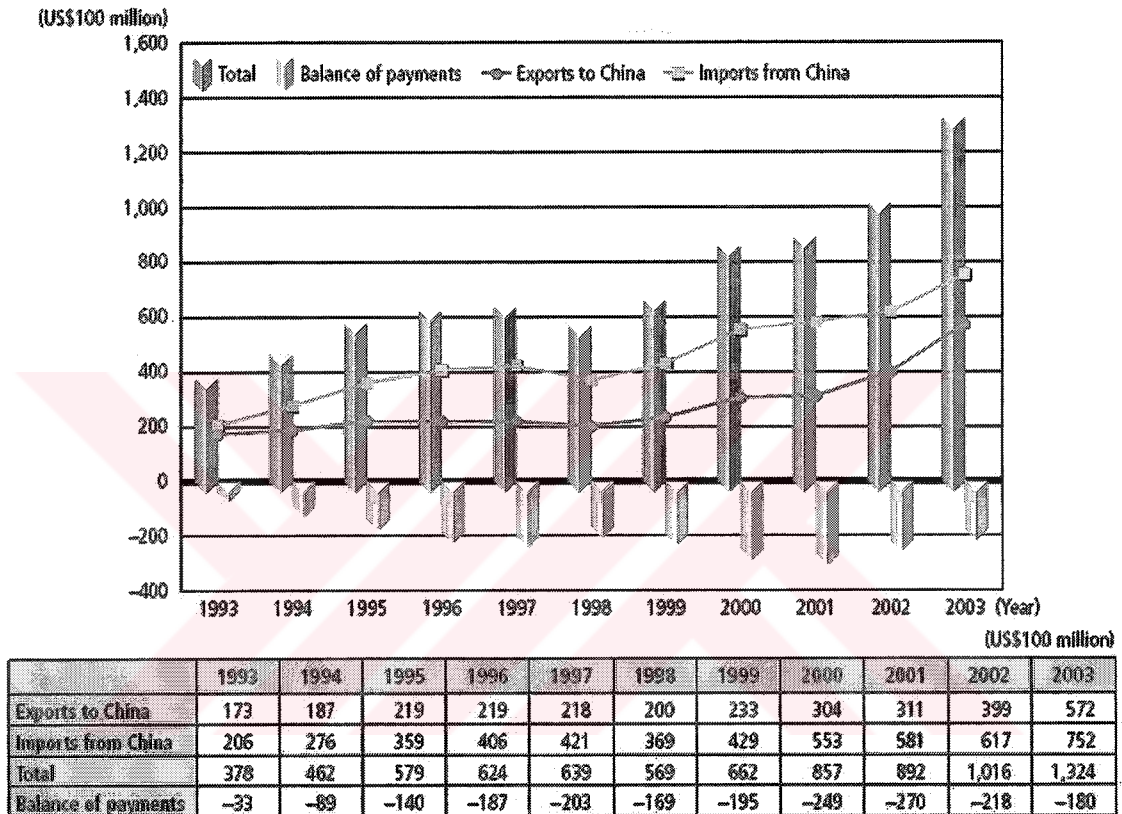
Tokyo has also pushed for other “minilateral” forums to bring its case to China. After the Chinese criticisms of the U.S.-Japan Security Declaration in 1996, for example, Japanese officials and academics began proposing a U.S. trilateral dialogue. In 1997 the LDP Foreign Policy Commission and the *Asahi Shimbun* editorial pages both called on the government to initiate a trilateral security summit with Washington and Beijing. Tokyo proposed a trilateral meeting to the United States in September 1997, but Washington was cautious and Chinese Foreign Minister Qian Qichen formally rejected the idea. Eventually a trilateral scholars’ forum was approved by Beijing.

²⁸⁵ Ina Hisayoshi “Japan Leaders Lack Depth, Objectivity in Their Thinking on China Question,” *Japan Economic Journal*, August 26, 1996 p.17

²⁸⁶ *Tokyo Shimbun*, July 14, 1997

Table: 6.1 JAPAN-CHINA ECONOMIC RELATIONS

Source: Trade statistics, Ministry of Finance. (The figures used were those converted into U.S \$)



Beijing's rejection of Japanese proposals for trilateral summits created transparency, if not confidence-building. The Chinese emphasis on bi-lateral Sino-U.S. dialogue at the expense of Japan sent an early signal of Beijing's intentions to contain Japan's political influence and profile in East Asia. Subsequent Chinese responses to Japanese diplomatic initiatives have only reinforced evidence of Beijing's strategy:

- In July 1997 the Japanese Finance Ministry's proposal for an Asian Monetary Fund was formally rejected by Beijing. Japanese MOF officials noted that working-level talks with

Chinese officials went well, but at the senior level the Japanese initiative was rejected by Beijing for strategic reasons.

-In April 1998 the Chinese quietly rejected Prime Minister Hashimoto's proposal for a four-way security summit with China, Russia, the United States, and Japan. The Japanese government hoped to leverage support for Russian membership in APEC for Russian pressure on China to agree to a regional security summit. Moscow could not deliver.²⁸⁷

-In June 1998 Beijing rejected Tokyo's proposal for a meeting of the permanent five members of the UN Security Council plus Japan and Germany to address the Indian and Pakistani nuclear tests. The State Department brought the idea to China, which rejected it outright. The Nikkei Shimbun commented on China's attempts to prevent Japan from raising its profile in political and security affairs.

-In July 1998 the Chinese Central Bank governor, Dai Xianglong, attacked Japan's economic policy, claiming that the "depreciation of the yen increases pressure on East Asia" as it struggles to extricate itself from the crisis.²⁸⁸

-In February 2000 China rejected Tokyo's invitation to join the G-7 meeting in Okinawa.

-Beijing continues to withhold endorsement of a larger role for Japan in the United Nations, including any form of permanent membership on the Security Council.

.The pattern of Chinese containment of Japanese diplomacy was made all the more problematic in this period by Beijing's effective enlistment of an often unwitting Clinton administration. The Asian Monetary Fund proposal was opposed by the U.S. Treasury Department, and this placed China and the United States on the same side against Japan. President Clinton's June 1998 China visit further reinforced the impression of Sino-U.S. containment of Japan when Clinton joined Jiang in criticizing Japan's economic policies during a press conference in Shanghai.

²⁸⁷ "Hashimoto to Propose Four-Way Security Summit with U.S., China, Russia," *Japan Digest*, April 17, 1998

²⁸⁸ Michael J. Green "Japan's Reluctant Realism, Foreign Policy Challenges in an Era of Uncertainty Power, A Council on Foreign Relations Book", (New York, Palgrave, 2003), p.105

With the limited success of multilateral diplomacy, Japan has reached out to strengthen bilateral relations with the countries that surround China. The 1997 LDP strategy paper articulated this strategy in unambiguous terms: “Not only must we make the Japan-U.S. alliance a key dimension of our China policy, but we must also strengthen the cooperative countries, South Korea, and Australia-nations which also have reason to be concerned about China’s future course.”

Largely because of competition with China, Japan has pursued rapprochement with its historical enemy, Russia; launched a new initiative toward Central Asia; proposed strategic dialogue with Association of Southeast Asian Nations (ASEAN), New Zealand, and Australia; and reaffirmed the U.S.-Japan alliance. Beijing has accused Japan of pursuing a policy of containment, but as one JDA official describes the strategy, it is only “soft containment.”²⁸⁹

And the diplomatic chess game with China in the region has only just begun.

6.7 CONCLUSION: JAPAN’S CHINA DIPLOMACY and U.S. INTERESTS

The patterns of bilateral relations that emerged in Japan’s China policy in the mid to late 1990s are likely to continue for the foreseeable future. They are clearly the result of institutional and normative changes in Japan. In addition, China shows no sign of relenting on its pursuit of expanded influence in the region at the expense of Japan. Moreover, Japan is not yet forced to choose between its policies of strategic rivalry and economic interdependence because China does not yet pose an immediate military threat to Japan that would force a policy of containment or the “pursuit of relative gains.” And because the strategic uncertainties with China are long-term issues, Japan has generally been able to avoid confrontation over more dangerous short-term problems where China is willing to use force. In Taiwan policy, for example, Japan has done nothing to promote Taiwan’s independence or international stature and has approached the guidelines review purely in the context of self-defense. Finally, Japan has benefited from a generally reliable forward

²⁸⁹ “Clinton, Jiang Urge Japan to Act on Economy: Tokyo Feels Pressure, Isolation,” Japan Digest, June 29, 1998

commitment from the United States. As long as the U.S. strategy toward China is also a mix of engagement and balancing, Japan's own course is fairly clear.

However, two questions linger. First, will the United States and Japan remain in tactical step on China policy over the near term, and, second, how will Japan respond if major changes do emerge in the Sino-U.S. relationship—if the current state of strategic flux in Asia takes a clear new direction?

The question of U.S.-Japan approaches to China is a near-term problem. It is apparent that the process of maintaining closely coordinated U.S. and Japanese approaches to China has not always been smooth, in spite of the growing unease in both countries with demonstrations of Chinese power and assertiveness. There are at least four reasons for this.

First, Japan continues to view its relationship with China as a special tie that should not be determined exclusively by Washington. Tokyo is particularly concerned about American volatility on issues related to human rights and Taiwan. As the junior partner in the alliance, Japan for decades guarded its China policy against entrapment in the U.S. containment strategy. Later Japan turned to China to define its own Asian identity and relative independence from the United States. Even today—in the midst of the greatest competition in Sino-Japanese relations in decades—Tokyo still sometimes tries to play the “China card” in relations with Washington. The China card has become a weak one for Japan's diplomacy toward the United States, but old habits die hard.

Second, U.S.-Japan policy coordination on China is undermined by the U.S. penchant to ignore Japan in its own China policy formation. The 1972 “Nixon shock” was the most dramatic example of the United States keeping Japan in the dark about its China diplomacy, but examples of “Japan passing” continue. The U.S. misstep on the Senkaku dispute, President Clinton's decision to criticize the Japanese economy during a press conference in China, the coincidental convergence of Chinese and U.S. objections to Japanese initiatives such as the Asian Monetary Fund—these all erode Tokyo's confidence in sharing its limited sources of leverage on China with the United States. Apprehension about abandonment by the United States undercuts policy coordination as much as fears of entrapment. If anything, the impact of “Japan passing” is more significant today than it was

in Nixon's time, since Japan has moved toward a more independent strategic assessment of its security concerns with China.

Table 6.2: Record of ODA to China

Source: Trade statistics, Ministry of Finance.

(Unit: 100 million yen)

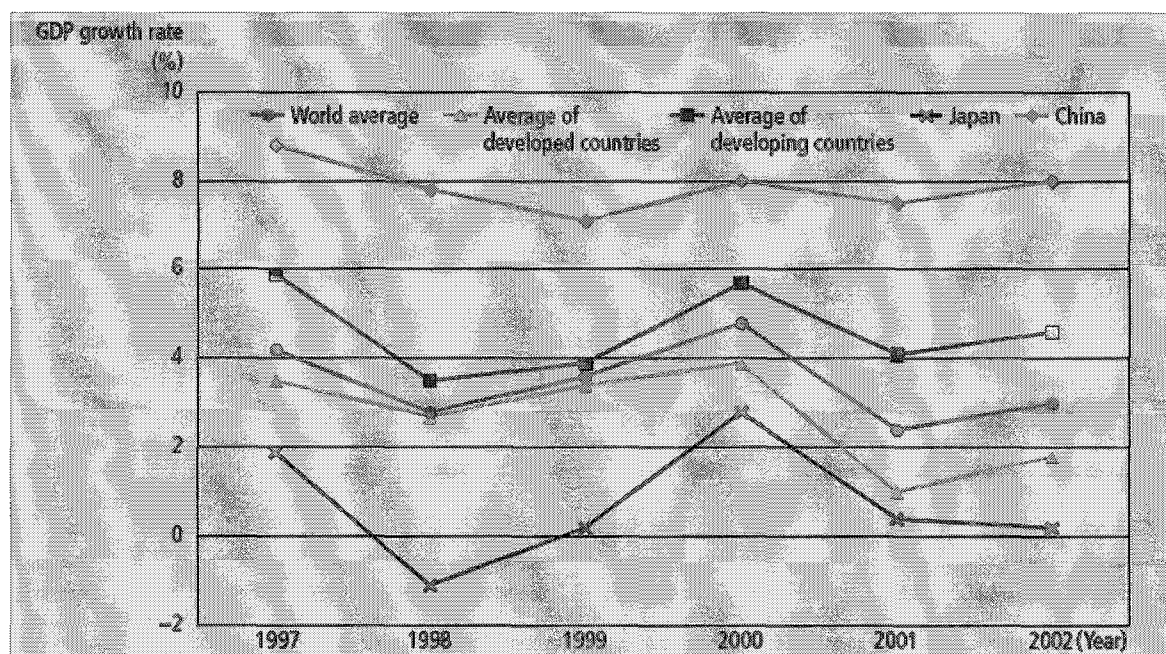
FY ^a	Loan aid ^b	Grant aid ^b	Technical cooperation ^b	Total
1980	660.00 ^c	6.80	5.64 ^d	672.44
1981	1,000.00 ^c	23.70	10.17	1,033.87
1982	650.00	65.80	19.78	735.58
1983	690.00	78.31	30.45	798.76
1984	715.00	54.93	26.77	796.70
1985	751.00	58.96	39.48	849.44
1986	806.00	69.68	48.10	923.78
1987	850.00	70.29	61.92	982.21
1988	1,615.21	79.58	61.49	1,756.28
1989	971.79	56.98	40.51	1,069.28
1990	1,225.24	66.06	70.49	1,361.79
1991	1,296.07	66.52	68.55	1,431.14
1992	1,373.28	82.37	75.27	1,530.92
1993	1,387.43	98.23	76.51	1,562.17
1994	1,403.42	77.99	79.57	1,560.98
1995	1,414.29	4.81	73.74	1,492.84
1996	1,705.11	20.67	98.90	1,824.68
1997	2,029.06	68.86	103.82	2,201.74
1998	2,065.83	76.05	98.30 ^d	2,240.18
1999	1,926.37	59.10	73.30 ^d	2,058.77
2000	2,143.99 ^e	47.80	81.96	2,273.75
2001	1,613.66	63.33	77.77	1,754.76
2002	1,212.14	67.87	62.37	1,342.38
Total	29,504.89	1,364.89	1,384.86	32,254.44

Third, the domestic politics of China policy in both countries have become far more fluid and unpredictable. The State Department has collided with the Pentagon and the Congress over China the same way that MOFA has lost control of its China account to the Diet and the media. Domestic U.S. pressures on human rights and trade do not coincide with Japan's domestic pressures on territorial issues and history. Coordination of diplomacy is always more difficult in liberal, pluralistic democracies-particularly in cases where the country in question has sparked a fundamental domestic debate about foreign and security policy.

