

YIJC H1 HISTORY GCE A LEVEL THEME II (Syllabus: 8838)
THE COLD WAR & EAST ASIA: 1945 – 1991



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CHAPTER 2 – JAPAN & THE COLD WAR: 1952 - 1991

a) Development of Japan: US Relations

- i. **Alliance & Tensions:** Security Alliance, Share of Defence Burden, Economic Relations (Aid, Trade, Market Access)
- ii. **Factors Shaping Relations:** Japan's Economic Status, Japan's Domestic Politics (Differences over Japan's Alliance with US, Role of Japan's Security Forces, Consensus on Nuclear Weapons), Japan's Perceptions of Communist Threat, US Cold War Strategy

b) Japan's Other Responses to Cold War

- I. **Political Responses:** Impact of Relations, Engagement of China
- II. **Economic Responses:** Impact of Relations, Engagement of China & SEA

Theme II	THE COLD WAR AND EAST ASIA (1945–1991)	
	How did the Cold War play out in East Asia? What role did East Asia play in the Cold War?	
CONCEPTS (Students understand:)	CONTENT (Students study:)	LEARNING OUTCOMES (Students are able to:)
	Japan and the Cold War (1952 – 1991) • Development of Japan–USA relations – Japan–USA alliance and tensions: Japan–USA security alliance, Japan's share of defence burden, economic relations (aid, trade and market access) – factors shaping Japan–USA relations: Japan's economic status, Japan's domestic politics (differences over Japan's alliance with the USA and role of Japan's security forces, consensus on nuclear weapons in Japan), Japan's perceptions of the Communist threat, USA's Cold War strategy • Japan's other responses to the Cold War – political responses: impact of Japan–USA relations, engagement of China – economic responses: impact of Japan–USA relations, engagement of China and Southeast Asia <i>* Questions set will not require candidates to compare China and Japan.</i>	

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Learning Outcomes

- Evaluate the development of Japan's relationship with the superpowers during the Cold War
- Evaluate the factors that shape Japan's relations with the superpowers during the Cold War
- Evaluate the response of Japan to the development of the Cold Wa

¹ chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.seab.gov.sg/docs/default-source/national-examinations/syllabus/alevel/2024syllabus/8838_y24_sy.pdf

INQUIRY:

- 1) *How important was **SECURITY** in shaping the relationship?*
- 2) *Was the US **CONSTANTLY** in control of developments in the relationship? Is it surprising?*

Part A - Development of Japan: US Relations (1952 – 1991)

Alliance & Tensions: Security, Defence Burden Share, Economic Relations (Aid / Trade / Access)

Overall Analysis of Significance OVER TIME:²

Over the course of four decades, Japan's role in the US Cold War strategy was transformed from a rear basing area for combat operations in the Korean and Vietnam Wars to that of participant in the regional military balance of forces between the US and the former Soviet Union; with implications on China and the Cold War in turn as well. Japan's role in US strategy during the latter part of the Cold War also reflected Japan's great economic and technological strength, the growing capability of the Japanese Self-Defence Force (SDF), as well as the need to respond to improvements in Soviet naval and air deployments in the Pacific.³ Two major trends are visible throughout the Cold War period:

- *As the US military's physical presence diminished on the main island, its composition changed coincident to the flow of the strategic competition between the Soviet Union and the US.*
- *Japan's economic growth and the rehabilitation of the military increased Tokyo's value to the US in the effort to compete with the Soviet Union.*

As an ally of the US, Japan's primary mechanism for coping with global changes that impinge upon its security has been through collaboration with the US. Since 1952, the US-Japan alliance has provided the context within which Japan developed its post-war security policy, and as US strategy unfolded over the course of the Cold War, Japan's role in that strategy expanded. For much of the Cold War however, Japan's military was excluded from the bilateral security dialogue. It was ONLY until Japan regained its economic strength that there was interest in promoting operational coordination between the US & Japanese militaries.

And while Japan's military played almost no role in the implementation of US Cold War strategy during the early years, the US military on the other hand played a **SIGNIFICANT ROLE** in **DEVELOPMENT** of Japan's Self-Defence Force (SDF).

The Cold War context of the evolution of military cooperation between the US & Japan both hindered and helped the alliance dialogue. In the early years of the Cold War, there was greater concern within Japan that the alliance would inevitably involve Japan in a war, and the resistance to the notion of joint military planning stemmed from deep divisions over the US goals. In terms of operational cooperation between the US & Japanese militaries, however, US forward deployments not only contributed to Japan's own defense needs but made the presence of US forces in the region certain. When US forces were reduced in the 1970s, Japan's government realized for the first time the need for a direct dialogue over how military cooperation outlined in the bilateral treaty would be implemented.

² Michael Green and Patrick Cronin, The US-Japan Alliance: Past, Present, and Future

³ Michael Green and Patrick Cronin, The US-Japan Alliance: Past, Present, and Future, p.74

1950s	<i>1951 US-Japan Security Treaty & 1952 Peace Treaty</i> <i>PM Yoshida avoided US call for Japan to rearm & emphasized economic recovery instead.</i> <i>Private Exchanges with China only given the constraints of US alliance and Japan-Taiwan Peace Treaty of 1952</i> <i>PM Hatoyama established relations with USSR and sought an autonomous foreign policy.</i> <i>After Japan successfully joined the United Nations in Dec 1956, PM Kishi negotiated with the US to revise the Japan-US Security Treaty to make the relationship more mutual.</i> <i>PM Kishi's 3 Principles of Japanese Foreign Policy</i> - <i>Assigning Central Importance to the United Nations</i> - <i>Cooperating with the Free World</i> - <i>Strengthening Japan's position as a Member of Asia</i>
1960s	<i>Japan, led by PM Ikeda and then PM Sato, was able to concentrate on high economic growth while keeping a distance from the unstable political developments in Asia, thanks to being under the security of the Japan-US bilateral security treaty.</i> <i>The secure political situation and the benevolent hegemonic power of the US provided the ideal environment for Japan's unusual high economic growth that dramatically increased Japan's international standing and further reduced its domestic political tensions.</i> <i>Japanese defense strength also began to increase</i> - <i>Modernization of the SDF's weaponry progressed</i> - <i>Defense spending increased from 157 billion yen (1960) to 569 billion yen (1970)</i> <i>Shaking of US-Japan Relations over Vietnam War</i> - <i>Most of the Japanese public felt the war lacked legitimacy</i> - <i>Anti-Vietnam War movement became an important part of student movement especially with American B-52 bombers and naval vessels leaving for Vietnam from US bases in Japan.</i> <i>Relations with South Korea & Southeast Asia</i> - <i>US felt that the failure of Japan & South Korea to normalize ties was an impediment to implementing its strategy against Soviet Union & China</i> - <i>Japan & South Korea left out the problematic issue of fishery from negotiations and successfully normalized ties.</i> - <i>Under PM Sato, Japan actively reached out to Southeast Asia for economic reasons and to prevent the communization of the region through stabilizing the people's livelihoods.</i> <i>Relations with China: No Improvement</i> - <i>Because the US did not recognize Beijing and continued to support Taiwan, Japan could not open formal relations with mainland China.</i> - <i>PM Sato's priority was on the reversion of Okinawa to Japan from the US</i>