Finally, U.S.-Japan coordination on China policy is difficult because, in spite of the close U.S.-Japan alliance, this remains a three-legged triangle. Beijing has often taken steps, such as the 1996 Taiwan Straits missile tests, that push the United States and Japan closer together. At other times, however, Beijing has found it necessary to make tactical shifts in its overall strategy of keeping Japan down while developing a bilateral *modus vivendi* (a feasible arrangement) with the United States. After Sino-U.S. relations worsened in 1999 in the wake of the Kosovo campaign and failure to reach bilateral agreement on WTO accession, for example, Beijing temporarily softened its stance toward Japan. Nevertheless, a visit to Tokyo by Premier Zhu Rongji in October 2000 helped to take some of the sting out of Jiang's early trip, even though Zhu's efforts were undermined by a *People's Daily* front paper article criticizing Japanese "militarism" immediately after his departure from Tokyo. These tactical changes in direction open gaps between the United States and Japan, which is in part why Beijing employs them.

Table 6.3: Economic Growth of Japan and China

Source: International Monetary Fund (IMF), *World Economic Outlook* (September 2003 edition).



There will therefore continue to be fluidity in the U.S. and Japanese approaches to China in spite of common strategic goals between Washington and Tokyo. Coordination would be easier if the United States and Japan had a simple policy of containment, but China has two potential futures, and Washington and Tokyo should not foreclose the more positive of those futures by crafting a strategy of containment just for simplicity's sake. Instead, senior policymakers in both countries must recognize that the United States and Japan are engaged in a competition for power with China as well as a game of engagement and integration. In that competition the U.S.-Japan alliance is a powerful asset, not only in the military role of deterring contingencies but also as a diplomatic asset to enhance negotiating leverage. It is therefore in U.S. and Japanese interests to work harder to reduce the opportunities for China to drive any wedge in the alliance. That means more active consultation, dialogue and coordination of policy on issues ranging from WTO accession to arms control negotiation and multilateral diplomacy as it relates to China.

And what if there is a change in Sino-U.S. relations? The dynamics of Sino-Japanese relations since the Cold War are not predictive of the future, but do suggest several outcomes. First, if the United States reversed its policy of forward engagement it seems likely that Japan would expand its active efforts to balance and constrain China in compensation. While this would occur primarily in multilateral and bilateral diplomatic settings, there should be little doubt that Japan would also strengthen its unilateral military capabilities to manage potential Chinese threats to Japanese sea lanes and the home islands.

If the United States and China came into open conflict over Taiwan, on the other hand, Japan would face its nightmare scenario. Ultimately, the Japanese response would depend on the justness of the fight. A unilateral provocation of China by expanded U.S. support for Taiwanese independence for example, would likely lead to Japanese efforts to constrain the United States and would leave open to question Japanese support in a contingency. On the other hand, in the case of an unprovoked Chinese use of force against Taiwan, Tokyo would be more likely to support a robust U.S. response, preferring diplomacy to force but ultimately backing force. These are obviously subjective judgments in part, but it is clear from the impact of Chinese military actions since the Cold War that Japan's political culture does change in response to newly perceived threats and that Tokyo is no longer

passive in the face of such challenges. No matter what the U.S. response to a Taiwan contingency, therefore, it is safe to predict that Japanese constraints on military preparedness will be weakened.

The key is to avoid a confrontation in the Taiwan Straits in the first place. Closer U.S.-Japan coordination can contribute to that goal. The U.S. policy on Taiwan is strategic ambiguity and tactical clarity-that is to say, it is not certain how the United States would respond to the use of force by China, but it is clear that the United States has interests and could respond in a robust manner if necessary. A strong U.S.-Japan military alliance reinforces that policy. The United States and Japan should be clear that the alliance does not exist to protect Taiwanese independence, but that the alliance is prepared to deter and if necessary defeat any actions that threaten the vital interests of the alliance. A firm U.S.-Japan alliance complicates and deters any Chinese consideration of the use of force in the Straits without provoking Chinese preemptive action. At the same time, closer U.S.-Japan coordination on Taiwan issues (and closer U.S. coordination with other allies as well, for that matter) has a mutually constraining effect that helps to mitigate against dangerous changes in the status quo. The United States exacerbated the Taiwan situation by first breaking its pledge to China and allowing President Lee Teng Hui to visit the United States and later compensating with support for Beijing's "Three Nos" on Taiwan. By comparison, Japan has been far more consistent in its One China policy. A closer calibration of U.S. Taiwan policy with allies like Japan might have avoided the unpredictable and ultimately provocative nature of the U.S. approach to Taiwan in the 1990s.²⁹⁰

It should be clear to U.S. policymakers that Japan is also now playing a dual game of hedging and political-economic engagement with China. Since U.S. and Japanese actions have more of an impact on each side's respective China policies, each side should be working harder to coordinate approaches. With time, economic integration may smooth the rough edges on China's relations with both the United States and Japan, but that event is not certain. Until it is, the United States will have to work with Japan as a real strategic partner in the region.

²⁹⁰ Michael J. Green "Japan's Reluctant Realism, Foreign Policy Challenges in an Era of Uncertainty Power, A Council on Foreign Relations Book " , (New York ,Palgrave,2003), p.106-109

7. JAPAN-U.S. RELATIONS IN THE POST-COLD WAR ERA: AMBIGUOUS ADJUSTMENT TO A CHANGING STRATEGIC ENVIRONMENT

The contemporary debate in Japan and the United States regarding their alliance after the Cold War reflects growing anxiety on both sides over respective strategic requirements in the dramatically altered environment of the Asian-Pacific region. The demise of the Soviet Union and the disintegration of Russia, the growing Chinese power and independent-minded Taiwan, as well as the stalemate on the Korean Peninsula and dangerously isolated North Korea pose serious challenges to the alliance. The task of finding a new strategic relationship between Washington and Tokyo is made more difficult by the recent Asian financial and economic crises, which are now threatening to engulf the U.S. economy. The two countries alone cannot fend off the destabilizing effects of the virtually uncontrollable flow of capital across the interdependent Asian-Pacific economies and beyond. Their ability to forge a viable strategic alliance in the post-Cold War world hinges increasingly on their ability to cooperate with the other major world powers, particularly the EU-with respect to the management of the globalizing world economy-and China and Russia-with regard to the varied threats to the peace and stability of the Asian-Pacific region.

The central questions are how perceptions of the power balance between the two countries in the changing regional and global context have affected each side's expectations of itself and the other's within the bilateral relationship; and how their understanding of the regional and global significance of their relations is likely to inform those relations, particularly in the realm of political security.²⁹¹

After World War II, the basic strategy of U.S. is based on renunciation of war and bringing democracy to this region. In order to make powerful economy and bring stabilization to political structure, U.S gave political, technological and financial aid to Japan.²⁹²

²⁹¹ Inoguchi Takashi and Purnendra Jain "Japanese Foreign Policy Today" Scholarly and Reference Division and Palgrave Publishers (Newyork, U.S.A 2000),p.177

²⁹² Mesut H. Caşın "Japan:Rising Sun in Pacific" Euroasian File Vol:5 Summer 1999,Istanbul,p.208

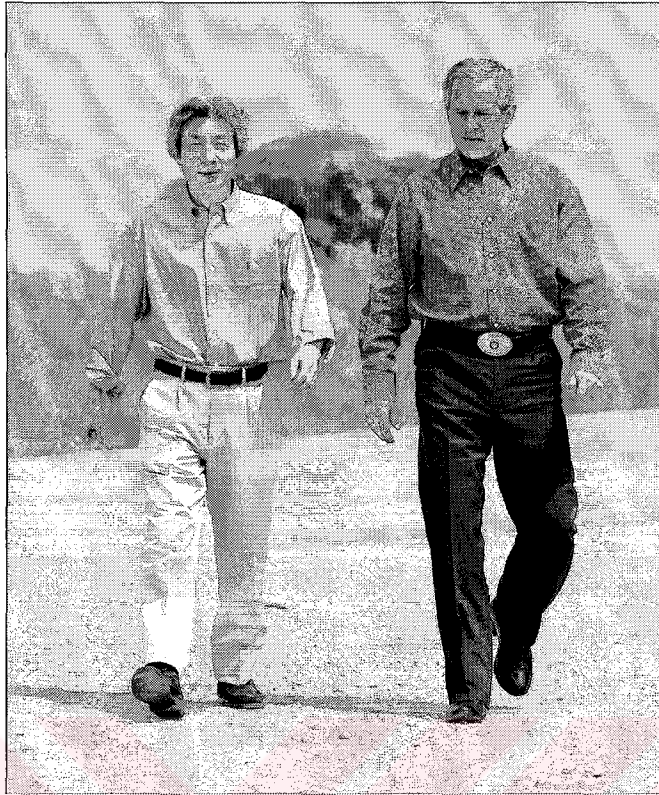


Figure:7.1 Prime Minister Junichiro Koizumi with President George W. Bush

Source: <http://web-japan.org/links/government/ministries/ministry3.html>

7.1 EVOLUTION of U.S.-JAPAN RELATIONS

7.1.1 World War II to 1950s

U.S.-Japan relations during the decades following World War II evolved through several phases. In the immediate postwar years, Japan, as a vanquished nation, was at the mercy of the United States for its domestic political reform, economic reconstruction, and international political rehabilitation. The U.S.-led occupation forces undertook sweeping political reforms in Japan, introducing the “no war” clause in the new Japanese Constitution and demobilizing all military personnel at home and abroad. They also disbanded the zaibatsu, whose concentrated power had kept Japan’s war machine going in the prewar and wartime years.

Following the onset of the Cold War in Asia, with the emergence of communist China in 1949 and the outbreak of the Korean War in 1950, the United States took advantage of its

occupation of Japan to bring Tokyo into its strategic fold. Washington concluded a security treaty with Tokyo in 1951, committing itself to the defense of Japan against foreign aggression and giving itself access to Japanese bases from which to stage military operations throughout the Far East. Also in 1951, Washington secured the San Francisco peace treaty and denied Moscow uncontested control of the Northern Territories (southern Kuriles), creating what soon became the single most important wedge between Tokyo and Moscow in the postwar era. Moreover, Washington provided direct assistance to the coalition of conservative, pro-American political parties in Japan against leftist forces, leading to the formation of the Liberal Democratic Party in 1955. Washington also made sure that the pro-Beijing political forces and business interests in Japan would not lead the Japanese government to the establishment of diplomatic relations with Beijing. All these measures succeeded in framing for decades to come Japan's basic policy direction: pro-United States. Pro-West, and minimally armed for its own defense, this generally satisfied Japan's postwar interests as defined by mainstream Japanese, although it frustrated both nationalists, who wanted Japan to write its own constitution and develop an autonomous defense policy, and leftists, who wanted closer relations with the Soviet Union and China.²⁹³

On the economic front, Washington nurtured a pro-United States, pro-capitalist policy in Tokyo. In addition to direct aid to Japan, the United States opened its markets to Japanese exports to assist in the creation of jobs at home and the garnering of valuable foreign exchange. Washington also persuaded its European friends and allies to allow Japan to join the postwar world trade system and help the former enemy pursue its export-driven development strategy. The United States also brokered postwar settlements between the Japanese and their wartime victims in Asia, linking reparation agreements to Japanese access to Asian markets.

7.1.2 Maturation of the Alliance: 1960s and 1970s

Japan's successful economic recovery and rising nationalist sentiments on both sides of the Pacific led to a revision of the U.S.-Japan security treaty in 1960.

²⁹³ Tsuneo Akaha, "Japan's Security Policy after U.S. Hegemony." *Millenium Journal of International Studies* 18:3 (Winter 1989), p.435-454

The new treaty obligated the two countries to take action to assist each other in case of an armed attack on Japanese territory, although it was understood that Japan would not come to the aid of the United States were the latter to be attacked. Notes accompanying the treaty required prior consultation between Washington and Tokyo, were the former to undertake major changes in its troop deployment or equipment stockpiling in Japan. The treaty was also made subject to a one-year notice of revocation after 1970. These changes reflected the gradual increase in Japan's assertion of sovereignty and U.S. accommodation. Behind the growing Japanese confidence was its successful economic growth and expansion throughout the 1950s. Japan's economic miracle continued into the 1960s.²⁹⁴

From the end of the 1960s to the end of the 1970s, Japan's robust economy shielded the country against some major external disturbances. It survived a series of external shocks: the Nixon Doctrine (announced in Guam in 1969), the 1971 U.S.-China rapprochement, the 1971 New Economic Policy of the United States, the 1973-74 oil crisis, and the US. defeat in the Vietnam War and withdrawal from Indochina in 1975. Following these disturbances, Japan emerged a confident junior partner in the bilateral relationship. At the same time, however, Japan began to question Washington's political leadership. Many Japanese were disturbed, some even felt betrayed, by the sudden turnaround in Washington's policy toward Beijing. A few years later, Tokyo was jolted by yet another sudden shift in U.S. policy. In 1978, President Jimmy Carter announced Washington's plan to withdraw U.S. ground troops from South Korea. Facing protests from South Korea and Japan and from within the United States, Carter quickly retracted this decision. Following the Soviet invasion of Afghanistan in 1979, Tokyo began to realize that Washington needed its allies' support to counter the growth of Soviet military power and political ambitions under Premier Leonid Brezhnev. It was against this background that Tokyo publicly acknowledged its relationship with Washington as an alliance. Tokyo also pledged to expand its defense capabilities to protect sea lines of communication (SLOCs) to a distance of 1,000 nautical miles from its coast.