1970s	<i>Despite the global crises of the Nixon Shock and Oil Shocks, Japan overcame them and further strengthened its foundations as a global economic power. As détente gave way to tensions in the Cold War, Japan would cooperate with the West as an important player. Japanese diplomacy was able to move beyond the simplistic debate over dependence on US or independence, toward the question of playing a larger and deeper role globally and regionally.</i> <i>The Nixon Shock (suspending the US\$ gold exchange) and US rapprochement with China happened without any consultation with Japan, and the Japanese public felt that the US was shifting to anti-Japanese policy of harming Japan's economic interests.</i> <i>Changes in Sino-Japanese & Soviet-Japanese Relations</i> - <i>Met in Beijing in 1972 to normalize ties and a Joint Communiqué was issued: called for negotiations to arrange economic exchanges and a peace treaty, and agreements on trade, commercial flights, shipping and fishing were signed in the subsequent years.</i> - <i>But China demanded an apology for the war based on the feelings of Chinese people and Japan responded from a legalistic perspective that the issue was already resolved.</i> - <i>In 1973, Japan and Soviet Union announced the resolution of unresolved problems and the signing of a peace treaty.</i> <i>With the changes in the international environment (Détente, Sino-US rapprochement, end of the Vietnam War), it greatly reduced the fear that Japan would be drawn into a conflict as a result of the Security Treaty with the US and the treaty was increasingly seen as serving the purpose of reassurance to deter war in the region. This led to a review of Japan's regional role.</i> <i>The peace of Vietnam brought about the normalization of relations with North Vietnam.</i>
1980s	<i>The 1980s started off tension-filled with the 'new Cold War' but ended with the end of the Cold War itself. The efforts of Japan to strengthen the Japan-US alliance throughout the 1980s were not in vain as it contributed to the end of the Cold War by dividing and exhausting the resources of the Soviet Union. Because the Japan-US alliance was institutionalized during the 1980s, it could withstand the shock of the end of the Cold War and avoid calls for its dissolution.</i> <i>Economic cooperation in the Asia-Pacific region was one of the big successes of Japanese diplomacy in the 1980s. The basic posture of Japanese diplomacy – seeking coexistence with prosperous neighbors – was helpful. While the US and Japan had areas of confrontation and friction, without their cooperation and stability of their relationship, it's quite clear that the Asia Pacific cannot develop further.</i>
1991	<i>Japan may have been part of the victor group in the Cold War but it actually did not play a key role in the Cold War as it sought to avoid fighting while benefitting from the Cold War structure.</i> <i>For Japan, the end of the Cold War saw the burst of its bubble economy and it stuck in a long recession. Japan also badly mishandled its response to the Gulf Crisis and War, and faced international criticism.</i> <i>The Gulf crisis and war that began on 2 Aug 1990 when Iraq invaded Kuwait was for Japan a war of neither self-defense nor aggression committed by Japan, and hence was something</i>

	<i>that did not appear in the vocabulary or attention of most Japanese. Instead, post-war Japanese had long believed that not fighting other countries or being involved in wars between other countries was the legitimate way of pacifism and thus would earn the applause of the world. Under the extreme pacifism of post-war Japan, even participation in rear area support, transport and medical services was not supported or even contemplated by the Japanese people. Unable to play any positive role, Japan was internationally criticised and eventually offered \$13 billion in support.</i>
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INQUIRY:

- 1) ***How important was SECURITY in shaping the relationship?***
- 2) ***Was the US CONSTANTLY in control of developments in the relationship? Is it surprising?***

Security Alliance:

Background - Impact of US Occupation of Japan & Korean War

- On 2 September 1945, Japan signed the official document of surrender ending the Pacific War led by General MacArthur, the ***Supreme Commander Allied Powers (SCAP.)***
- For the next seven years, the USA occupied Japan and set out on a massive campaign of reform designed to remove all vestiges of militarism and feudalism so that she could never be a threat to international order. **The revolutionary political and economic changes imposed by the USA during its occupation were vital in creating Japan into an economic power as part of the US containment strategy with the American strategic concerns over the spread of Communism in the Cold War struggle.**

1945-1947: The 'liberal' phase: Political Re-Organisation

- SCAP concentrated on establishing democracy and pluralism so it encouraged the growth of the labour movement, enfranchised women and engaged in extensive agricultural reform policy to eradicate tenancy, which was seen to have contributed to the rise of ultra-nationalism in the 1930s.
- Many of those associated with militarism were either put on trial or purged from public life. This affected former army and navy personnel and some right-wing politicians, this was not applied to the royal family or the industrialists needed to run the country.
- In 1947, a new constitution was proclaimed and this vested all political authority in the Prime Minister and the Diet, and the Emperor was a mere symbol.

1948-1951: Reserve course: Rehabilitation for US Cold War Interests & Strategy

- In 1948, USA stressed the need for economic recovery and eventual rearmament as her concerns included the need for Japan to be re-established as a key player in the global economy and to discourage the growth of communism brought about by economic dislocation.
- The liberal phase ran its course by 1948 for USA began to change track and stress instead on the need for economic recovery and eventual rearmament to counter the US **fear that continued economic dislocation would encourage the growth of communism.**
- While the Japanese sometimes were unhappy at their uneasy position of subordinate independence under the American strategic umbrella for its security (esp on the issue of US bases on Okinawa agricultural land), it cannot be denied as well that an American-dominated economic environment allowed Japan to prosper from the ability to process goods and sell them throughout the non-communist world with the US support as part of its Cold War containment strate

End of US occupation: April 1952: Treaty of San Francisco

- By 1951 Washington brought the occupation to an end and a peace treaty was signed at an international conference in San Francisco, which stated that Japan would gain her full sovereignty in April 1952.
- It was a deliberately lenient document and stated that Japanese control over her empire had formally ended and should pay reparations. One of the few punitive measures was that it would not regain control over Ryukyu Islands, which remained indefinitely under US control.
- **The Cold War was a vital reason for the rapid growth of Japan as USA was prepared to go to great lengths to nurture and sponsor its development within the Bretton Woods system.** It was the belief that a strong Japanese economy would have a beneficial effect on Asia and the US Cold War interests, and in order to achieve this, the USA provided aid to Japan in several ways:

1951 Security Treaty

- This was a security pact between Japan and USA. In the 1940s, US was content to see Japan as a neutral, demilitarized state with a constitution but by 1951, policy-makers changed their mind with the 1951 Korean War as US believed that if Japan were allowed to become a sovereign state, it had to rearm and join the Western alliance.
- On the contrary, PM Yoshida while desperate to win Japan's independence, loathed rearming as he feared that military expenditure would direct scarce economic resources away from domestic growth and politically and socially it was too early to revive such elements that had plunged Japan into the Pacific War.
- PM Yoshida sought to place Japan under US protection but to avoid reconstruction of the armed forces. The treaty laid the foundations for what is referred to as the '*free ride*', which Japan, liberated from the burden of paying for its own defence, was able to concentrate on generating economic growth under and American security umbrella.
- Its **economic revival was being sponsored by Washington** in order to assist with the stabilisation of Asia and to forestall the growth of communism in Japan, while strategically and politically it was locked into the Western alliance system as an unequal partner.
- Article V of the Treaty commits the US to assist Japan should it be threatened or attacked, while Article VI provides for Japanese cooperation with the US in providing for the peace and stability of the Far East through the provision of bases and facilities for the US military on Japanese territory.
- Originally, there was no joint command structure or strategy between Japan's Self-Defense Forces (SDF) and the US military forces stationed in Japan but by the end of the Cold War in 1991, both had devised an acceptable division of labour for their respective militaries which balanced the need for coordination between the two militaries while reserving the autonomy of national decision-making processes over their use.

Revision of Anpo 1960 & Anpo Protests (1960, 1970)

In 1960 the broad Japanese public was aroused by the pending renewal and revision of the 1951 Treaty of Mutual Cooperation & Security with the US (known as Anpo) that reflected tensions in the US-Japan relationship and divergence between the Japanese government and public's opinion on it.

- *Anpo is widely used to refer to the anti-treaty movement that involved a broad cross-section of Japanese society protesting the alliance and high-handed tactics of Japan PM Kishi (who had been arrested by the US as a war crimes suspect due to his role in the wartime cabinet but he was never prosecuted).*
- *The street protests were opposed to an alliance that offended pacifist sentiments and at a PM who was part of a group of militarists that led Japan into a catastrophic war but yet was not prosecuted and became PM less than a decade after his release from his 3 year incarceration at Sugamo prison.*
- *Protestors felt that the 1951 Security Treaty was unfair:*
 - *Negotiated while Japan was still under US Occupation & the Diet (Parliament) was not aware of all its provisions.*
 - *No input from the Japanese free press or elected representatives*
 - *Felt that the pacifist principles of the Constitution were being betrayed*
 - *Despite the US Occupation ending in 1952, many American troops were still on Japan (esp in Okinawa), and this suggested an ongoing occupation in reality.*
- *Took the opportunity to protest on the streets when the Japanese government announced plans to renew the treaty. Protests peaked between May & June 1960, with as many as 330,000 protestors from all walks of life surrounding the Diet building with some violence breaking out between protestors and the police.*
- *Revisions to the US-Japan Security Treaty in 1960*
 - *Banned the US military from intervening inside Japan*
 - *Required consultations between US & Japan regarding overseas deployments of US troops*
 - *BUT Tokyo's pacifist constitution still meant that Japan's military forces could not come to the aid of US military forces, even if they were defending Japan.*
 - *Many Japanese continued to fear that the alliance made Japan a target and not safer. (Eg: In 1960, the Soviet Union threatened unspecified nations that allowed the US to launch spy plans as Japan regularly did).*
- *In May 1960, Kishi had used his LDP's absolute majority in the Diet to suddenly cut off debate and call for a snap vote on the treaty, in violation of longstanding parliamentary norms. When the opposition Japan Socialist Party mounted a sit-in in the halls in a last ditch effort to block the treaty, Kishi had them physically dragged out by police officers, and rammed the treaty through just after midnight, with only members of his own party present, outraging much of the nation with this high-handed and anti-democratic maneuver. Thereafter, the anti-treaty protests swelled to truly massive size as millions of ordinary citizens from all walks of life turned out in the streets on nearly a daily basis.*
 - *BUT PM Kishi was forced to step down and a planned visit by US President Eisenhower was called off due to safety concerns.*
 - *Violent Incidents: activists from Zengakuren mobbed a car carrying US President Dwight D. Eisenhower's press secretary and the US Ambassador outside of Tokyo's Haneda Airport on June 1960 by battering and rocking it for an hour before the occupants were rescued by a US Marines helicopter, and the death of a female Tokyo University student after student activists clashed with police at the Diet.*

- Violent incidents produced a sense of shock throughout the nation and a feeling that the protests were getting out of hand. The mass media and many ordinary Japanese withdrew their support for the protest movement, and the treaty was allowed to come into effect as planned when ratification instruments were exchanged on June 23, 1960
- Significance:
 - Anpo sowed the seeds of grassroots activism in Japan, inspiring a new generation and highlighting opportunities that led to a flowering of civic movements.
 - From the mid-1960s, students and intellectuals challenged the Establishment as the 1960 Anpo protests became a model for the theatre of politics and by creating a space for dissent.
- Evidence:
 - In 1965, prominent intellectuals established Beheiren (Peace in Vietnam Committee) to protest the Vietnam War and Japan's complicity, by virtue of war-related procurements including napalm that amounted to \$1 billion a year from 1966 – 1971. Between 1964 and 1973, Japanese perceptions of the US soured dramatically as a result.
 - From 1967, the student movement on university campuses escalated into major clashes with police and educators, and also between leftish radical groups. Zengakuren (*an abbreviation of Zen Nihon Gakusei Jichikai Sō Rengō, the All-Japan Federation of Student Self-Government Associations*) was well-established on many university campuses and was prominent in protests that targeted that arrival at Sasebo naval base of the USS Enterprise, a nuclear-powered US naval vessel deployed for the Vietnam War. Indeed, in 1960 Zengakuren was at the height of its power, counting as members over 300,000 students on more than 120 campuses nationwide. At Sasebo, there were pitched battles between student protestors armed with wooden staves confronted by heavily armed riot police who beat and gassed them.
 - Some 165 university campuses experienced significant disruption in 1968 and 1969, and some 70 campuses were barricaded against police intrusion, with additional disturbances taking place in an untold number of high schools

1970 Anpo Protests & Japanese Civic Movements⁴

- Student activists had looked forward to the ten-year anniversary of the treaty in June 1970 as a chance to mount another massive protest movement, as the text of the treaty specified that either party could abrogate the treaty with one year's notice after 10 years.
- But already in 1968, several campuses saw zenkyōto groups associated with more conservative or less political departments vote to disband and return to class. This tended to leave leadership of the student movement in the hands of an ever smaller group of extremists.
- Conservative Japan PM Sato, having acquired significant political capital by successfully securing a promise from US president Richard Nixon to return Okinawa to Japanese sovereignty in Nov 1969, ignored the protests and allowed the treaty to continue as it was.
- In 1971, remnants of the "Red Army Faction" (*Sekigun Ha*) of the "Second Bund" (*Dainiji Bunto*) split over disagreements on how best to continue the struggle after the failures of the 1960s & 1970.

⁴ <https://apjif.org/2022/14/Kapur.html>

- Having already lost much of their leadership and rank-and-file members to arrests and desertion in the aftermath of a series of bank robberies and the group's hijacking of Japan Airlines Flight 351 to North Korea in 1970, one remnant that insisted the revolution must be completed first in Japan combined with the anti-Security Treaty joint struggle committee of the Kanagawa prefectural branch of the Revolutionary Left Faction (*Kakumei Saha Keihin Anpo Kyōtō*) to form the United Red Army (*Rengō Sekigun*) and pursue violent revolution at home.
- Meanwhile, another remnant, led by Shigenobu Fusako, decided to give up on Japan entirely and pursue revolution overseas. Calling themselves the Japan Red Army (*Nihon Sekigun*), they decamped to the Middle East, where they pursued a campaign of international terrorism that lasted into the late 1980s.
- Relentlessly pursued by police, the United Red Army retreated into the mountains north of Tokyo where, on the orders of their leaders Mori Tsuneo and Nagata Hiroko, the group sought to purify itself for the coming armed struggle with the state via an extended course of self-criticism. This escalated into corporal punishments for those deemed insufficiently committed to the revolutionary cause, and the sect wound up torturing to death 12 of its members—all young men and women in their twenties. Finally in February 1972, the last five members of the sect holed up in an isolated lodge on Mount Asama near the resort town of Karuizawa with rifles and explosives, where they engaged in a standoff with 1,500 riot police for 10 days. Membership in the organized Zengakuren sects drastically declined after 1972 and continued to dwindle going forward.
- Significance:
 - Openly ideological political activism that had first arose out of reactions towards the US-Japan security alliance now came to be seen as distasteful by a broad cross-section of Japanese people.
 - Indeed, student and youth activism of all kinds declined, as a tightening job market amid the oil shocks and recessions of the 1970s combined with the broader delegitimization of the student movement and the partial blackballing of some of the most extreme student activists by Japanese corporations to make participation in the student movement seem increasingly risky.

Relations over Okinawa

- Okinawa is part of the Ryukyu Islands, which are strategically located between Japan and the Asian mainland. The US considered Okinawa vital to regional U.S. security interests especially after the events of 1949 and 1950 that reflected a worsening Cold War confrontation in Asia and domino theory fears materializing of the monolithic communist bloc out to destroy and take over the 'free world'.
 - *Events of 1949: Fall of China to Communism with Victory of CCP over the KMT in the Chinese Civil War, and the Loss of US Atomic Monopoly with the Soviet development of the atomic bomb.*
 - *Events of 1950: Signing of Sino-Soviet Treaty of Friendship and the outbreak of Korean War that confirmed US fears of an aggressive monolithic Communist force on the march in Asia.*

- *Forces on Okinawa would allow for power projection throughout Asia, address the growing Soviet threat, and permit the US to keep a closer eye on Japan (over which fears of revived militarism still existed initially).*
- *The Korean War & subsequent Vietnam War confirmed to the US that it needed Okinawa with its unique geographical position as a logistical and strategic military base asset to provide the combat and support units for the Cold War conflicts that affected US interests.*
- *Along with military units came American families and the infrastructure to support them in Okinawa, such as clubs, schools, churches, and theatres. This led to a greatly increased U.S. footprint on the island.*
- In the 1960 Treaty of Mutual Cooperation & Security between Japan and the US, it stated explicitly that Japan and the US will respond to an attack against either party within Japan's territory and that Japan will provide land for US military installations to provide security for Japan and the 'Far East'.
 - *Okinawa's unique island culture with its many Chinese elements, distance from mainland Japan, and its inhabitants' slightly different physical appearance, has also added to the Japanese perception that Okinawa lacks an ethnic and cultural affinity with Japan. This results in sometimes subtle, and other times not so subtle, social and economic discrimination, a result of which is the U.S. military concentration on Okinawa.*
 - *For areas in Okinawa hosting installations with ground units, this poses an irritant; for areas in which aircraft constantly take-off, land, and train, it poses a potential danger.*
 - *U.S. military concentrations on Okinawa also gave rise to a sizeable number of complaints, such as the negative impact on the tourist industry and economy, environmental issues, training accidents, and crimes committed by U.S. servicemen and their family members against local citizens.*
- Japan PM Sato (1964 – 1972) even had a secret agreement with the US that allowed it to bring US nuclear weapons into Japan and Okinawa. On April 1969, the anniversary of Japan's abandonment of Okinawa to US military administration in exchange for regaining sovereignty, there were nation-wide protests in favor of reversion to full Japanese sovereignty.
 - In Tokyo, Zengakuren and other radical groups including workers, taunted police, erected barricades and instigated violent street battles.
 - Despite the protests, nothing changed as the conservative LDP remained in power, the US continued to use its base in Okinawa for the Vietnam War and public opinion had turned on the protestors after several violent incidents.
- In 1972, as the US drew down its military involvement in Asia after the Vietnam War and returned Okinawa to Japan, it STILL retained access to its bases on Okinawa which host most of the US forces based in Japan, facilitating the projection of American power. The US-Japan Status of Forces Agreement (which grants the US military extraterritoriality on Okinawa) creates frustration amongst Japanese when accidents and crimes occur.