²⁹⁴ Inoguchi Takashi and Purnendra Jain "Japanese Foreign Policy Today" Scholarly and Reference Division and Palgrave Publishers (Newyork, U.S.A 2000),p.179

7.1.3 A Broader Context of Alliance: 1980s to Early 1990s

In the 1980s, Japan acknowledged it had become a full-fledged member of the Western alliance. Tokyo supported Washington's effort to bring Moscow to the negotiating table in order to limit strategic arms and intermediate-range nuclear forces. However, the continuing pressure for greater defense-burden sharing cast doubt on the will and ability of the United States to bear the cost of its security commitments to Japan and other allies. President Ronald Reagan's combined policies of tax reduction and military buildup caused the federal budget deficit to reach \$22.2 billion and the outstanding federal debt to climb to \$2.1 trillion by 1986. The United States had become heavily dependent on Japanese capital to finance its trade and current account deficits. The Japanese, meanwhile, were willing to increase their defense burden because they had come to believe that the era of U.S. hegemonic dominance had ended and an age of shared global responsibility had dawned.²⁹⁵

Developments from the second half of the 1980s through the early 1990s made Japan's search for a new level of relationship with the United States more urgent, but also more difficult. The dissolution of the Soviet Union and the end of the Cold War caught Japan unprepared. Until recently Japan had failed to see its relationship with the Soviet Union and Russia in a broader regional and global context, having focused instead on a bilateral territorial dispute.²⁹⁶ Similarly, the Gulf War of 1990-91, caught the Japanese ill prepared, subjecting their checkbook diplomacy to international ridicule. A genuine search for a post-Cold War strategic vision and for a new strategic rationale for its alliance with the United States began in the aftermath of this, the first major regional conflict following the Cold War.

7.2. POST-COLD WAR PERSPECTIVES

In the aftermath of the Cold War, ideology no longer is the defining mark of the Japanese debate on U.S.-Japan relations. The right-left split on almost every major issue in the bilateral relations during the Cold War has virtually disappeared. The de-ideologization of the domestic debate offers the potential for clear-headed discussion of the US.-Japan

²⁹⁵ Inoguchi Takashi "Contemporary International Politics and Japan" (Tokyo:Chikima Shobo,1991)p.115-145

²⁹⁶ Tsune Akaha, "The End of the Cold War and Japanese-Russian Relations" (Seoul:Sejong Institute,1994),p.327-356

alliance, its relevance to the two countries' current and future strategic environment, and the requirement for each side to sustain, revise, or terminate the alliance.

Replacing the right-left split, there are three broadly discernible trends in the ongoing debate in Japan: nationalist, regionalist, and globalist. These are not necessarily mutually exclusive or individually complete and systematic schools of thought. Rather, a complex mix of globalist perspectives, regionalist sentiments, and nationalist impulses informs Japanese debate.²⁹⁷

7.2.1 Globalist Views

Japan must play a much more visible and substantial global role, but that it should continue to pursue the pacifist foreign policy it has followed since its defeat in World War II. This view favors the maintenance of a close U.S.-Japan alliance but opposes the projection of Japanese military power beyond its borders. Some globalist part company and regard as virtually inevitable the termination of the U.S.-Japan security treaty, if not immediately, at least over some period of adjustment. They nonetheless support Japan's self imposed denial of the right to collective security.²⁹⁸

There is disagreement among the globalists as to whether it is possible to forge a global division of labor between the United States, Japan, and Europe, in which Japan will continue to limit its international security role to economic development assistance and noncombatant functions in UN peacekeeping. Political and Economic Liberals believe it is both desirable and possible. Their argument is based on two premises: that economic development in the developing world and in transitional economies would lead to domestic and international political stability and that international economic interdependence would enhance the prospects for global peace. They share the regionalist view noted below that Asia-Pacific countries must advance multilateral economic integration as a foundation of regional peace and stability. They want to see the Asia-Pacific Economic Cooperation (APEC) forum move beyond the dialogue phase it is now in and develop clearly defined, if not legally binding, principles governing trade, investment, and other economic

²⁹⁷ Akaha Tsuneo "An Illiberal Hegemon or An Understanding Partner? Japanese Views of the United States in the Post-Cold War Era" *Brown Journal of World Affairs* (1998)

²⁹⁸ Tsuru Shigeto "Pathway to the Dissolution of the U.S.-Japan Security Alliance" (Tokyo:Iwanami Shoten,1996)p.92

transactions among the member countries. They also demand that regional arrangements be consistent with the rules of the global trade system under the World Trade Organization (WTO).

Other globalists (political realists) believe that such a division of labor, especially between the United States and Japan, would be politically untenable in view of the growing isolationist sentiment in the United States. Nor do they believe that it would be desirable for Japan to disavow its responsibility for global peace and security, they assert that it is time for Japan to end its self-imposed ban on participation in collective security and become a normal state.²⁹⁹ In their view, a normalized Japan would be able to play an active role in UN peacekeeping operations, including frontline operations, and also develop a more reciprocal relationship with the United States in the bilateral alliance.³⁰⁰ This view is founded on the realist premise that all great powers inevitably assume political roles commensurate with their economic power and that they require and eventually acquire well developed military capabilities to exercise effective political influence in the anarchic world. Other realists, particularly those who are focused on regional political and security issues, are less inclined to invest in the UN and other global institutions and advocate instead a balance of power, or bandwagoning cooperation, with the only remaining superpower, the United States. These realists assume that a new balance of power is emerging in the post-Cold War Asia-Pacific region and that Japan, alone or in concert with the United States, should deter the emergence of any unfriendly regional hegemony, e.g., China. Although they do not necessarily see rivalry with China as inevitable, they see it as a distinct possibility.³⁰¹

7.2.2 Regionalist Views

Regionalists are critical of what they see as their government's uncritical dependence on the alliance with the United States and are hopeful that the growing economic interdependence in the Asia-Pacific region will facilitate more friendly relations among the

²⁹⁹ Okazaki Hisako "Judging the International Situation: The Lessons of History, Strategic Philosophy" (Tokyo: PHP Kenkyujo, 1996) p.275-317

³⁰⁰ Sato Seizaburo, "Clarifying the Right of Collective Self-Defense" *Asia-Pacific Review* 3 (Fall-Winter 1996), p.91-105

³⁰¹ Tsuchiyama Jitsuo "International Relations Theories of the U.S.-Japan Alliance: Realism, Liberal-Institutionalism, and Constructivism" *Kokusai Seiji* May 1997, p.161-179

countries of the region, particularly between Japan and China. Political reconciliation and economic interdependence with China and other Asian countries, rather than enhanced defense cooperation with the United States, will ensure Japan's peace and prosperity. Both Washington's aggressive human rights policy toward China and its demand for accelerated liberalization of Asian markets are self-centered and even counterproductive. They object to Washington's sanctimonious policy on democratization and market liberalization in the region. In this they have something in common with regionalists in other Asian countries, such as Malaysian Prime Minister Mahathir bin Mohamad. However, they do not support an Asians-only regional framework, such as the East Asian Economic Caucus (EAEC) proposed by the Malaysian prime minister. Instead, they want the APEC process to succeed in advancing the cause of regional economic cooperation.

In the security realm, Japanese regionalists do not see any viable alternative to the U.S.-Japan alliance, at least in the foreseeable future, but they recognize the need to develop a multilateral security framework to supplement the alliance. They advocate, therefore, the development of regional institutions for confidence building and economic cooperation.³⁰²

7.2.3 Nationalist Views

Nationalist themes do not coalesce into any coherent system of thought or policy prescriptions. Instead, they typically appear as impulsive reactions to international criticisms of Japan. Nationalist sentiments find their expressions in the prickly debate over defense-burden sharing with the United States, in the protracted discussion on Japanese participation in UN peacekeeping operations, and in the debate on how to respond to Chinese and Korean criticisms of Japan's militarist-imperialist past.

Japanese nationalist sensitivities have been aroused by Washington's persistent demand, beginning in the 1970s, that Japan assume a larger share of the burden for its national defense. On the one hand, it is unlikely that, without the U.S. prodding, Japan would have built up its defense spending to the current level of over \$50 billion and the third largest in the world after that of the United States and Russia. On the other hand, Japanese nationalists have been visibly critical of the U.S.-Japan agreement on the joint

³⁰² Kazuo Ogura "Japan's Asia Policy, Past and Future," *Japan Review of International Affairs* 10:1 (Winter 1996), p.3-15

development of FSX fighter aircraft that, they believe, was an unfair deal. As well, they have resented the increasing host-nation support that Washington has demanded from Tokyo for maintaining the U.S. military presence in Japan.³⁰³

Nationalist sentiments also echo the growing populist resentment of *gaiatsu*, or external pressure, over trade and economic issues, particularly from the United States. The resentful mood among many Japanese has been captured by the concept of *kenbei*, literally meaning the dislike of America. However, that the mood reflects not only popular Japanese resentment of the U.S. pressure, but also frustration over the government's inability to alleviate the sources of U.S.-Japan trade and economic friction. Moreover, Japanese citizens have become visibly upset over their own corrupt politicians, inept bureaucrats, and greedy business leaders who, have caused the long-protracted economic recession since the bursting of the economic bubble.

Globalist, regionalist, and nationalist perspectives share a common awareness: The United States is no longer the global hegemon it once was. The management of world affairs today requires the sharing of power and responsibilities among the great powers, including Japan, Europe, and the United States. They differ, however, over where Japan's priorities should be, whether they should concentrate on global partnerships with the United States and Europe, invest in reconciliation and accommodation with their Asian neighbors, or focus on the search for a uniquely Japanese identity in the post-Cold War era. The outcome of this debate is likely to be a mixture of these competing perspectives, the balance among them depending on the issues facing the nation at any given moment.

7.2.4 Official Policy

The official policy of the Japanese government is an amalgam of the contending perspectives outlined above. Tokyo is determined to continue to anchor its security policy on the bilateral alliance with Washington while, at the same time, exploring possible modes of multilateral security cooperation, not to replace but to supplement the US.-Japan alliance.

³⁰³ Robert S. Ross, "Managing a Changing Relationship: China's Japan Policy in the 1990s" (Strategic Studies Institute, U.S. Army War College, 1996), p.5

Most Japanese are resigned to the fact that they have no choice but to support many U.S. foreign policy initiatives. Examples include Tokyo's support for the U.S.-North Korean Agreed Framework, its participation in the Korean Peninsula Energy Development Organization (KEDO) to suspend North Korea's nuclear weapons development, and Japan's support for the extension of the Nuclear Non-Proliferation Treaty (NPT).³⁰⁴

While reaffirming the bilateral alliance with the United States and further expanding its contribution to the effective functioning of the alliance, Japan has also begun to take some initiatives to develop security dialogue and defense cooperation with neighboring countries. Tokyo was instrumental in establishing the ASEAN Regional Forum (ARF), while it has shown increasing interest in expanding security consultations with South Korea, developing defense cooperation with Russia, and initiating a defense dialogue with China, and is also supportive of track-two diplomacy to explore various confidence-building measures. On some issues, Tokyo no longer hesitates to part company with Washington on issues about which it feels strongly. For example, Tokyo decided, against Washington's wishes, to support the international ban on antipersonnel land mines.

This measure of independent foreign policy notwithstanding, Tokyo is determined to maintain a close alliance with the United States, a resolve that is unlikely to change soon in view of the favorable public view of the current state of U.S.-Japan relations. According to a public opinion survey by the Prime Minister's Office in September-October 1997, nearly 72 percent of the respondents believed current US.-Japan relations to be good or basically good, despite some problems. In contrast, only 18.5 percent of the respondents believed relations were deteriorating or dangerously bad. Comparable figures for 1990 were 63.4 percent with favorable and 24.3 percent with unfavorable evaluations. Similarly, nearly 75 percent of the Japanese polled in 1997 felt favorably disposed, while 23 percent felt somewhat unfriendly or unfriendly toward the United States. These numbers do not significantly differ from the results of a 1990 poll, which showed nearly 75 percent feeling

³⁰⁴ Inoguchi Takashi and Purnendra Jain "Japanese Foreign Policy Today" Scholarly and Reference Division and Palgrave Publishers (Newyork, U.S.A 2000),p.183

strongly or somewhat friendly, and 21 percent somewhat or strongly unfriendly, toward the United States.³⁰⁵

7.3 U.S. VIEWS of THE ALLIANCE

7.3.1 Multiple Issues

Public support in the United States for the U.S.-Japan alliance after the Cold War also remains strong. A Gallup poll conducted for the Japanese Foreign Ministry in February-March 1998 revealed that over 83 percent of the American respondents believed the U.S.-Japan security treaty should be maintained.³⁰⁶

Views among analysts are quite mixed. The changed balance of U.S.-Japan economic power is clearly a major factor affecting U.S. analysts' views of the strategic environment in general and the relationship with Japan in particular. This is apparent in arguments concerning (1) Japan's regional security role, (2) prospects for Japanese militarization, (3) defense burden sharing, (4) defense technology cooperation, and (5) U.S. economic stakes in Japan and elsewhere in Asia.

First, there is consensus among U.S. analysts that Japan must play a larger international role, including a bigger part in the realm of security. There is no agreement, however, on what that role should entail. While some critics of Japan's economics-first policy urge Japan to become a normal state by making greater military contributions to international peace and security, others caution against encouraging a Japanese defense buildup for fear that the economic superpower may also want to become a military power. Some observers expect a multipolar balance of power to replace reliance on the alliance with the United States and believe that a collective security system will emerge in Asia in which the U.S.-Japan alliance is one part, albeit still the most important part.³⁰⁷

³⁰⁵ Prime Minister's Office, Office of Public Relations, (Public Opinion Survey, Tokyo: Ministry

³⁰⁶ Asahi Shimbun, 30 April 1998, p.2

³⁰⁷ Edward Olsen "Target Japan as America's Economic Foe" Orbis 36 (1992), p.496-Hokkaido Shimbun, 23 January 1993, p.2

Burden sharing is not a new issue. Indeed, it has been an important part of Washington's policy toward Japan since the 1970s. What is noteworthy is that, while the gaps yawned between US. strategic plans and financial constraints and between Japan's growing economic power and its negligible contribution to international security, the Reagan administration managed to keep bilateral trade and economic issues separate from defense issues. In fact, Washington took advantage of the growing capital flow from Japan to finance its deficit spending on defense and tax cuts. More recently, however, economic and defense issues have become linked, at least in the mainstream policy thinking that provides the background for the formulation of Washington's policy toward Japan. This is apparent in the area of defense technology cooperation.³⁰⁸

More reciprocal sharing of defense technology between the two countries is advocated. U.S. interest in Japanese defense technology is motivated by both the fear of future Japanese competition in weapons development, and the potential cost savings that bilateral cooperation represents to the US. defense industry.³⁰⁹ Some researchers warn of the long-term implications of Japan's high-technology defense research and development for neighboring countries' defense policies. Others advocate more aggressive, economics-driven security relations with Japan as part of a more comprehensive national strategy.³¹⁰

7.3.2 Official Policy

It has been difficult for Washington to incorporate these varied views into a coherent policy. In fact, some mainstream U.S. analysts have complained that Washington has no coherent strategy and is poorly organized for dealing with Japan. Official U.S. policy has called for continued forward deployment of U.S. forces in the Asia-Pacific region. Washington views the U.S. military presence in the region as essential to regional stability, to discourage the emergence of a regional hegemon, and to enhance Washington's ability to influence a wide spectrum of important political and economic issues in the region. However, Washington is increasingly unable to bear the cost of its military presence in the

³⁰⁸ Robert A.Manning "Futureshock or Renewed Partnership :The U.S.-Japan Alliance Facing the Millenium" *The Washington Quarterly* (1995),p.87-98

³⁰⁹ Andrew K. Hanami, "The Emerging Military-Industrial Relationship in Japan and the U.S. Connection" *Asian Survey* (1993),p.177-190

³¹⁰ Wayne Sandholtz,Michael Borrus,John Zysman,Ken Conca, Jay Stowsky,Steven Vogel,and Steve Weber "The Highest Stakes:The Economic Foundations of the Next Security System, A BRIE Project (NY:Oxford University Press,1992)p.91

region and, therefore, appreciates Japan's increasing burden sharing. Washington also needs Tokyo's cooperation in pulling the Asian countries out of their economic crisis and is openly critical of slow responses in Tokyo. It is unlikely, however, that the currency, financial, and economic crises sweeping East Asia today will affect Washington's interest in maintaining the security alliance with Tokyo.³¹¹

Washington is committed to maintaining the current U.S. troop presence in Japan, including in Okinawa, despite the growing local opposition to U.S. bases there following the rape by US. servicemen of an Okinawan girl in 1995. Washington and Tokyo managed to reach a compromise and agreed that Japan would build an offshore heliport off Nago City in Okinawa to replace the Futenma facility. However, a public referendum confirmed Nago residents' overwhelming opposition to the proposed construction, and Okinawa Governor Ota Masahide sided with the local people. In November 1998, however, Ota lost his reelection bid to Inamine, who supports the Tokyo-Washington compromise plan for the relocation of the Futenma base. How local wishes and the central government's interests will play out is not at all certain.

The strategic importance of American bases in Japan in the post-Cold War period was amply demonstrated during the Gulf War. The Seventh Fleet was dispatched to the Middle East, including the cruiser Bunker Hill that launched Tomahawk missiles against Baghdad. Additionally, the U.S. Marine air base in Iwakuni is being expanded with the construction of a new runway slated to begin in two years.

The United States Security Strategy for the East Asia Region, issued in February 1995, makes it clear that Washington has no intention of disengaging from the region or reducing its security cooperation with Tokyo. According to the report, the U.S.-Japan security alliance is the linchpin of U.S. security policy in the Asia-Pacific region. The report also speaks approvingly of Japan's greater contribution to regional and global stability through ODA and its strategic partnership with the United States, including host-nation support. President Bill Clinton's February 19 report to Congress on U.S. national security strategy asserts that the development of a new Pacific community requires the linking of security

³¹¹ Department of Defense, "A Strategic Framework for the Asian Pacific Rim: Report to Congress (Washington, DC: Department of Defense, 1992), p.20

needs with economic realities and concern for democracy and human rights. Defining the United States as a Pacific nation, the U.S. strategy calls for maintaining an active presence and leadership in the region and refers specifically to the 100,000-strong troop presence as contributing to regional stability.³¹²

7.3.3 Critics

Chalmers Johnson and E. B. Keehn have offered the most articulate yet debatable criticism against the Clinton administration's policy toward Japan. They declare that the end of the Cold War and the altered balance of power-in favor of Japan-have eliminated the only meaningful strategic rationale for the U.S. Japan alliance.³¹³ They assert that the continued US-Japan security alliance delays Japan's coming to terms with the problems of Article 9 of the Japanese Constitution and that the "outdated security policy" of the United States short-circuits the nascent security debate in Japan. They write: "If Japan is truly to remain the linchpin of U.S. strategy in Asia, any serious rethinking of U.S. security policy must center on rewriting or peacefully dismantling the Japan-U.S. Security Treaty." To them, "a United States that continues to distrust Japan's ability to act as a true ally" is a more serious threat to a peaceful Asia-Pacific region than is China's continued expansion.³¹⁴

The Johnson-Keehn critique underestimates the importance of firm U.S. security commitments in the region. Northeast Asia remains a potentially dangerous region. The United States, Japan, and other East Asian countries share security concerns regarding the political uncertainty in nuclear China and nuclear Russia, and the tension on the divided Korean Peninsula. Beijing's saber rattling against Taiwan during the latter's presidential election in 1995 was very disconcerting to China's neighbors. Beijing's unsettled territorial disputes with its neighbors in the South China Sea are an additional concern to Tokyo, not to mention its own territorial dispute with Beijing over the Senkaku Islands in the East China Sea. Moreover, the Johnson-Keehn argument ignores the growing acceptance,

³¹² The President of the United States, "A National Security Strategy of Engagement and Enlargement (Washington, DC: The White House, February 1996), p.39-40

³¹³ Chalmers Johnson and E. B. Keehn, "The Pentagon's Ossified Strategy," *Foreign Affairs* (1995), p.103-105

³¹⁴ Chalmers Johnson and E. B. Keehn, "The Pentagon's Ossified Strategy," *Foreign Affairs* (1995), p.110

among Southeast Asian leaders, of the need to maintain the U.S.-Japan security alliance for regional stability.³¹⁵

From Washington's perspective, the fundamental issue is not whether Japan should or should not become a normal state, but how the United States should pursue its own national interests in the dramatically changed strategic environment of the Asian-Pacific region. In this connection, the altered balance of economic power between the United States and Japan underlies Washington's urging that Japan elevate its security role.

7.4 THE NEW GUIDELINES for U.S. DEFENSE COOPERATION

7.4.1 New Defense Cooperation Guidelines

The central issue facing the U.S.-Japan alliance today is how to make it relevant to the broader regional situation. Tokyo and Washington's joint response to this need has been the new Guidelines for U.S.-Japan Defense Cooperation.

Clinton and Prime Minister Hashimoto Ryutaro met in Tokyo in April 1997 and issued the "Japan-US. Declaration on Security: Alliance for the 21st Century." The document reaffirmed the essential importance of the U.S.-Japan security treaty to both countries and the region. Among other things, the declaration noted that the Asia-Pacific region was the most dynamic area of the globe but there was instability and uncertainty. It stated that the two countries needed to enhance the credibility of their security relationship by cooperating in bilateral security consultations, review of the 1978 defense cooperation guidelines, and the prevention of the proliferation of weapons of mass destruction and their means of delivery.

The aim of the new guidelines, issued in September 1997, is defined as creating a "solid basis for more elective and credible US.-Japan cooperation under 'normal' circumstances," "in case of an armed attack against Japan," and "in situations in areas surrounding Japan that will have an important influence on Japan's peace and security." The section on "Basic Premises and Principles" states that the new guidelines will operate

³¹⁵ Robert A.Manning "Futureshock or Renewed Partnership :The U.S.-Japan Alliance Facing the Millenium" The Washington Quarterly (1995),p.90-92

within the fundamental framework of the U.S.-Japan alliance. It also states, “Japan will conduct all its actions within the limitations of its Constitution and in accordance with such basic positions as the maintenance of its exclusively defense-oriented policy and its three non-nuclear principles.”³¹⁶

7.4.2 Regional Contingencies

The most controversial issue relates to the ill-defined meaning of “situations in areas surrounding Japan.” The guidelines do not spell out what contingencies, besides an armed attack against Japan, would call for the expanded bilateral defense cooperation, but discussions among private circles are indicative of the kind of contingencies defense planners may deal with under the new guidelines. Among the scenarios discussed by private defense analysts is a North Korean surprise attack on South Korea and taking of hostages. Some speculate that North Korea, realizing the changing balance of military capabilities in favor of South Korea, might move in to the north of the Han River and take hostages, possibly including Japanese nationals. Another scenario involves low-intensity conflicts involving North Korea, including terrorist acts, assassinations, or some other destructive actions against the South, or even against Japan. Another possibility entertained by some Japanese observers is a collapse of the North Korean regime, causing an exodus of refugees, defections, and rampant acts of terrorism and assassination.³¹⁷

There is no firm common understanding in the government about the application of the concept to Taiwan. Liberal Democratic Party Secretary-General Kato Koichi stated during his visit to Beijing in July 1997 that the new guidelines were not aimed at China. This was contradicted by a subsequent statement by Chief Cabinet Secretary Kajiyama Seiroku that a conflict between the People’s Republic of China (PRC) and Taiwan would be included in this definition. Chinese Premier Li Peng protested that this was a serious interference in the internal affairs of China. In April 1998, Vice Foreign Minister Yanai Shunji stated that the concept of “situations in areas surrounding Japan” is similar to the “Far East.” This prompted Director General of the Foreign Ministry’s Treaties Bureau Takeuchi Yukio to

³¹⁶ Office of Assistant Secretary of Defense 1997, “Completion of the Review of the Guidelines for U.S.-Japan Defense Cooperation” (News Release, New York, 23 September 1997), p.1

³¹⁷ Tsuneo Akaha, “Beyond Self-Defense: Japan’s Elusive Security Role under the New Guidelines for U.S.-Japan Defense Cooperation” Pacific Review Fall 1998, p.461-483

issue an equally ambiguous explanation, that the senior diplomat's statement should not be interpreted to mean that the two concepts represented the same geographical definition but, rather, that both concepts were intricately related to the security of Japan. Prime Minister Hashimoto reiterated on several occasions that the new guidelines were not targeted at "any particular area or country."

The apparent absence of a uniform understanding of the operational meaning of "situations in areas surrounding Japan" is problematic. Rather than enhancing the effectiveness of US.-Japan defense cooperation in promoting regional stability, the problem creates uncertainty in Japan's policy and perpetuates neighboring countries' suspicions regarding an expanded Japanese regional ambition.

The U.S. position is more explicit. In June 1997, Deputy Assistant Secretary of Defense Kurt Campbell briefed visiting Japanese politicians on the U.S. view of the security situation in East Asia and the Pacific, and pointed out there were five security issues of concern to the United States: (1) instability in North Korea as an existing threat, (2) Sino-Russian rapprochement as a potential threat in the next 15 years, (3) Chinese military buildup as a non negligible development, (4) unstable PRC-Taiwan relations as a troubling issue, and (5) the growing military spending in Southeast Asia as a point of concern.³¹⁸

7.4.3 Japan's New Responsibilities

Once a crisis "situation in areas surrounding Japan" occurs, the new guidelines call on Japan and the United States to cooperate in (1) relief activities and measures to deal with refugees, (2) search-and-rescue operations, (3) noncombatant evacuation operations, and (4) activities to support economic sanctions. With respect to refugees arriving in Japan, the guidelines place primary responsibility on Japan and call on the United States to provide "appropriate support." Japan's search-and-rescue operations will be limited to Japanese territory and "at sea around Japan, as distinguished from areas where combat operations are being conducted." How Japan's search-and-rescue operations will be coordinated with those of the United States in and around the areas of combat operations remains a very difficult issue. It raises the question of whether Japanese actions might constitute an

³¹⁸ Sentaku (September,1997),p.128

exercise of collective self-defense, which is currently prohibited. As far as civilian evacuations are concerned, the 1997 guidelines state that each government is responsible for evacuating its own nationals from a third country to a safe haven. When necessary, however, Japan and the United States will coordinate in planning and cooperate in carrying out evacuation operations. For the evacuation of non-U.S. and non-Japanese civilians, the guidelines leave open the possibility that Japan may extend assistance to third-country nationals. In carrying out economic sanctions, the guidelines call on Japan and the United States to cooperate in areas of information sharing and the inspection of ships based on UN Security Council resolutions.³¹⁹

The new guidelines further call on Japan to permit U.S. forces' temporary use of Self-Defense Force (SDF) facilities and civilian airports and ports, to lend rear support, and to engage in bilateral operational cooperation. Japan's rear support is expected primarily in Japanese territory, but the guidelines envisage the possibility of Japanese rear support "on the high seas and international airspace around Japan which are distinguished from areas where combat operations are being conducted." This would be problematic if unfolding contingencies required a minute-by-minute redefinition of areas of military operations. Less problematic would be Japan's rear support inside its own territory, including the transportation and medical treatment of casualties, support for the security of U.S. facilities and areas, sea surveillance around U.S. facilities, the security of transportation routes, and information and intelligence gathering.