Closer Alliance in the late 1970s & 1980s:
1978 Guidelines for Japan-US Defence Cooperation

- Background:
 - Reduction in US troop levels in Asia from 1969
 - Number of US military personnel stationed in Japan dropped in the wake of Vietnam War withdrawal
 - Increasing Japanese public opinion that they will be abandoned by the US in security matters
- Over the course of the post-war period, Japan's security planning process revolved around the contentious domestic issue of defining the purpose of the SDF as well as containment of the military's institutional influence in national policy formulation due to the memories of the destruction that Japan suffered as a result of the militarism that led to WWII. It was not until the national policymaking process had gained greater domestic support that the Japanese government could move in the direction of creating a policy dialogue with the US government to establish procedures and goals for cooperation between the two militaries.⁵
- The evolution of Japan's policymaking process coincided with heightened concern about long-term US intentions in the region given the context of that period which led to the overture initiative by Japan towards the US for an engagement study of the requirements of their respective militaries under the provisions of the bilateral security treaty, and this culminated in 1978 in the Guidelines.
- The 1978 Guidelines for Japan-US Defence Cooperation consisted of three parts:
 - 1) *Posture for deterring aggression*
 - 2) *Actions in response to an armed attack against Japan*
 - 3) *Cooperation in the ease of situations in the Far East outside of Japan which will have an important influence on the security of Japan.*
- Some Disagreements:
 - *The U.S pushed for the Japanese government to include a reference to the Korean Peninsula, but Japan resisted.*
 - *The U.S. military wanted Japan to commit to a larger operational role, but Japan resisted that as well.*
 - *Japan, in turn, wanted the United States to clarify its plans for reinforcing Japan in the event of attack, but the U.S. military was not willing to clarify that commitment in the same way was done for the North Atlantic Treaty Organization (NATO).*
- There were serious shortcomings in the 1978 Guidelines which hindered the alliance at an operational/military level throughout the 1980s, even though the alliance played a critical strategic and political role in resolving the Cold War in East Asia. **The Guidelines did NOT:**
 - *establish a clear enough basis for bilateral planning for regional contingencies;*
 - *establish legislation that would allow the Japanese side to plan for contingencies in a reliable way (even in the defense of Japan);*
 - *establish interagency consensus in Japan that would allow contingency planning with critical ministries such as Transportation, Construction, and Home Affairs.*

⁵ Sheila Smith, The Evolution of Military Cooperation in the US-Japan Alliance

- Significance⁶:

- **HOWEVER, it opened the door for joint planning and greater cooperation in many key defense areas, and provided an excellent opportunity to develop highly interoperable force, whereas in the past, a comprehensive evaluation of the adequacy of joint United States-Japanese defense efforts had been lacking.**
- The establishment of these Guidelines set in motion a process of joint military studies and exercises as it gave the first public authorization for the Japan Self-Defence Forces (JSDF) and U.S. forces to train together which led to a much closer focus on and appreciation of the capabilities of the JSDF in Washington, and eased Japan's Maritime Self-Defence Force's (MSDF) participation in new areas as RIMPAC, which first joined in 1980.
- The importance of credible civilian control to operational readiness and legitimacy of the JSDF cannot be overestimated. As a matter of fact, civilian control was one of the most important explicit reasons why Japan Defense Minister Sakata took the initiative for U.S.-Japan defense dialogue. In addition, *the Guidelines* established the first political authorization for studies in Japan, which eased the process of developing concrete bilateral plans for the defense of Japan. Through this process, the interservice coordination in the JSDF was also improved.
- Played an important role in sustaining the evolution of a new consensus on defense policies in Japan that was begun with PM Tanaka's "peacetime defense force concept" and embellished in the National Defense Program Outline (NDPO) (*Boei O Kangaeru Kai*). At the bureaucratic level, *the 1978 Guidelines* brought MOFA, JDA, State and DOD together to form a "team" that would eventually build the close defense cooperation of the 1980s. On the U.S. key players in this team were new, but on the Japanese side they were all veterans of the Guidelines process.
- One negative political impact of *the Guidelines* was on the U.S. side, where the demonstration of Japan's limited operational contribution led to more of a focus on budget burden sharing. Negotiations for the first bilateral Host Nation Support Agreement overlapped with *the Guidelines* process and eventually overwhelmed *the Guidelines* as the U.S. Congress pressed for more financial support from Japan. It may have been that without the host nations support issue, the US and Japan might have pursued operational planning more vigorously, but it is also possible that the Japanese Government preferred burden sharing issues to the more contentious task of contingency legislation.

- Effects⁷:

- The precedents set for civilian control, interagency cooperation, operational legitimacy for the Japan Self-Defence Forces (SDF), and generally locking the U.S. and Japanese strategies together, all laid the groundwork for the roles and missions approach of the 1980s.
- The increased perceived Soviet threat of the "New Cold War" created a strategic environment for closer alliance cooperation, but the fabric for that cooperation was spun by *the 1978 Guidelines* which indicated to Beijing that Japan would not act as a military power independent of the United States (as the Chinese had feared during the early 1970s).

⁶ <https://nsarchive2.gwu.edu/japan/GreenMurataWP.htm> and chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.nids.mod.go.jp/english/publication/kiyo/pdf/2016/bulletin_e2016_6.pdf

⁷ <https://nsarchive2.gwu.edu/japan/GreenMurataWP.htm>

- Thus when Beijing needed a counterbalance to the Soviet Union, the Chinese leadership felt comfortable supporting the U.S.-Japan Alliance. With Beijing's tacit support, broader regional acceptance for an expanded security role for Japan became easier.
- ***The Cold War context of the evolution of military cooperation between the US & Japan both hindered and helped the alliance dialogue. In the early years of the Cold War, there was greater concern within Japan that the alliance would inevitably involve Japan in a war, and the resistance to the notion of joint military planning stemmed from deep divisions over the US goals. In terms of operational cooperation between the US & Japanese militaries, however, US forward deployments not only contributed to Japan's own defense needs but made the presence of US forces in the region certain. When US forces were reduced in the 1970s, Japan's government realized for the first time the need for a direct dialogue over how military cooperation outlined in the bilateral treaty would be implemented.***

Japan's Share of Defence Burden: Cooperation & Tension

Yoshida Doctrine

- From 1950 with the outbreak of the Korean War and worsening Cold War fears with the Sino-Soviet treaty of friendship that seemed to convey an aggressive monolithic Communist bloc out to take over the world, Washington sought a greater military contribution from Tokyo. However, Japan PM Yoshida emphasized economic recovery and involved the war-renouncing Article 9 in the US-written 1947 Constitution for post-war Japan to ward off US demands for greater Japanese contributions.
 - *Yoshida felt Japan's economic rehabilitation must be the primary goal*
 - *Yoshida felt Japan should remain lightly armed and avoid involvement in international political-strategic issues and the Self-Defence Forces (SDF) would not be deployed abroad*
 - *Yoshida felt that to gain long-term guarantee of its security, Japan would provide bases for the US Army, Navy and Air Force.*
- PM Yoshida's resistance to US pressure to rearm was backed by the Japanese public. In March 1954, a Japanese fishing ship (Lucky Dragon No.5) was covered in ash from a hydrogen bomb test in the Bikini Atoll and its plight caused outrage amongst the Japanese public that tapped on the psychological antipathy of the Japanese toward nuclear weapons as well.
- By 1954 the US government began to show signs of supporting PM Yoshida's line focusing first on economic reconstruction over or before rearmament. Within Japan that year, there had been a dramatic change in the domestic and international climate that made such a shift necessary as a recession had hit Japan's economy due to the drop in procurements related to the Korean War and tight fiscal policies. The international situation had also changed for Japan in 1954 as military tensions in the Far East decreased dramatically following the Korean War truce of 1953 and the East-West competition shifted to long-term economic development.

Analysis: Change & Continuity over Cold War

Yoshida's policy / doctrine was effective in dealing with the international and domestic political environment and thus led to it proving to be much more durable than one term of leadership office in Japan. Under 2 PMs, Hayato (1960 – 1964) & Sato (1964 – 1972), the Yoshida Doctrine was

consolidated into a national consensus and a more systematic strategy. After 1960 and for the remainder of the Cold War with the exception only of the administration of PM Nakasone (1982 – 1987), the LDP held faithfully to the economics-first policy of the Yoshida Doctrine.