Finally, the 1997 guidelines require Japan and the United States to develop a comprehensive mechanism for bilateral planning and to establish common standards and procedures. This will involve not only U.S. forces and the SDF, but also other Japanese government agencies. The joint defense planning now envisaged goes far beyond what had been accomplished under the previous guidelines. Previous bilateral cooperation in this area was limited to joint studies of contingencies, whereas the new guidelines call on the two countries to conduct joint contingency planning and cooperation under normal circumstances in preparation for contingencies.

³¹⁹ Inoguchi Takashi and Purnendra Jain "Japanese Foreign Policy Today" Scholarly and Reference Division and Palgrave Publishers (Newyork, U.S.A 2000),p.188

7.4.4 Domestic Law

What specific steps is Japan taking to meet its obligations under the new framework for defense cooperation? In April 1998, the Hashimoto government submitted to Parliament three legislative bills to give substance to its new commitments: (1) a bill for the law regarding situations in areas surrounding Japan, (2) a bill to revise the Law on the Self-Defense Force, and (3) a bill to revise the Acquisition and Cross-Servicing Agreement (ACSA) between Japan and the United States. These laws set legal rights and obligations in some new areas.³²⁰

Under the first law, the government would be authorized to undertake, in the face of “situations in areas surrounding Japan,” rear support, search-and-rescue operations in rear areas, and the inspection of ships. Japan would extend search and-rescue operations to US soldiers. The prime minister would be required to obtain Cabinet approval for the basic plan of action. Some critics in Japan argue that parliamentary approval should be required, but the government, presumably to ensure timely response to an impending crisis, opted for more readily obtainable Cabinet approval instead. The new law would empower the defense agency director-general to specify actions to be included in rear support, search-and-rescue operations in rear areas, and ship inspections, and to order the SDF to undertake such actions. The law would also authorize the government to require local governments and the private sector to cooperate. It leaves unclear, however, whether local governments and the private sector could decline to cooperate. Nor does it speak to the rights and obligations of individual citizens. The new law would not require the prime minister to obtain parliamentary approval but simply to report to parliament all decisions regarding basic contingency plans and any changes therein. Finally, the law would authorize SDF personnel to use weapons to protect themselves in the course of search-and-rescue operations in rear areas and in ship inspections.

The proposed revision of the Law on the Self-Defense Force would authorize the use of ships and ship-borne helicopters to transport Japanese citizens overseas in emergency situations. It would also authorize the use of weapons to protect SDF personnel and

³²⁰ Inoguchi Takashi and Purnendra Jain “Japanese Foreign Policy Today” Scholarly and Reference Division and Palgrave Publishers (Newyork, U.S.A 2000),p.189

Japanese evacuees. Finally, the bill to amend the ACSA would outlaw the provision of weapons and ammunition by Japan to U.S. forces, but would authorize the provision of goods and services in the course of actions taken in response to “situations in areas surrounding Japan.”

If parliament approves these bills, Tokyo will have moved several steps closer to meeting its obligations under the new defense cooperation guidelines with the United States.

7.5 FUTURE OF JAPAN AND U.S. ALLIANCE

Early on the morning of 31 March 2003, a five-man medical team from Japan—the sole Japanese contingent on the ground near Iraq during Operation Iraqi Freedom—was ordered by Tokyo to pack up and move back to Damascus to avoid potential harm.³²¹ In December, the killing of two Japanese diplomats in Iraq caused over 80 percent of Japan’s public to demand a slow-down or outright halt in Tokyo’s commitment to send troops to Iraq. Similar sentiments rose during the Japanese hostage crisis of early April 2004. Some Japanese commentators even predict the downfall of Prime Minister Koizumi should any ground forces deployed to Iraq be killed—a potentiality that has made Tokyo extremely cautious with the use of those troops.³²²

Contrast this tormented intransigence with the Japanese Diet’s rapid passage of anti-terrorism legislation in November 2001 and the dispatch of destroyers and tankers to refuel Coalition forces in the Indian Ocean. Consider also the sight of Japanese and American naval Special Forces fast-roping from an Australian helicopter to the deck of a freighter in the Coral Sea to check for potential ballistic missiles in September 2003. This training exercise, the first within the new Proliferation Security Initiative, is indicative of Tokyo’s warm embrace of this particular collective security enterprise.

³²¹ “Govt. Seen Revising Iraq Aid Plan,” *Yomiuri Shimbun*, 7 April 2003.

³²² Keizo Nabeshima, “Decision to Dispatch SDF Troops to Iraq a Water shed for Defense, Security Policy,” *Japan Times*, 1 January 2004, available on site <http://www.japantimes.co.jp/cgi-bin/getarticle.pl5?nn20040101n2.htm>.

These examples highlight the strange dichotomy that the US-Japan Security Alliance represents. On one hand, the Japanese are reluctant to share substantive risk in ventures in Southwest Asia, even though they receive more than 91 percent of their oil from that region. On the other hand, the Japanese are readily embracing other initiatives with their increasingly capable military forces which might improve their security.

Over the next two to three decades, Japan will present an increasing paradox to the United States. Japan will liberalize and expand its security posture in broad ways long sought by the United States, but at the same time will increasingly desire to chart its own course in foreign policy.³²³ In terms of reliability as a security partner across a range of issues, Japan will tend to become more Gaullist than Thatcherite, more French than British in its response to American pressure for concerted action. Current alliance closeness (which has caused a good deal of euphoria among normally pessimistic alliance managers on both sides) may be an illusion that highlights the crossing of strategic vectors, not the convergence of them.

In the future, the United States should not expect enhanced congruence in interests and methods with Japan, especially after the resolution of the North Korean nuclear crisis. Because of the coming strategic divergence, the United States should hedge and pursue a two-pronged grand strategy of attempting to buttress the alliance with Japan while seeking alternative means to maintain a forward presence and power-projection basing in the East Asian littorals. The American vital interest in East Asia is the maintenance of a stable, liberal balance of power in the region, not any particular alliance orientation. The alliance with Japan has been a highly convenient and effective means for achieving this balance. However, as interests diverge in coming decades, the pact may not

³²³ William E. Rapp, "Diverging Paths? The Next Two Decades in the U.S.-Japan Alliance," IIPS Blue Paper, p.299 (Tokyo: Institute for International Policy Studies, December 2003), <http://www.iips.org/bp299e.pdf>.

offer the same benefits. The age of formal alliances in East Asia may be coming to an end.³²⁴

In order to present the argument for the United States to adopt a strategic hedge in Northeast Asia, this article will set the foundation by examining the notion of alliance reliability and the competing values that dominate, and obfuscate, Japanese strategic intentions. Next, the trends both enhancing and reducing alliance reliability between the two partners will be outlined. This discussion will lead to specific predictions about the next two decades in the alliance relationship and policy recommendations for the United States.

7.5.1 Differing Connotations of Alliance Reliability

States create security alliances with other states for a variety of reasons.³²⁵

In the case of the United States and Japan, the original purpose of the 1951 and 1960 treaties was an exchange of asymmetrical security guarantees that both partners valued. The United States gained basing rights in exchange for securing the Japanese homeland. As the alliance has matured over the past five decades and the threat of direct invasion of the archipelago has all but evaporated, the focus of the partnership has lost its clarity. As a result, expectations of what is meant by reliability on the part of both partners have begun to diverge.

Alliance reliability in this instance has two connotations—formal and informal. The Japanese observe the more formal definition that ties reliability to the letter of the agreement. The 1960 revision of the treaty, modified by the 1997 Revised Guidelines, specifies clearly the responsibilities of the Japanese to provide basing, logistical support, force protection to bases, and use of infrastructure. In this regard, the Japanese are upholding the treaty provisions extremely well.

³²⁴Robyn Lim, "The Geopolitics of East Asia: The Search for Equilibrium" (London: Routledge, 2003), p.17

³²⁵ Ole Holsti, Terrence Hopmann, John Sullivan, "Unity and Disintegration in International Alliances" (New York: John Wiley and Sons, 1973), p.47

However, the United States tends to view long-standing alliances in a more informal manner. In this view, alliances this old and established are commitments that states make to one another which go beyond the mere letter of the treaty.³²⁶

After years of providing the protection that Japan has used to build its economic strength, the United States expects the Japanese to shoulder more of the risk involved in maintaining security in regions vital to both countries. Even though the Japanese have never reneged on a formal alliance commitment, many informed Americans who view alliances more informally tend to think Japan is not doing all it can or should as an American security partner. This represents a fundamental divergence of alliance presumptions. While this state of alliance expectations and unfulfilled demands is worrisome for Americans, it is deeply troubling to the Japanese as they attempt to shape their strategic future and manage the conflict between their grand strategic goals.

7.5.2 Japan's Security Policy Dilemma

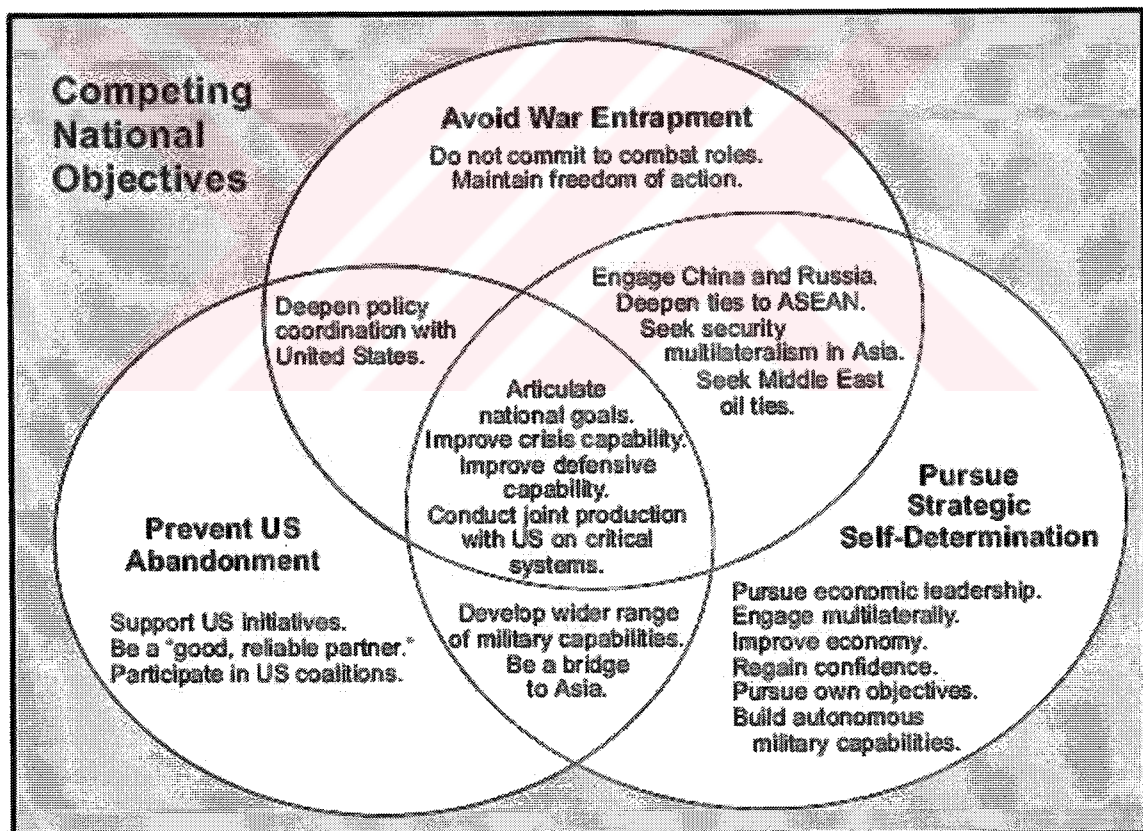
Within Japan today there exists a growing debate about the future direction of its security policy. The angst of this fundamental and increasingly public confrontation between hawks and doves, nationalists and internationalists, and the young and old grows daily. On the grand scale, three competing interests tend to cloud the desired path for Japan into the 21st century. The older and more pacifist segments of Japanese society desire to avoid entrapment in a war that may come about if they drift too far toward an active military role in the alliance with the United States or take on too much international leadership. The younger and more realist of politicians, academics, and the public want to prevent abandonment by the United States, especially with respect to North Korea, if they are seen as not supportive enough of US policies. Finally, those in the growing nationalist movement are increasingly interested in the pursuit of self-interest and advancing Japan's own specific goals, although, as a society,

³²⁶ Available on site http://www.state.gov/www/global/legal_affairs/tif_01b.pdf, and the 1997 Revised Guidelines at http://www.defenselink.mil/news/Sep1997/b09231997_bt50797b.html.

such national interests continue to elude broad-based articulation and acceptance. The common perception that Japan will either remain pacifist or veer to the extreme of its 1930s militarism is simply wrong—a middle ground may be difficult to achieve but is nonetheless available to the Japanese. Trying to determine a future strategy in security policy amid these often competing imperatives continues to pose difficulties for Tokyo and results in Janus-like responses to security issues.

Figure 7.2 Japan's three competing national security objectives

Source: [http://web-japan.org/links/government/national security/objectives.html](http://web-japan.org/links/government/national%20security/objectives.html)



The diagram in Figure 7.2 describes these three competing national security objectives and offers potential policy choices at the various intersections. The volatile situation in North Korea restrains Japanese security independence at the same time the growing insurgency in Iraq focuses public attention on the hazards of

entrapment by the United States in a conflict away from Japanese shores. As a sense of nationalism continues to develop within Japan, the dilemma may be resolved through the development of critical military capabilities and the resulting potential for greater independence of security policy.