The key figure in building Yoshida's policies into a national consensus for economic growth was PM Ikeda Hayato (1960). The 1960 demonstrations in Japan chastened the conservatives who had hoped to strengthen Japan's international role by building its military influence as it showed them that if they were to continue on this approach they will be driven from power from losing support from the people who were against this. PM Ikeda seized on this and re-established domestic tranquility by concentrating on policies of managed economic growth through his income doubling plan that targeted to double the national income within a decade by taking advantage of the unprecedented opportunities to expand Japan's international trade.

- **Japan Self-Defense Force (SDF)**

- As the Allied fortunes in Korea waxed and waned with the Chinese Communists' entry into the war in late 1950 and US military resources strained, the Truman administration pressured Japan under Yoshida to do more in their own defense and brought an end to the period of disarmament.
- A formal basing agreement that served as a precursor to today's Status of Forces Agreement (SOFA) was negotiated with the Yoshida government that saw the expansion of the National Police Reserve in Japan to 100,000 men.
- After the signing of the San Francisco Peace Treaty of 1952, Tokyo reluctantly named the NPR the Security Force – which now included 40 light tanks, 18 small frigates for a maritime self-defense force (MSDF), and 40 small reconnaissance aircraft.
- These modest forces eventually became the 3 main services in Japan after an act of the Diet in 1954: the Ground Self-Defense Force (GSDF), the MSDF, and the Air Self-Defense Force (ASDF).
- In return, Yoshida obtained US agreement not to deploy these forces outside of Japanese sovereign territory and the equipment was all supplied by the US.
- By 1960, the budget to support this force had grown to almost \$0.5 billion, almost \$100M more than Australia spent on defense at the time.
- Japan's expansion of these forces engendered significant opposition from the political left in Japan, particularly the Japanese Communist Party and the Japanese Socialist Party. Protests boiled over in 1960 during the riots that surrounded the revision of the Mutual Security Treaty with the US.

- **3 Non-Nuclear Principles (1967)**

- PM Sato enunciated the 3 Non-Nuclear Principles: Prohibit the production, possession or introduction of nuclear weapons into Japan.
- BUT PM Sato was aware of repeated US violations of these principles
- In secret protocols, the Japanese government actually gave the US military permission to keep nuclear weapons in Okinawa after its reversion to Japan in 1972 and to 'transit' through Japan planes and ships carrying nuclear weapons.
- Not all Japanese leaders agreed as the conservative leaders nursed painful heartburn over the forfeiture of the prestige that possession of nuclear weapons would confer as they regarded possession of it as an attribute of international prestige and rank.

- **3 Principles on Arms Exports**

- By 1967, Japan's Diet also promulgated the Three Principles on Arms Exports, limiting Japan's defence exports. During the Cold War, Japan's defence exports were intended only for the US-

Japan alliance during the Korea and Vietnam Wars and for projects subsumed under the alliance, such as the FSX fighter project.

Significance:

- All these additions to the Yoshida Doctrine showed that Japan was increasingly defining its grand national strategy for steering the country in the context of long-term economic interests by taking advantage of and being aware of the global situation, but yet not being overly militaristic.
 - *In the 1960s, while the US allies Australia and Korea sent combat forces to fight Communism in Vietnam, the Japanese relied upon the Yoshida Doctrine as modified by PM Sato to keep them out of the conflict. Sato's modification prevented the dispatch of any forces for use in collective security outside of Japan proper.*
- Overall, the Yoshida Doctrine constrained what Japan was prepared to do in support of the US militarily but over the decades US pressure on Tokyo led to incremental changes as it acceded to US demands for greater burden sharing on defence to ward off accusations that Tokyo was 'free-riding' at America's expense.
 - *From 1978, Japan began paying base-hosting support that defrayed the costs of stationing US troops in Japan*
 - *1980s: PM Nakasone (1981 – 1986) agreed to expand the surrounding maritime area that Japan would defend and even shrugged off pacifist criticisms by boldly declaring that Japan was an 'unsinkable aircraft carrier'.*
 - *BUT even in 1981, regarding the issue of collective self-defense, the Japanese government told the US under Reagan that Japan is only allowed by its Constitution to be confined to the minimum necessary level for the defense of the country, and cannot exceed more in a rebuff to the Americans' request for an arms buildup.*

National Defense Program Outline (NDPO)

- After the Nixon Doctrine in September 1969, the US began to reduce its troop levels in Asia. The intensification of Sino-Soviet confrontation and the economic growth of U.S. allies in Asia, especially Japan, made this possible. During Japanese PM Sato's visit to Washington in Nov 1969, President Nixon urged him to increase Japan's share of American responsibilities in Asia.
 - *In Dec 1970, it was announced that the number of U.S. troops in Japan would be cut by 12,000.*
 - *The U.S. 7th Infantry Division was also withdrawn from South Korea. U.S. allies and friendly nations in Asia became concerned about a further withdrawal of U.S. forces from the region.*
- Under these international circumstances in October 1970, Japanese Defense Minister Yasuhiro Nakasone launched the 4th Defense Buildup Program from 1972 to 1976 (Yojibo).
 - *This five-year program put emphasis on expensive weapons such as fighters and submarines. As a result, the budget was 5,200 billion yen, twice the amount of the previous program.*

- *Because of the plan's huge budget, public opinion was negative to Nakasone's favorite program. While Nakasone's search for "autonomous" defense suffered a setback, Tokyo's unease about the U.S. defense commitment continued.*
- *Although Japanese public opinion had been long concerned about being entrapped into a U.S. war in Asia, its concern shifted to being abandoned. According to a public opinion poll conducted by the Office of Prime Minister, while 14.9 % answered there was a danger for Japan to be entrapped into a war, 34.3 % said no in 1975. Masataka Kosaka noted: "a real danger will be the possibility of Japan placing too little trust in the Japan-U.S. Security Treaty, in contrast to the excessive trust she had before."*
- It is also important to emphasize the role of the National Defense Program Outline (NDPO), and the 1978 *Guidelines*, in terms of Japanese domestic politics. Nakasone's autonomous defense plan was not just a response to changing U.S. strategy, it was also linked to political strategy at home in Japan:
 - *In the late 1960s the succession battle for the next generation of factional leadership in the ruling Liberal Democratic Party (LDP) had led to the split between the A-Ken and the AA-Ken. Those who pushed autonomous defense were most hawkish on China and came out of the A-Ken group.*
 - *Thus Nakasone's autonomous defense policies were sparking deep divisions within the LDP itself that could affect the struggle for leadership of the party. Nakasone himself came to the Japan Defense Agency (JDA) as the victor in his own struggle for control of a faction, and he was eager to plant his flag on defense issues to build a larger political support base.*
- When the US moved to normalize relations with China in 1972, the A-Ken/AA-Ken distinctions became less politically relevant and the viability of autonomous defense collapsed. Kakuei Tanaka began rebuilding a middle ground in 1972 with his "peacetime defense forces concept".
- This led eventually to the National Defense Program Outline (NDPO) (*Boei O Kangaeru Kai*), which Japan PM Miki and his Defense Minister Sakata believed were essential to end the divisive defense debate and remote issues that could split the ruling political party, LDP (*the Shina-decision to pick Miki was forced on the LDP by Keidanren in order to put an end to the corruption and deep fights of the Tanaka era*). Miki was a liberal, but his real mission was to rebuild consensus middle ground and long-term credibility for the party.

Tensions over Costs of US Forces in Japan & Military Defence Technology Cooperation

Background

- The US-Japan Security arrangement in the 1950s & 1960s clearly indicated US interests in the Pacific and a willingness to share the financial burden of defending Japan. Under the arrangement, Japan agreed to provide military bases and the US agreed to pay the costs of stationing US troops.
- 1976: Japan established a National Defense Program Outline that sets force goals that were strictly defensive in nature.
- 1981: Japan announced it would also be responsible for defending its surrounding air space and seas out to 1000 nautical miles east to west from Japan, while the US continued to provide the nuclear umbrella and offensive forces in the North-West Pacific.

US Pressure on Japan to Pay for Maintaining US Forces in Japan

- The Status of Forces Agreement (1960) between Japan and the US gave the legal basis for stationing US troops in Japan and assigned to both sides the financial responsibilities for related costs.
- 1977: Given the rising labour costs for Japanese workers, the impressive economic growth of Japan and the falling value of the US dollar currency, it all prompted the US to discuss with Japan additional cost-sharing initiatives, and Japan signed the first labour-cost sharing agreement with the US.
 - *3 additional labour-cost sharing agreements were signed with a target of having Japan pay about half of the total Japanese labour costs associated with the support of US forces in Japan by 1990.*
 - *Japan increased its share of the costs to station US troops in Japan: \$711M or 24% (1981) to \$1.7B, 31% (1987).*
 - *Japan made steady progress in strengthening its defense capabilities from 1985 to 1989, after significantly underfunding its defense program prior.*
 - *The US urged Japan to increase defense expenditures and accelerate the completion of its 5-year defense program originally designed to give Japan the ability to repel limited and small-scale invasions by 1984. But it was only until 1986, after SEVERAL US requests that Japan began to spend at a level necessary to address its minimum defense requirements.*
- **1979 Facilities Improvement Program**
 - Meant to fund building projects to improve the quality of life for US forces
 - By 1987, the costs of the program had grown to 78.2 billion yen (over US\$560M) annually from its 1979 level of 32.7 billion yen (over US\$100M).
 - The costs CONTINUED over time to increase every year by more than US\$50M.
- US calculated that with these cost-sharing arrangements with Japan, US costs could be reduced by at least US\$600M annually.

Sharing of Military Technology: 1983 Legalisation of Defence Technology Transfer to the US & 1987 FSX Fighter Aircraft Controversy

- In 1983, Japan, in view of the improvement in its technological level, decided to open the way for the transfer of its military technology to the U.S. as an exception to the Three Principles of Arms Exports.
 - *It was deemed important for Japan to reciprocate in the exchange of defense related technologies in order to ensure the effective operation of the Japan-U.S. Security Treaty and its related arrangements, which provide for and envisage mutual cooperation between Japan*

and the U.S. in the field of defense, and contribute to peace and security of Japan and in the Far East.

- In the 1980s for the FSX Fighter Aircraft production, Japanese manufacturers saw the need to keep their aircraft design and production bases alive, therefore supporting the view that the FSX should be a Japanese-developed fighter. On the other hand, American politicians, influenced by negative media portrayals, believed that Japan was an economic threat to the US as evidenced in Japan's success in areas such as automobiles and electronics.
- The U.S. aircraft industry, led by General Dynamics, was convinced that Japan had already made a decision for autonomous production (*kokusan*) and that therefore only U.S. political pressure could prevent this. The U.S.-Japan negotiations in the 1980s on the FSX (Fighter Support Experimental) can be divided into three phases:
 - *Phase 1 (October 1985-November 1987) was characterized by Japan's posture for a fair selection process, and the U.S.' upholding of its public stance to respect Japan's autonomous decisions.*
 - *In Phase 2 (November 1987-January 1989), a number of people from both sides were engaged in a tug of war over the details of the F-16 based co-development plan as the negotiations ran into difficulties regarding the percentage and components of work allocation and the issue of free transfer of derived technologies. In the end, an agreement was reached on the basic conditions of joint development.*
 - *Phase 3 (January to September 1989) is the period when the American defense hawks and trade hawks collaborated to make a comeback.*
- Japan eventually decided to adopt a U.S. aircraft and add new technologies to it, rather than "reinvent the wheel." If Japan had decided to go ahead with the *kokusan* aircraft, it probably would have contained the same amount of American content, but emotionally it would have created a potential political firestorm in the US at the unhappiness of using a Japanese aircraft for the FSX.
- Under pressure from Congress, President Bush's administration agreed to "review" the FSX agreement in which Japan had effectively given up what its own industry wanted for the sake of alliance cooperation. This was built on the fear that the FSX was another example of how Japan was going to take advantage of the US. The results of the review were cosmetic, surface-level changes, but there was extreme anger and disillusionment on the Japanese side.

Economic Relations

1. Organisation of the Japanese economic structure to encourage growth

- In 1949, SCAP (Supreme Commander of Allied Powers- the bureaucracy under MacArthur's control) introduced a policy of financial austerity to curb government expenditure, reduce inflation and encourage growth of exports by giving it preferential access to raw materials.
- Helped encourage the set-up of the **MITI (Ministry of International Trade and Industry)** that charted Japan's growth.
- USA advocated major reforms through land, labour and industrial reforms thus allowing conservatives to establish political power which they have held for all but 9 months since 1945.
- USA forced Japan to set the yen at a rate whereby all of Japan's major industries could export successfully.
- Although USA's defense burden was 6-7% of GNP, she allowed Japan to keep their defense spending at 1% which means Japan had 5% more to invest in productive consumer industries.

2. Allowed access to US markets and raw materials

- USA maintained its **procurements** (trucks, clothing, bedding and other goods for the armed forces) for the **American military** throughout the decade which contributed greatly to the Japanese economy, for example during the Korean and Vietnam Wars.
- Eased Japan's path into the world economy by sponsoring its entry into **GATT** (the General Agreement on Tariffs and Trade) in 1955, and allowed Japanese goods like textiles **access to the US domestic markets** since Japan was denied access to the China market and SEA alone was not enough for Japan's exports.
- Granted Japan '**most favoured nation status**' which gave her trade advantages such as low tariffs—in essence to promote free trade. **Japanese goods were allowed to flood the US markets which boosted her economic growth tremendously**, for example, Toyota was saved from bankruptcy by American procurements.
- Between 1950 and 1980, the Japanese spent \$10 billion for buying or licensing 30,000 foreign technologies. **Japanese firms used this technology to modernize their factories and mass-produce inexpensive products which were sold and often dumped at below production costs around the world to capture a large share of the market and drive their rivals out of business. The Japanese aggressively sought new technology in quest of industrial rationalization and greater productivity.**

3. Tolerated Japanese protectionist policies

- USA tolerated Japan's use of protectionist restrictions such as tariffs and limits on foreign direct investments to defend its own growing industrial sector, and ***provided an international trading environment*** for Japanese exports. In the 1960s, US President Kennedy even lowered American trade barriers as he believed it would assist in the stabilisation of Japanese politics.
- Originally set at 360 yen to a dollar in 1949, the yen became increasingly undervalued as Japan's economy expanded over the next 22 years. The yen remained undervalued even after US President Nixon forced the yen's revaluation to 308 to a dollar in 1971.
- Tokyo used a variety of means to maintain an undervalued yen. The Bank of Japan intervened in global currency markets to buy dollars and sell yen. The Finance Ministry continued to restrict foreign investments in Japan while allowing Japanese overseas investments.
- An undervalued yen aided Japan's exports in remaining competitive and increased her trade surplus.
- Although MITI and other ministries still continue to target industries and technologies for development, Tokyo has dismantled more blatant trade and investment barriers and tariffs are lower now than those of USA. Japan's markets remain guarded by arrays of non-tariff barriers. They also adopted the new continuous casting process at about the same time and the result was that within a decade, they have operation in the world's most efficient and cost-competitive plants. This explains why the Japanese were able to compete with the US made steel even though they had to import their iron ore and ship their finished steel across the Pacific Ocean.

4. Brokered relations with South Korea, Taiwan and SEA: ***diplomatic ties that opened up markets for Japan***

- As Sino-American tensions escalated in the mid-1960s and the situation in South Vietnam began to worsen, the USA was keen to use Japan's growing economic power to stabilise Southeast Asia. USA also encouraged Japan to expand its trade links with SEA in light of the Vietnam War. In 1966, Japan extended credits to Thailand and Malaysia and helped in the restructuring of Indonesia's debt burden. Japan became one of the largest contributors to the newly established Asian Development Bank.
- In 1965, USA brokered diplomatic relations between Japan and South Korea which had been impossible before that due to lingering animosity. **This strengthened the Korean economy and reduced Korea's reliance on USA and it also opened a new market for Japanese goods and investment.**
- For the USA Korea and Taiwan were vital buffers to the expansion of the communist bloc towards Japan but due to their partitioned status they were important as showcases to demonstrate that capitalism was superior to communism.
- USA was willing to provide South Korea and Taiwan with extensive economic and military aid. Granting of military aid ensured security for Korea and Taiwan against their enemies (North Korea and People's Republic of China respectively).