In the past decade, Japan has made significant strides to build a more independent military capable of defending the home islands against 21st-century threats and projecting Japanese power abroad. It will be at least 10 to 15 years before Japan will have a basic missile defense system; full-package, precision-strike capability; integrated and responsive command, control, and intelligence structures; and power-projection platforms, but those capabilities are currently under construction. As Japan develops those capabilities, and loosens its domestic controls on the use of military force, its strategic options for achieving basic national security goals will increase.³²⁷

The increase in Japanese strategic options will change how the United States views the future reliability of Japan as its primary ally and partner in achieving balance and stability in East Asia. The United States is increasingly looking to Japan to assist actively in the maintenance of peace, stability, democracy, and free markets in Asia. This means substantively participating in Southwest Asian security, maintaining sea lanes of communication, countering terrorism in East Asia, and other such heretofore American-led initiatives. Given the well-documented exceptions, the Japanese response to most of these initiatives has so far been tepid. The vectors of strategic direction both the United States and Japan will follow over the next decade are not clear. Although alliance managers on both sides are highly optimistic about the closeness of the vectors at the present time, they may very likely be simply crossing on different trajectories leading to very disparate positions in the future. Therefore, it is highly useful to review some

³²⁷ William E. Rapp, "Diverging Paths? The Next Two Decades in the U.S.-Japan Alliance," IIPS Blue Paper, p.20-21,24-25 (Tokyo: Institute for International Policy Studies, December 2003), <http://www.iips.org/bp299e.pdf>.

of the factors that may enhance and reduce alliance reliability between the United States and Japan in the coming decades. If the two nations do not view each other as reliable allies, they will seek security in alternative forms. By looking at these specific situations and considering their likely trend lines, we can better predict the future state of the alliance.

7.5.3 Factors Enhancing U.S.-Japan Alliance Reliability

The end of the Cold War reduced the strategic clarity of purpose for the US-Japan alliance. Similar to the American relationship with Europe, a fog of uncertainty about the future has descended over the partnership. Over the past decade, however, several strategic factors have lifted some of this murkiness and provided the alliance a renewed sense of direction and mutual advantage. These situations tend to keep the vectors of national interest in close proximity and thus are critical to maintaining a sense of reliability within the alliance. Some of these situations are geostrategic, while others represent Japanese and American reactions to the changing security environment of the post-Cold War world. It is fitting to begin with the situation on the Korean Peninsula, long considered the “dagger pointed at the heart of Japan” and the epicenter of centuries of northeast Asian conflict.

North Korea. Kim Jong Il and the erratic policies of the Democratic Peoples Republic of Korea (DPRK) have been the driving force in the awakening of Japanese security concerns and military posture in the 1990s and serve to heighten cooperation within the US-Japan alliance. The Taepodong missile over flight of the Japanese islands in 1998 did more to encourage a Japanese commitment to increased military capability than did decades of American *gaiatsu* (foreign pressure). Both the United States and Japan are deeply worried about the future trajectory of a nuclear-equipped North Korean state, and in the long run by a unified Korea strategically tied more to its historical suzerain-China-than to the West. This convergence of threat perceptions about Korea continues to fuel vast improvements in military cooperation between the United States and Japan.

Terrorism. Mutual interests in the war on terror have brought heightened optimism to alliance managers on both sides. The sarin gas attack by Aum

Shinryko on the Ginza subway line in Tokyo in 1995 brought home to the Japanese a sense of immediate vulnerability. This sense of societal exposure created the conditions that made the rapid passage of Japan's Anti-Terrorism Special Measures legislation of November 2001 possible. This new law allowed Japan's Self-Defense Forces (SDF) for the first time to deploy warships to the western Indian Ocean and pushed the far boundaries of the long-held prohibition against collective defense. Both terrorism and the threat of ballistic missiles have become focal points for Japan's rejuvenation of its military force posture. The 2003 Defense of Japan White Paper³²⁸ clearly outlines the need for greater military capability to confront these threats. Attaining these capabilities—in areas such as ballistic missile defense, precision strike, and maritime interdiction—will require enhanced cooperation with the United States.

Ballistic Missile Defense (BMD). Combined BMD infrastructure and mutual dependencies that will arise from this cooperation will tend to bring the two allies closer together in the near future. Because the Japanese do not have the technical capability to detect missile launches and coordinate their defense against a saturation attack from North Korea, for the next decade-plus they will be forced to rely on a missile defense system integrated with American space- and sea-based assets. Since the Japanese depend on American intelligence, and because the time span between hostile launch and necessary intercept launch precludes traditional mobilization authority rules, significant changes in Japanese military policy will likely emerge in the next decade as BMD cooperation continues. The removal of the ban on collective self-defense offers the possibility of a truly integrated and risk-sharing military alliance.³²⁹

New Weapon Systems Procurement. The decisions by the Japanese over the past seven years and into the next decade to obtain new military capabilities also will likely improve the depth and reliability of the alliance. Direct procurement and

³²⁸ Foreign Press Center Japan, "Defense White Paper Calls for Country Capable of Meeting Threats," Available on site "http://www.fpcj.jp/e/shiryō/jb/0341.html.

³²⁹ Ted Osius, "The U.S.-Japan Security Alliance" (Westport, Conn.: Praeger, 2002), p. 67. and available on "Japan's Recent Step-up in Missile Defense," Center for Defense Information, 10 October 2003, <http://www.cdi.org/friendlyversion/printversion.cfm?documentID=1725>.

joint production on critical systems like ballistic missile defense, the Joint Strike Fighter, and Joint Direct Attack Munitions (JDAM) will make the two militaries more interoperable and interdependent. Changes by Japan in technology export policies to facilitate actual production of these systems will be a near-term signal of this growing interdependence.

Maritime Freedom of Action. At the same time the Maritime Self Defense Force destroyers escorted supply vessels toward the Persian Gulf, Japan began to participate more rigorously in naval exercises in Southeast Asia. Like the United States, Japan relies on free and open sea lanes of communication for its prosperity and attainment of vital interests. With over 90 percent of its oil transiting from the Persian Gulf region, Japan is critically concerned with maritime security and freedom of action—a ready source of congruence with the US Navy. Piracy in Indonesian and Filipino waters continues to pose a major problem for trade-dependent countries in the region and has provided a legitimate, although not fully welcomed, venue for increased Japanese naval activity beyond its coastal waters.

Increasing Ability to Use Force Abroad. In conjunction with new policies allowing for a more aggressive use of military assets abroad, the Japanese are developing military capabilities clearly designed to project force away from the home islands. Japan's modifications to the American F-16 aircraft, renamed the Japanese F-2 fighter, resulted in 25 percent greater fuel capacity and two additional hard points for ordnance. Combined with air-refueling training, the decision to buy B-767 refuellers, and the August 2003 decision to buy JDAM kits, the Japanese soon will have limited precision-strike capability. The commissioning of the large *Osumi* class of flat-deck, helicopter and landing-craft capable transports allowed for the deployment of Japanese troops to East Timor and Iraq. Finally, the recent design unveiling the new 16DDH class of small aircraft carriers—capable of handling VSTOL aircraft—clearly indicates a desire to be able to project force internationally. For the most part, the United States welcomes these developments because they give Japan the ability to share the

burden of stability operations in greater East Asia.³³⁰

Lack of Strategic Alternatives for Security. While the factors discussed above bring the alliance closer over shared security interests, the most basic element in continued alliance closeness is a lack of alternative means of achieving this same degree of national security. Although the Japanese have expressed interest in expanding the ASEAN plus three security forum, there is no history of multilateralism in East Asia that supports such a system as a lasting means to ensure stability in the region.³³¹ While North Korea remains a powder keg and China's future strategic goals remain opaque, the alliance between the United States and Japan offers each the only clear and feasible security option. Because of this, the alliance will continue to be strong for the next decade or so. When external conditions and changes in military posture allow, both countries may view the alliance as an increasingly unreliable, and thus perhaps unnecessary, means of achieving security interests in the region.

7.5.4 Factors Reducing U.S.-Japan Alliance Reliability

For a number of reasons, Japan will increasingly seek to chart its own course in the future and will be less likely to respond favorably and quickly to selected American requests for military and diplomatic support. Resource shortfalls, attitudinal changes, and an increased sense of self all combine to make the long-term health of the alliance questionable. As with most developed countries of the world, these concerns start with money and oil.

Japanese Economic Woes. Although Japan's GDP growth is barely positive, the macro-economic situation in Japan continues to be extremely dismal. Huge budget deficits, reaching 48 percent of federal spending, have created mammoth national debt pressures. The banking and loan default crisis continues unabated as yet another bank has recently been nationalized to prevent its collapse. The future is

³³⁰ Yoshitaka Sasaki, "Does Japan Need a Light Aircraft Carrier?" *Asahi Shimbun*, 3 October 2003; and Richard Halloran, "Japan Rethinks Issue of Self-Defense," *Honolulu Advertiser*, 13 July 2003.

³³¹ William E. Rapp, "Diverging Paths? The Next Two Decades in the U.S.-Japan Alliance," *IIPS Blue Paper*, p.30-31 (Tokyo: Institute for International Policy Studies, December 2003), available on site <http://www.iips.org/bp299e.pdf>.

no less bleak. The population of Japan, raised under the assumption of a generous social safety net, is increasingly aged and will face a pension crisis within decades.³³² The net results of this economic situation are twofold. First, Japanese companies are forced to invest heavily in Chinese labor and resource markets, with resulting demands from the business community for policy accommodations toward China. Second, there is declining budget space for defense spending—a necessity to remain useful as an alliance partner with the United States. Although on one hand a lack of money for defense might drive the Japanese toward the Americans for protection, the failure of the Japanese to pull their weight in the alliance will further exacerbate American frustrations. The inability to fund military modernization on a large scale will only increase the capabilities gap between the two allies.

Oil Demand and Resource Politics. Exceedingly energy-resource poor, Japan imports over 91 percent of its oil from the Middle East and is looking to diversify those sources. This need for oil will tend to increase US-Japan policy friction as Tokyo seeks separate accommodation with oil exporters.³³³ This has been seen clearly in Iran in recent months and will make Japan seek to accommodate Russian aspirations in the Far East. Oil needs likely will lead to Japanese divergence from American policy positions vis-à-vis a number of Asian and North African nations. While America is focused on fighting the war against terrorism and preventing the proliferation of weapons of mass destruction and missile technologies, the Japanese are focused on securing future import streams of oil and natural gas. The competing imperatives may lead to confrontations damaging to the alliance.³³⁴

Trade Frictions. Although now removed, the US steel tariffs and resulting punitive reactions from Japan were emblematic of a renewed friction in trade relations between Tokyo and Washington. Quiet for most of the 1990s due to the Japanese economic downturn, the recent spike in adverse trade policies reflects

³³² Available about the population projections at <http://www.web-jpn.org/stat/stats/01CEN2C.html>.

³³³ Jane's Information Group, "Main Economic Indicators-Japan," available on site <http://www4.janes.com/K2/docprint.jspK2DocKey=/content1/janesdata/sent/cnasu/japns080.html>.

³³⁴ Yasuhiro Nakasone, *The Making of the New Japan* (Surrey, Eng.: Curzon Press, 1999), pp. 193-194.

competing internal pressures in Tokyo. The Ministry of Foreign Affairs, long the strongest supporter of the United States, is losing the policy fight with the Ministry of Economy, Trade, and Industry (METI) which supports policies of economic growth at the expense of the alliance relationship. As long as economic recovery is at the fore of Japanese domestic politics, METI will continue to dominate the other ministries on external policy.

Geopolitics in East Asia. Despite the prominence of history and recent territorial confrontations, trade relations and a desire to make a strategic hedge for the future have led to a significant Japanese detente with China since 1997. In 2003, Japan's bilateral trade with China surpassed \$132 billion, representing a 30-percent increase from 2002 and passing the United States as Japan's top trading partner.³³⁵ Given the economic woes of Japan, these ties are vital to renewed Japanese financial and budgetary solvency. The situation with Taiwan, Japan's fourth largest trading partner, is similarly causing the Japanese to hedge away from the United States. As the Bush Administration tightens political and military ties with Taipei, many Japanese have begun to fear entrapment in a US-China confrontation. Combined with increased economic interaction and a desire to find a peaceful resolution to the DPRK nuclear crisis, this has led to renewed Japanese interest in enhancing diplomatic ties with the Middle Kingdom.

Rebirth of Nationalism. As Eugene Matthews noted recently in *Foreign Affairs*, the Japanese are rediscovering their sense of nationalism and desire for independence of policy. Conversations with younger Japanese politicians about the alliance with America reveal a marked and relatively uniform desire for greater strategic self-determination. Although many in neighboring countries are shrill in their worry about a remilitarized Japan, it is folly to believe that Japan faces a choice between continued one-country pacifism and the nationalistic militarism of the 1930s. There are choices in-between, and the tone of learned writings and political statements from Japan indicate a reasoned and

³³⁵Eric Heginbotham and Richard Samuels, "Japan's Dual Hedge," *Foreign Affairs*, 81 (September-October 2002), 110-121.

determined shift toward assertiveness and policy autonomy.³³⁶

Attitudes Among Japanese Toward American Foreign Policy. Central to the shift in policy stance among Japanese politicians and commentators is a concern with American power and perceived unilateralist tendencies.

Like Germany, France, China, and Russia, Japan is concerned with American hegemony and the tendency of the United States to use force without international sanction. In polls of the Japanese people, North Korea and the United States are the two countries deemed most likely to involve Japan in a military conflict. By asserting the right of preemption and showing disdain for certain multinational agreements like the International Criminal Court and the Kyoto Accords, the Bush Administration has alienated a large percentage of the Japanese public.³³⁷

Recent History of Timely Participation with the United States. Central to an American conception of reliability has been the willingness of Japan to participate in ventures the United States deems vital for the maintenance of global peace. Although the Japanese rapidly passed the Anti-Terrorism Special Measures Act in November 2001 following the World Trade Center attacks, they have been notably reluctant to push forward plans that would put Japanese citizens in harm's way in support of American initiatives. The 1997 Revised Guidelines arose out of American concerns with Japanese reliability following the first Gulf War and the North Korean nuclear crisis of the mid-1990s. American fears about nonresponsiveness and a Japanese unwillingness or inability to accept risk with the United States have not abated much since then. In the early summer of 2003, Prime Minister Junichiro Koizumi vowed to put Japanese forces on the ground in Iraq. It took nearly seven months (and numerous site surveys and public debate)

³³⁶ Eugene Matthews, "Japan's New Nationalism," *Foreign Affairs*, 82 (November-December 2003), p.74-90

³³⁷ "Poll Shows Fear of War at Highest Ever," *Asahi Shimbun*, 31 March 2003, and "Poll Reveals Rise in Public Fears over War," *Yomiuri Shimbun*, 31 March 2003

for the first Japanese ground contingent to arrive at Samawah. Although the Bush Administration has been rigorous in avoiding the appearance of putting overt pressure on the Japanese, friction and frustration have risen on both sides.