- USA also gave them preferential access in the 1960s to the American market. Between 1946 and 1978, South Korea received \$6 billion in economic aid.
- USA also played a vital role in facilitating economic ties between Japan and South Korea. In 1952, it forced Tokyo to open ties with the Republic of China (Taiwan) and in 1965 played a key role in facilitating normalization of relations between Japan and South Korea. **This was important because these interventions created the conditions whereby Japan became one of the key sources for capital investment in its neighbours.**
- USA ensured that Japan would play a full role politically in countering communism in Asia and was a key element in the economic strength of the Western Alliance. At the same time, South Korea Taiwan were transformed into economic powerhouses. Their success was aided by the immense support provided by USA which, tolerated their protectionism and provided them with access to the vast American consumer market.
- **By boosting the economies of South Korea and Taiwan, they were able to boost, enhance the economy of Japan and provided the markets for Japanese growth and dominance in the region.** The Japanese consumer electronics industry eventually became one of the largest and most powerful industries in the world as evidenced by the number of companies it has relative to other countries that distributes many high-technology products and inventions. For instance, Japan's largest electronics manufacturers such as Sony and Casio made the US consumer electronics industry wither. By the end of 1980s, only one United States-owned television manufacturer remained; the others had disappeared or were bought by Western European or Japanese firms.

Japan & Cold War: Economic Benefits

The economic measure instituted by the USA stimulated the regional economy and benefited Japanese exports. Japan also gained directly from the Vietnam War for a fact that the USA was engaged in a major war in East Asia meant once again the procurement tap flowed freely with hundreds of millions of dollars being earned every year. **So Japan benefitted commercially from the Cold War tensions in the region.**

Negative Effects & Problems Arising over Time:

Political-economic problem: Strained relations with USA

- After the 1971 Nixon Shock that saw the US abandon the gold standard and allow the cost of the US dollar to fluctuate, it saw the value of the Japanese currency (Yen) rise sharply and made Japan's exports considerably more expensive. Nixon Shock marked a new era of chronic tension in the partnership between Japan and the US as Japan was unhappy in not being consulted by the US. Japan began to open diplomatic and economic links with China in the 1970s, and by the 1980s China became one of Japan's leading trading partners.
- The 1973 Oil Shock ended Japan's extraordinary era of double-digit economic growth as the higher energy prices sparked a recession and worst inflation since 1940s. It highlighted the vulnerability of a resource-poor economy like Japan in an interdependent world and powerfully recalled Japan's experience with scarcity during the wartime years.

- *It triggered hoarding in Japan and spurred the Japanese government to develop a long-range plan to reduce dependence on oil and particularly on Middle Eastern supplies.*
 - *Bureaucrats accelerated plans to build nuclear power plants and more hydroelectric plants, and also funded projects to develop alternative sources of energy from shale oil and solar energy*
 - *MITI put forth a call for 'energy conservation' and its ministers even turned down their heaters in winter and their air-conditioners in summer.*
 - *Result: Japan's dependence on Middle East oil for its total oil supply fell from 85% (1970) to 73% (1980)*
- In the 1970s, Japan's trade balance with the US shifted towards Japanese imports flooding the US market that overwhelmed the amount of US exports to Japan. For example, 27 US firms produced TVs at US factories in 1955 but by the 1980s, only one (Zenith) remained as they lost out to Japanese competitors! By the mid 1980s, Japanese exports to the US were valued at more than double the amount of US exports to Japan, and annual US trade deficits with Japan stood at roughly US\$50 billion dollars!

Tensions, Global Inflation and Trade Imbalance: Attempts to Reduce Economic Imbalances

- From 1975, Japan joined the 'group of 7' (G7) – a grouping of the 7 leading capitalist economies which have a regular series of annual meetings – to discuss coordination of macroeconomic policies to control inflation, and encourage growth and trade. While this was a source of pride for Japan, it also exerted pressure on Japan to design policies to serve international and national interests.
 - *1985 Plaza Accord: saw Japan being asked to boost imports into Japan by coordinating currency purchases amongst the G5 countries to strengthen the Japanese Yen, and for Japan to adopt low interest rates and fiscal expansion to boost domestic demand for these imports into Japan. Japan even spent huge amounts of money for local governments in Japan to invest in various projects like roads, bridges and amusement parks to stimulate demand.*
 - *To contain Japan's trade surpluses with the US, the US forced Japan through various acrimonious negotiations to 'voluntarily' limit their sales to the US, most notably in textiles (1972), steel (1969, 1978), color TVs (1977) and automobiles (1981 – 1993).*
 - *In 1988, the US Congress even passed a trade bill ('Super 301') clause that granted the US government the power to unilaterally decide that the domestic markets of Japan or other countries were unfairly closed to imports and to therefore unilaterally impose penalties on exporters of those countries in retaliation. This allowed the US to threaten Japan with sanctions from 'Super 301' to enforce access to Japanese markets for US companies to export in supercomputers, satellites and wood products.*
- Despite the crash of stock and land speculators in 1991, the underlying Japanese economy did not show immediate signs of trouble as seen in how Japan continued to run huge trade surpluses, of US\$40 – US\$50 billion annually with the US and US\$20 – US\$30 billion with the European Union!
 - *In 1990 & 1991, Japan's GNP even continued to grow at 4% per year! Nonetheless Japan's economy entered a recession in 1992, and industrial production fell by 11% from 1991 – 1994.*

- *1986 -to 1993 GATT's Uruguay Round: Trade negotiators from the US & other G7 countries PUSHED Japan to open its domestic markets further as Japanese farmers were the most protected and subsidized producers in the world, and the global pressure at this GATT round of talks saw Japan commit to admit imports of rice and other farm goods into Japan.*
- *1991: To overcome the huge trade deficit with Japan, the US set a floor for a minimum acceptable American share of Japan's semiconductor market with no less than 20% by end of 1992, and expected the Japanese government to enforce sufficient imports into Japan to achieve this target.*
- The success of some Japanese export industries created a backlash in other countries either because of their success or of unfair practices. The large surpluses, foreign perceptions that Japan's import markets were relatively closed, exacerbated tensions between Japan and her trading partners, especially the United States.
- In the 1980s, Japan convinced exporting countries to carry out 'voluntary' restraint exports. The Japanese desire to control the markets drove their business activities and strong countermeasures were called against Japan.
- **However, the acrimony in US-Japanese relations over trade ended when Japan fell into economic recession. (so it was not a long term, detrimental problem) When Japan experienced recession in the 1990s, bilateral trade with the USA went up. The US demand for Japanese goods remained the same even though Japan cut back on the purchase of US goods. So as the Japanese economic woes continued, the US economy began a period of sustained growth from the early 1990s which silenced the unhappiness over trade wars from previous decades.**

End of Cold War

- In 1991, the end of the Cold War and the collapse of communism in USSR and the Gulf War greatly affected Japan's relations with other nations as it could no longer rely on US for favours as it had done so for over 40 years.
- US began to take a hard line stance against Japan on trade issues. In the Gulf War, due to Japan's constitution barring it from sending military forces to the gulf, many were unhappy with her unwillingness to engage in a war to protect its main source of oil. The gulf problem touched on a heated debate in Japan over the issue of permitting its Self Defence Force (SDF) to participate in UN peacekeeping operations.

Part B - Factors Shaping Relations: Japan-US (1952 – 1991)

INQUIRY:

- 1) **How important was SECURITY in shaping the relationship?**
- 2) **Was the US CONSTANTLY in control of developments in the relationship? Is it surprising?**

FACTORS SHAPING RELATIONSHIP DURING COLD WAR

<u>Reason 1</u> Japan's Econ Status	<u>Reason 2</u> Japan's Domestic Politics	<u>Reason 3</u> Japan's Perceptions towards Communist Threat	<u>Reason 4</u> US Cold War Strategy
- Which of these reasons is the ROOT reason? How / why so? - Which of these is the OVER-ARCHING / UNDERLYING reason? How / why so? - Which of these is a MINOR reason? How / why so? - Any CHANGE / CONTINUITY in IMPACT / SIGNIFICANCE over TIME?			