Public Fear of Casualties. Deep down, the past six decades of peace in Japan have resulted in an expanded conception of security that makes the safety of the individual citizen more important than overall national security. The noted commentator Seizaburo Sato poignantly described how the conception of “comprehensive security” has evolved over the last four decades in Japan, with the result being an “irrational” prioritization of the individual over the state, even if national survival would be at stake.³³⁸ Debate on this topic is muted in Tokyo, because very few commentators and even fewer politicians are willing to take the side of the state over the individual. Because of that, Japan has not yet come to any semblance of consensus on what national interests are worth the life of any of its citizens. Oil from South-west Asia, although it is without question the lifeline of Japan, is clearly not one of these interests. The machinations about finding a “safe” sector in Iraq is a case in point.³³⁹ Neither, it appears, is the war on terror—as the Japanese ships supporting Operation Enduring Freedom remain well beyond the range of threats. Nor does the need to take a hard line with North Korea over potential nuclear weapons and ballistic missiles (clearly pointed at Japan) supersede the public desire to fully account for the handful of abducted Japanese citizens and their families in North Korea. At the end of the day, this fear of harm to the individual puts the reliability of the alliance between the United States and Japan in serious question.

³³⁸Seizaburo Sato, “Why the Shift From Kokuba to Anzen Hoshō? A Study of the Basic Issues Surrounding Japan’s Security,” *Asia-Pacific Review*, 7 (November 2000), 29.

³³⁹ “Many Japanese Fearful of Troop Aid to Iraq,” Associated Press, 1 December 2003, available on site <http://www.foxnews.com/story/0,2933,104433,00.html>.

7.5.5 Trend Lines

As discussed above, there are numerous factors that both support and detract from the reliability of the alliance to ensure peace and stability in East Asia. For the most part, these issue areas are snapshots that by themselves do not adequately predict the future of the alliance. It is therefore useful to discuss trends among these factors, since the effects of some are unclear, while others are clearly increasing or decreasing in salience. The end result appears to indicate that the expansive view of the alliance, as conceived of by more optimistic Americans, could be in trouble, and security alternatives should be explored.

7.5.5.1. Unclear Trend Lines

For some factors, the direction of the trend line is unknown and could either support or detract from the alliance between the United States and Japan. Given the risk-averse nature of the Japanese and the impatience of Americans, the effect of these trends is probably toward a strategic hedging behavior instead of the extremes of outright dissolution of the alliance or complete military support for American initiatives.

The most important of these is the changing Japanese attitude toward national security and Japan's defense establishment. As discussed above in the sections on North Korea, terrorism, BMD, and weapons procurement, the Japanese are awakening to the security environment of the 21st century and building markedly improved military capabilities. The *2003 Defense White Paper* and FY2004 budget submission indicate a clear recognition of the need for new military capabilities like power projection, precision-strike weaponry, and ballistic missile defense. These capabilities dovetail well with long-standing American desires for Japan, but whether or not they indicate a shift toward or away from a tighter military alliance is unknown. Clearly they make closer military cooperation possible. However, these new capabilities also put Japan on a course toward a more autonomous security posture should it choose to take

that route.³⁴⁰

The economic future of Japan also has an unclear effect on the alliance. Achieving security autonomy from the United States would be exceedingly costly for Japan. Unless Japan is willing to increase its defense budget to three to five percent of GDP from the current cap of one percent,³⁴¹ it cannot buy its way out from under the alliance without seeking alternative means of reducing regional risk through accommodation with China. Expenditures of this magnitude do not appear possible for a Japan facing continued deep recession, immense social security obligations in the coming decades, and a public deeply skeptical of a huge defense buildup. Therefore, building key military capabilities, while avoiding alliance obligations that would jeopardize its relationship with China, appears to be the prudent middle road for Japan.

Finally, Japan's energy strategy in the coming decades presents an increasingly important security factor for Tokyo that will, like the economic situation, likely cause hedging behavior by the Japanese. Currently, Japan imports more than 90 percent of its oil from the Middle East but is looking for ways to reduce this dependency. Oil and gas ventures with Russia bring Japan into direct competition with China but also will demand Japanese strategic accommodation to non-American world powers.

7.5.5.2. Trending Toward Greater Importance

Some factors are clearly increasing in importance and therefore will have a large effect on the future of the alliance. The Japanese sense of nationalism and desire for self-determination of national policy are foremost on this list. The era of deference to the United States on key issues is over, and policy accommodation by Washington is increasingly expected by the Japanese. The increased hedging behavior by the Japanese toward China is also quite clear. Although the long-term designs of the Middle Kingdom worry the Japanese greatly, increasing economic

³⁴⁰ "Defense White Paper Calls for 'Country Capable of Meeting Threats,'" Foreign Press Center-Japan press release, 14 August 2003, available on site <http://www.fpcj.jp/e/shiryō/jb/0341.html>. The Daily Yomiuri, 18 December 2003.

³⁴¹ Robyn Lim, *The Geopolitics of East Asia: The Search for Equilibrium* (London: Routledge, 2003), p.15

interdependence, nascent regional multilateralism, and a common desire to reduce American hegemony are slowly driving closer Sino-Japanese ties. Finally, the Bush Administration appears to be pursuing alternative basing schemes in East Asia. This trend is more than simply a reaction to potential American hostages in Yongsan and may signal a strategic retrenchment in Asia and Europe.³⁴²

It is certain the Japanese have noticed the Rumsfeld initiatives, and the upcoming decision on whether or not to accept basing of the nuclear aircraft carrier USS *Carl Vinson* in Yokosuka will significantly affect the pace of those alliance reviews.

On the other hand, the willingness of the Japanese to help secure sea lanes and fight missile proliferation shows an increasing congruence of interests with the United States in these vital areas. Protection of sea lanes by naval and coast guard forces—a defensive exercise—is seen by most Japanese as a more acceptable use of military force than putting ground troops into a contested region like Iraq or Afghanistan. Adding to the likelihood of further cooperation in this endeavor is the Maritime Self Defense Force’s willingness to push the boundaries of the Peace Constitution and cooperate with the US Navy when away from home ports.

7.5.5.3. Trending Toward Less Importance

Admittedly, most of the factors previously discussed are increasing in importance, although the end result on the alliance of the trends may not be readily apparent. Some do appear to be strategic speed bumps that will likely have minimal effect on the US-Japan partnership in coming years. Trade is one such area. Although much was made of the recently rescinded American steel tariffs and potential counter-tariffs from Japan, South Korea, and Europe, the Bush Administration is overwhelmingly composed of free-traders who will eventually regain policy control and work to open up markets. The alliance is not

³⁴² Dennis E. Mitchell, “Forward Deployed Naval Forces in Japan,” Strategy Research Project (Carlisle, Pa.: US Army War College, 7 April 2003), pp. 12-13.

currently plagued by the economic competition that marked the 1980s and early 1990s, and which led some to label the Japanese as peer competitors ready to undermine American vital interests.

It is apparent that Japan is slowly achieving strategic freedom of action and therefore may not in the future feel bound to the asymmetrical nature of the alliance. Younger members of the Diet tend to agree with the politically powerful Shinzo Abe who remarked, “The defense relationship between [the United States and Japan] should be complementary and not dependent.”³⁴³

7.5.6 The Alliance in 2015 and U.S. Policy Recommendations

The overall trend for the United States is away from, rather than toward, rigid and formal alliances to obtain security in various regions of the world. The Cold War alliance structures, driven by bipolarity, are a historical aberration for the United States. Given the current asymmetrical distribution of world power, America will continue to find greater efficacy in informal coalitions than in long-term, formal alliances. By hedging with China and by dragging its feet on American initiatives in order to secure its own strategic flexibility, Japan will likely hasten the downfall of the alliance.³⁴⁴

In 2015, the US-Japan Security Alliance still will be legally in force; however, both countries will likely have made great strides to expand their security options in the region beyond reliance on each other. Americans probably will retain considerable basing rights in Japan, though less than currently utilized, especially in Okinawa, which remains a lightning rod for nationalist complaints in Japan. The United States will be more focused on providing strategic balance in East Asia than on supporting any one particular nation, as strategic relations with China and Russia likely will be less confrontational. Japan will have a much more robust military capability and, with the exception of not having a nuclear deterrent, will be more active in East Asian security affairs and maintaining freedom of the seas. The Japanese likely will have publicly re-examined Article IX of their

³⁴³ James Webb, “Is America Neglecting a Good Friend?” *Parade*, 12 January 2003.

³⁴⁴ Menon, “The End of Alliances,” *World Policy Journal*, 20 (Summer 2003), p.1

Constitution and legalized both the existence of a military and the ability to conduct collective defense with other nations.

Finally, the two countries will have a significant cooperative venture ongoing in ballistic missile defense that serves well the interests of both countries without necessarily obligating military cooperation in other venues. On average, in 2015 the strategic vectors of Japan and the United States will have diverged significantly in many areas.

This view of the likely strategic situation between the United States and Japan a decade from now is in no way predetermined. Three situations in particular could reinvigorate the alliance and make it more akin to the Anglo-American relationship. A rise in aggressive, anti-Japanese supernationalism in China could convince Tokyo to abandon its hedging policies. A forcible reintegration of Taiwan or assertion of exclusive navigation rights by China in the South China Sea could also push the Japanese toward a more participatory stance in the alliance. Finally, the reunification of Korea under a distinctly anti-Japanese banner would create the conditions necessary for both the United States and Japan to view the alliance as absolutely essential to their respective vital interests.

Given the issues and trends discussed above, the United States should follow a hedging strategy in Asia and adopt the following policy recommendations.

Policies to Enhance the Alliance

Push combined ballistic missile development and fielding in a manner that requires Japan to resolve its political dilemma on collective defense without overtly applying international pressure.

Mirror Japan's emergency legislation and increase in SDF roles with substantively increased bilateral command, control, and consultation mechanisms in Japan, US Pacific Command headquarters, and in the Pentagon.

Continue the Bush Administration practice of frequent, high-level consultations with Japan so as to emphasize to both Japanese and other Asian audiences the

importance the United States places on the relationship.

Earnestly address Japanese concerns with the Status of Forces Agreement and make a substantive, though largely symbolic, withdrawal of some portion of the US Marine Corps presence in Okinawa. Move at least two Marine infantry battalions to alternative basing sites in Asia, possibly Darwin, upon completion of their tour in Iraq in 2005.

If and when Japan “legalizes” its armed forces, make a highly public recognition of the legitimacy of that act for Asian audiences. Policies to Increase Strategic Flexibility (Hedge) in Asia work through or create a fabric of multilateral institutions to enhance security transparency in Asia, like the Proliferation Security Initiative, and create opportunities for collective action on regional issues. Seek alternative basing and military access arrangements in East and Southeast Asia. Expand island basing options in Guam and the western Pacific and explore potential basing or access options in Australia, the Philippines, Thailand, Singapore, and Vietnam.³⁴⁵

7.6 CONCLUSION

The eventual demise of the US-Japan Security Alliance is not a fore-gone conclusion. However, the trend lines in both Japan and the United States do not guarantee the retention of the alliance in the same form as today. Within the next decade, significant changes in the partnership will have to occur for the alliance to remain viable and effective for both countries. At the current trajectory, the perceived lack of reliability of Japan as an alliance partner will likely cause the United States to seek alternative means of achieving peace and stability in the region.

As seen from Tokyo, the asymmetrical nature of the alliance and the continued demands from Washington for military support around the globe create a burden ill-suited to the emerging Japanese view of themselves and the world. It is highly

³⁴⁵ William E. Rapp “Past its Prime? The Future of the U.S.-Japan Alliances” *Parameters* Summer 2004, p.104-120

likely that both the United States and Japan will pursue hedging strategies in order to obtain more flexible security options in the future. Unless China emerges as an aggressive regional superpower or a reunified Korea becomes hostile to Japan and the Pacific interests of the United States, the centrality of the alliance is likely to diminish over the next 10 to 20 years.

The clarity of the Cold War is gone, and the emerging security environment is best served by flexible access and basing rights, rather than the formal alliances of the past half-century. It is best to recognize the dimensions of the new era now and move forward, rather than to drag along an alliance that may be past its prime. All of the bilateral relationships of the Northeast Asian strategic triangle probably will remain in flux during the remainder of the 2000s and the first years of the 21st century. The U.S.-Japan tie will probably be the most stable, even though disputes over trade may frequently place the alliance under strain. But, aside from economic competition, U.S. and Japanese national interests tend to be compatible. Differences over trade issues, as large and significant as they may be, are not as fundamental as the underlying agreement on the international trading system which has supported the prosperity of both nations. Moreover, both Washington and Tokyo benefit from a stable regional environment, and both would feel threatened by the emergence of a hegemon on the Asian continent. Under current and foreseeable conditions in Northeast Asia, Tokyo is likely to support Washington's policy of forward presence and engagement in the region. And while there are significant differences in the political cultures of Japan and the United States, the commitment of both to market economies, democracy, and human rights provides an ideological foundation for the alliance.

The U.S.-Japan relationship is also the most highly institutionalized of the strategic triangle. Washington and Tokyo are partners in an alliance formed over 40 years ago with formal and informal structures for decisionmaking, and tested patterns of cooperation. In both private and public sectors there are networks linking Japanese and Americans with similar interests and concerns. The centrifugal forces in U.S.-Japanese relations, which may be strong and involve stakes of great importance, will be resisted by mature

organizations and inertia grounded in years of experience. These considerations should cause leaders in both nations to defend the alliance to their respective constituencies.

The unforeseeable conditions which would most likely undermine the strong foundations of the alliance would involve significant domestic political developments in one or both nations. It is probable that the victory in Washington of isolationists who would disengage from international responsibilities or the emergence of nationalists with an agenda of international aggrandizement in Tokyo would require a different U.S.-Japanese relationship. It is also likely that the strongest stimulus for the success of assertive nationalists in Japan would be the perception of impending U.S. disengagement, which would create widespread fears among Japanese for their security. Even a government of moderates would have to review defense policy should the United States disengage from Northeast Asia. Japanese defense policy is anchored in the belief that the United States will act as its protector. When that belief can no longer be sustained, new defense policies likely to cause destabilizing reactions from other governments in the region are almost inevitable.³⁴⁶

The end of the Cold War and the collapse of the Soviet Union spelled the end of the ideologically inspired strategic rationale of the U.S.-Japan alliance, and this has raised and continues to raise serious questions about the viability of the alliance, not to mention the costs and benefits, to the respective countries, of maintaining the security treaty. However, the changes in the strategic environment have not fundamentally altered the power relationship between the United States and Japan with respect to the bilateral security treaty system. Hence, the competing views introduced earlier on the desirable or possible directions for future U.S.-Japan relations. On the one hand, those in the United States and Japan who emphasize the change in the regional strategic environment tend to call for a more drastic change in the bilateral alliance. On the other hand, those who stress the continuing unequal power relationship between the two countries tend to prefer more incremental changes in the alliance. Washington and Tokyo are faced with these competing thrusts as they seek a new strategic rationale for

³⁴⁶ Thomas L. Wilborn "International Politics in Northeast Asia: The China-Japan-U.S. Strategic Triangle" The Strategic Studies Institute of the U.S. Army War College, March 1996

their alliance in the twenty-first century. This is by no means an easy task.³⁴⁷

Should Washington and Tokyo fail either to maintain the U.S.-Japan Security Treaty System, or to develop a multilateral security framework to supplement or replace the bilateral alliance, Tokyo would face even more uncertain and unsettling options. They are (1) accommodation with Beijing to neutralize China's possible hostility, (2) a strategic partnership with Moscow to counter China's growing power, (3) a concert of powers including the United States, Japan, China, and Russia, and (4) defense buildup and independent security policy.

Accommodation with China would likely reduce Japan's already dubious influence in China over such issues as human rights, defense buildup, arms exports, and even territorial demands on its neighbors, possibly compromising Japan's own claims to the Senkaku Islands. As well, it would increase Japan's financial burden to support China's economic development, which would further strengthen China's national power and weaken Tokyo's leverage over Beijing. More importantly, a Japan-China accommodation of this magnitude might seriously undermine Japan's relations with the United States, politically and economically.

A strategic partnership with Moscow that could balance China's growing power would require a full settlement of the Russo-Japanese dispute over the Northern Territories, not an assured prospect despite the visibly improving relationship between Moscow and Tokyo since 1997. Even if the two countries were able to find a mutually acceptable solution to the territorial dispute, a full-fledged strategic partnership between Tokyo and Moscow would likely entail a substantial burden on Japan: massive economic aid to the struggling Russian economy and equally substantial Japanese investment in the fledgling markets, a risk that most Japanese businesses would like to avoid.

From the perspective of the effects of U.S.-Japan strategic alliance to Pacific stabilization, U.S. should not press too much Japan in order to expand its marketing share in this region, if not, this behaviour will empower Chinese extension to the Pacific.³⁴⁸

³⁴⁷ Hara Yoshita, "The Japan-U.S. Security Treaty System-Continuity and Change" Kokusai Seiji (May 1997), p.1-10

A concert of great powers, involving the United States, Japan, China, and Russia, would require an unprecedented convergence of future visions among these powers. This is not a likely prospect. Given Japan's historical aversion to a balance-of-power--based political order in Asia, moreover, it would be surprising if Tokyo chose this option over the others.

Finally, Japan's military aggrandizement would be equally problematic. It is true that Japan has developed substantial military capabilities through direct arms purchases from the United States, defense technology cooperation with the United States, and the research and development program of its own. The experience the Japanese defense industry has thus gained is varied enough and advanced enough to provide Tokyo with some powerful indigenously developed military hardware. However, an independent Japanese defense policy would almost certainly mean the end of Japanese access to U.S. Weapons technology. Japan would have to finance its military buildup entirely on its own. This might tempt Japan to go nuclear, but such a prospect would surely frighten its neighbors into a coalition against Japan. Tokyo's decision to abandon its three nonnuclear principles and to develop nuclear weapons would polarize and destabilize Japan, where pacifism and antinuclear sentiment run deep.

Clearly, then, Tokyo's best alternative is to continue its alliance with the United States and, where the bilateral cooperation is inadequate to meet post-Cold War regional security challenges, to develop bilateral and multilateral security dialogues and consultations with other countries of the region. This indeed is the alternative Tokyo has decided to pursue toward the twenty-first century.

8.FUTURE CHALLENGES

³⁴⁸Mesut H.Çaşın, “ Japan:Rising Sun in Pacific” Euroasian File Vol.5 (Summer 1999 Istanbul),p.211

Of course, Japan is making progress in shouldering its global political responsibilities. But in the years ahead there must be greater harmonization of burdens, responsibilities, and powers for maintaining the peace and stability from which Japan benefits.

Morita Akio. 1993

Japan today seems to be in its twilight and there are no dreams for the future of the country.

Kate Koichi, October 1997

Japan at century's end is a chastened nation. Its confidence in its exceptionalism has been eroded by a series of jolts to its economic and psychological well being during the 1990s. It remains a nation with very considerable assets but it faces a range of domestic and international issues where neither the state nor the public appears well prepared for what may be unpleasant choices. There remains both a great deal of unfinished business in the area of political, administrative and educational reform and a considerable gap between what other powers regard as responsible action towards the wider world and what Tokyo still sees as excessive and unreasonable demands.³⁴⁹

8.1. Japan: A Setting Sun?

Two years ago, with an economy mired in recession and reeling from a full-blown financial crisis, Japan's elites realized that something had to give. They embraced a complete overhaul of the country's banking system and acknowledged the need for structural reform of the economy as a whole. Reform peaked in 1998, when Tokyo moved to rescue the financial system from imminent collapse, cut regulations, and revitalize industry.

Today Japan's recovery hangs in the balance. Just when the momentum for reform appeared unstoppable, the government's revival strategy began to lean too heavily on fiscal stimuli, pushing Japan into a spending rut. Economic growth will halt if Tokyo ignores the pressing need for reform. The government is backpedaling because the sense of urgency

³⁴⁹ Rodger Buckley "Japan Today" (Cambridge University Press, U.K., 1999) p.192

generated by the banking crisis has eased, because the economy is showing some signs of recovery, and because the upcoming general election is looming large in the minds of ruling Liberal Democratic Party (LDP) politicians. But the underlying problems remain, and shallow political opportunism is derailing reforms vital to Japan's future economic recovery.

By slowing reform, Japan risks losing whatever economic momentum it has recently achieved. Self-sustained growth seems frustratingly elusive. Vital indicators of economic health, such as personal consumption and business investment, remain weak. The decline in capital spending appears to have leveled off, but consumer spending continues to shrink. High-profile corporate failures are still causing mass layoffs. Many companies are trimming wages, bonuses, and work forces. Unemployment has reached unprecedented highs, according to records dating back to the early 1950s -- hardly a boost to consumer confidence. And consumer spending is unlikely to revive until the job outlook improves.

The only big spender in Japan today is the government, which launched nine mammoth stimulus packages, totaling \$1.2 trillion, between 1992 and 1999. The country's very modest return to growth in the first half of 1999 was fueled almost entirely by state largesse. Aggregate demand rose directly in line with increases in public-works spending. But when the effects of the pump-priming wore off in the third quarter of 1999, Japan slipped back into the recession that has plagued the country since 1993.

Japan's inflated budgets present another obstacle to economic recovery. Consumers and taxpayers fear that ultimately they, their children, and their grandchildren will have to finance the government's profligacy. Japan's aging society will severely strain social-welfare services and pensions, and many employees doubt whether they will ever see their promised benefits.

Furthermore, public confidence in Japan's government has been shattered. The bureaucracy's policy failures during the banking and economic crises cost it both credibility and trust. The bureaucracy's reputation was further tarnished by the various corruption scandals involving elite officials. As Japanese ministries try to halt the

devolution of their powers to businesses and consumers by mounting a last-ditch defense against deregulation, the Japanese public grows increasingly frustrated.³⁵⁰

8.2. Uniqueness and Internationalism

The language barrier between Japan and the rest of the world is relatively easy to define and therefore perhaps to deal with but underlying it is a much more ambiguous and insidious problem. This is the dichotomy between the actual Japanese position of being among the world leaders and their perception of themselves as being so distinct from the rest of humanity as to be unique. They are both self-satisfied almost to the point of arrogance and at the same time somewhat ill at ease with others. They are simultaneously world leaders and world loners. This situation is confusing not only to others but also to the Japanese themselves. It gave rise to the great Nihonjin-ron debate in the 19 over what it meant to be Japanese. Today it has made the word kokusai-ka “internationalization” virtually a buzzword. Almost every organization seems to wish to include ‘International’ in its title. ‘Internationalization’ is on everyone’s lips even when the speaker has no real concept of what it means.

The origins of Japan's sense of uniqueness are easily found in its long history of isolation at first natural but later self-imposed its distinctive culture, its unusual type of language, its unique and very difficult writing system, and its strong patterns of group organization. Above the close knit family stood the local community above it the feudal domain or modern company and at the top the nation, which was geographically, linguistically, and culturally very distinct from all others. To the Japanese the world seemed quite obviously divided between Japan and the rest of the world. Other categories were not important, such as the lands of East Asian culture, Christendom, or even the human race. The important thing was that one was either Japanese or one was not.³⁵¹

8.3. A Final Word

According to my research, In future we can expect some scenarios about the Far East Asia. These are as the followings:

³⁵⁰ Aurelia George Mulgan , Australian Defence Force Academy of the University of New South Wales, Foreign Affairs July/August 2000,p.29

³⁵¹ Edwin O. Reischauer “The Japanese Today” Harvard University Press ,(London, England 1988),p.395

Firstly, Rising China in this region is still competing with Japan, still a strong ally of U.S., about the regional domination and sovereignty. Global Security will be effected inevitably from the shaping of international position in Far East Asia. Strongly this will be depended upon the attitudes of Japan and China, the most leading countries in Far East and the attitudes of U.S. to this both country. A Stabilized East Asia which is institutionalized step by step and balanced carefully by U.S.-China-Japan strategic triangle is going to establish a very important East Port in order to struggle against wider Euroasia turbulence.

Secondly, Japanese visualize China as a potential security threat and a rising rival against its economical and political power. It is still a great concern for the Japanese that Russia doesn't forget the issue of South Kurile Islands and formally up to now, Japan-Russia Peace Treaty is not signed since World War II, though fifty five years passed. Japanese sees their dependence to U.S. as a temporary and strategic must after the World War II. Japanese are aware of lacking of their natural resources and more concern about social and economical results against their rapidly aging population.

Thirdly, If Japan renounces the dependence of the U.S. or if U.S. withdraws its forces at once, Japan may take Taiwan as an allied country and may follow the enemy policy to China openly and support this policy by increasing its nuclear power and naval forces. Consequently, Japan-China conflict will be inevitable.³⁵²

Last but not least, Security ties will be defined again by U.S. among Japan, South Korea, and Taiwan against China mutually and officially. U.S. will support Taiwan about leaving from China. About the third and fourth scenario China will find itself encompassed geopolitically in both cases and India will try to benefit the opportunity to make pressure upon China in order to take back the ground which is taken during the 1960s border fights.

It is not surprising that there is a silence race among the Asians about naval forces. All great countries in this region try to make their naval forces stronger than before, try to find a way to buy new big aircraft ships. China and India modernize their fleets and expand their submarine fleets in order to make a challenging naval force to the countries in this region. In 2001, Japan acknowledged that they will send patrol ships regularly to Malaka

³⁵² Zbigniew Brzezinski "The Choice-Tercih" (İnkilap Kitapevi, İstanbul 2005), p.146

Strait,so they can protect their cargo ships.Japanese try to look for a long term naval fleet by getting aircraft ship which will carry their assault helicopters.Nowadays,Japan plan is to provide great aircraft ships to their fleet ,so they can carry their Harry Jet. Although Japan Naval Forces are moderate in comparison to U.S. Naval Forces, are still the strongest and the most modernized among the Asian countries.

As a result, peace or war in Far East will be depended on the relation to U.S by China and Japan.If U.S. withdraws its forces from the region, the scenario in Europe in the twentieth century will be possible to live again. And Japan will have a little choice to give up disarmament and speed its armament, following this choice, China will give priority to expand its nuclear power.China-India-Pakistan will establish a dangerous triple base to the conventional war.

In the following ten years, the most probable situation in the region is that China will try to be the rising power in the region, Japan will try to get a rising military power and U.S. will want to dominate both of these powers.China is getting closer to the era just after the communism period with an increasingly nationalist feelings.Japan is unpeaceful how rate it will be depended to the U.S. which sometimes acts arbitrarily.

Up to Chinese perspective, it is worse that Japan comes to an edge of being a nuclear power.Because Japan has so well educated scientists who will bring the pieces into a whole shape in order to produce Atomic Bomb.Besides Japan is the third country in the world which produces nuclear power by its fourty four nuclear reactor.In the following ten years,Japan is predicted to have the biggest plutonium resources.Briefly Japan is stated as a de facto nuclear power at the edge of nuclear door.

The challenge to Japan policy in Asia and Pacific is to continue to provide a leadership role in the region.In the Asia of the twenty-first century, Japan policy should seek to weave just such a web of entangling relationships with U.S., China, Russia and other countries that encompass commercial, financial, political, and military issues.Japan can accomplish this only if it is active player-in all these dimensions-in its region and in World.

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