Reason 1:

Japan's Economic Status: Initial & Subsequent

- In the 1950s, Japan was regarded as an economic basket-case. PM Yoshida's resistance to US pressure to rearm was backed by the Japanese public.
 - *In March 1954, a Japanese fishing ship (Lucky Dragon No.5) was covered in ash from a hydrogen bomb test in the Bikini Atoll and its plight caused outrage amongst the Japanese public that tapped on the psychological antipathy of the Japanese toward nuclear weapons as well.*
- By 1954 the US government began to show signs of supporting PM Yoshida's line focusing first on economic reconstruction over or before rearmament. Within Japan that year, there had been a dramatic change in the domestic and international climate that made such a shift necessary as a recession had hit Japan's economy due to the drop in procurements related to the Korean War and tight fiscal policies. The international situation had also changed for Japan in 1954 as military tensions in the Far East decreased dramatically following the Korean War truce of 1953 and the East-West competition shifted to long-term economic development.
- Despite the global crises of the 1970s - Nixon Shock and Oil Shocks, Japan overcame them and further strengthened its foundations as a global economic power. As détente gave way to tensions in the Cold War, Japanese diplomacy moved beyond the simplistic debate over dependence on US or independence, toward the question of playing a larger and deeper role globally and regionally.
- From 1975, Japan joined the 'group of 7' (G7) – a grouping of the 7 leading capitalist economies which have a regular series of annual meetings – to discuss coordination of macroeconomic policies to control inflation, and encourage growth and trade. While this was a source of pride for Japan, it also exerted pressure on Japan to design policies to serve international and national interests.

- Overall, the Yoshida Doctrine constrained what Japan was prepared to do in support of the US militarily but over the decades **as Japan grew economically, so did US pressure on Tokyo and it led to incremental changes as Japan acceded to US demands** for greater burden sharing on defence to ward off accusations that rich Tokyo was ‘free-riding’ at America’s expense.
 - *From 1978, Japan began paying base-hosting support that defrayed the costs of stationing US troops in Japan*
 - *1980s: PM Nakasone (1981 – 1986) agreed to expand the surrounding maritime area that Japan would defend and even shrugged off pacifist criticisms by boldly declaring that Japan was an ‘unsinkable aircraft carrier’.*
 - *BUT even in 1981, regarding the issue of collective self-defense, the Japanese government told the US under Reagan that Japan is only allowed by its Constitution to be confined to the minimum necessary level for the defense of the country, and cannot exceed more in a rebuff to the Americans’ request for an arms buildup.*
 - *In 1983, Japan, in view of the improvement in its technological level, decided to open the way for the transfer of its military technology to the U.S. as an exception to the Three Principles of Arms Exports.*
 - *It was deemed important for Japan to reciprocate in the exchange of defense related technologies in order to ensure the effective operation of the Japan-U.S. Security Treaty and its related arrangements, which provide for and envisage mutual cooperation between Japan and the U.S. in the field of defense, and contribute to peace and security of Japan and in the Far East.*

Beyond just affecting the burden of defense costs sharing in the dynamics of the US-Japan relationship, Japan’s economic status by the 1970s also came to have a negative effect on the diplomatic ties between the US-Japan over the issue of TRADE SURPLUS & DEFICITS

- After the 1971 Nixon Shock that saw the US abandon the gold standard and allow the cost of the US dollar to fluctuate, it saw the value of the Japanese currency (Yen) rise sharply and made Japan’s exports considerably more expensive. Nixon Shock marked a new era of chronic tension in the partnership between Japan and the US as Japan was unhappy in not being consulted by the US. Japan began to open diplomatic and economic links with China in the 1970s, and by the 1980s China became one of Japan’s leading trading partners.
- The 1973 Oil Shock ended Japan’s extraordinary era of double-digit economic growth as the higher energy prices sparked a recession and worst inflation since 1940s. It highlighted the vulnerability of a resource-poor economy like Japan in an interdependent world and powerfully recalled Japan’s experience with scarcity during the wartime years.
 - *It triggered hoarding in Japan and spurred the Japanese government to develop a long-range plan to reduce dependence on oil and particularly on Middle Eastern supplies.*
 - *Bureaucrats accelerated plans to build nuclear power plants and more hydroelectric plants, and also funded projects to develop alternative sources of energy from shale oil and solar energy*

- *MITI put forth a call for 'energy conservation' and its ministers even turned down their heaters in winter and their air-conditioners in summer.*
- *Result: Japan's dependence on Middle East oil for its total oil supply fell from 85% (1970) to 73% (1980)*
- In the 1970s, Japan's trade balance with the US shifted towards Japanese imports flooding the US market that overwhelmed the amount of US exports to Japan. For example, 27 US firms produced TVs at US factories in 1955 but by the 1980s, only one (Zenith) remained as they lost out to Japanese competitors! By the mid 1980s, Japanese exports to the US were valued at more than double the amount of US exports to Japan, and annual US trade deficits with Japan stood at roughly US\$50 billion dollars!
- The large trade surpluses, foreign perceptions that Japan's import markets were relatively closed, exacerbated tensions between Japan and her trading partners, especially the United States. **However, the acrimony in US-Japanese relations over trade ended when Japan fell into economic recession. (so it was not a long term, detrimental problem) When Japan experienced recession in the 1990s, bilateral trade with the USA went up. The US demand for Japanese goods remained the same even though Japan cut back on the purchase of US goods. So as the Japanese economic woes continued, the US economy began a period of sustained growth from the early 1990s which silenced the unhappiness over trade wars from pervious decades.**

Reason 2:
Japan's Domestic Politics

- In Japan's domestic politics in 1955, Centrists and the right formed a single bloc to contain the rising power of the Left, creating the Liberal Democratic Party (LDP) This coalition dominated Japanese politics until 1993 and this coalition was a precarious one, especially on foreign policy.
- In the late 1950s, the conservative wing of the LDP achieved a dominant position in the LDP when Nobosuke Kishi became PM in 1958. Kishi was a prominent member of the wartime regime and had been briefly imprisoned as a possible war criminal by the Americans during the postwar period. But he returned to politics and became a leading proponent of large-scale rearmament and constitutional revision.
- **Whenever conservative leaders attempted to push their foreign policy agenda, the alliance quickly came apart as it did during the 1960 controversy over the revision of the Mutual Security Treaty with the US.**
 - *Of particular concern was the insertion into the treaty of a clause (Article 6) committing Japan to a broader security role as critics worried that this would commit Japan to sending forces to support American military operations in regional conflicts like Korea and Vietnam.*
 - *The fear was that Japanese forces would get bogged down in fighting a land-war and domestic political dissent would grow, giving the conservatives the excuse they needed for cracking down on left-wing opposition.*
 - *Based on these fears, hundreds of thousands of protestors took to the streets, and inside Japan's Diet building, opposition politicians even resorted to physical violence to disrupt parliamentary proceedings.*
 - *The 1960 treaty debate proved a seminal event in the formation of the domestic political context of Japanese defense policy. The LDP, fearful that further internal divisions could split the party and allow an anti-alliance Socialist coalition to come to power, chose to follow the centrists and support the more moderate foreign policy course associated with PM Yoshida. A tacit moratorium on defense and national security issues was agreed upon while Japan focused on economic growth.*
- Significance:
 - **For the next 30 years, Japan followed the strategy set out by the Yoshida Doctrine in its relationship with the US during the Cold War.** Although the evolving international environment necessitated numerous changes, the **core orientation toward defense and foreign policy established in the 1950s remained unchanged.**
 - The prevailing approach to defense was challenged constantly, by both the Left and Right, and defense policy-making was plagued by a string of scandals and political controversies. Until 1990, the net result of these challenges was **more a reaffirmation and strengthening of the Yoshida Doctrine in Japanese foreign policy and relationship with the US.**

- The continued power of the anti-military animus in the Japanese domestic politics defense debate and the way in which it **hampered US-Japan defense cooperation** can be seen in the 1965 controversy over the '3 Arrows' Plan.
 - *A secret set of contingency plans was leaked to the Japanese opposition concerning how the SDF might respond to a military emergency on the Korean Peninsula. Even though these plans were purely hypothetical in nature and did not formally commit Japan to assist the US in the event of a military conflict, its very existence was considered inflammatory in Japan and public opinion compelled PM Sato to place a virtual ban on such research for over 13 years.*
 - *In response to domestic sentiments and political pressures, other legal safeguards were similarly reinforced; most notably a strengthening on the ban on the export of weapons and the introduction of the '3 Non-Nuclear Principles' whereby Japan resolved not to acquire, to allow the stationing of, or to permit the transit through its territory of nuclear weapons.*

NUCLEAR ISSUE & DEFENCE POLICY-MAKING

- This **CONTINUED on in the early 1970s**, when the perceived decline of a US commitment to Asian security in the wake of the Vietnam War posed a serious challenge to the Yoshida line and led many Japanese leaders to **urge the adoption of a more INDEPENDENT military posture within the context of the US-Japanese alliance in the area of the NUCLEAR ISSUE.**
 - *In 1968, the US & USSR proposed a Nuclear Non-Proliferation Treaty (NPT) to the United Nations which took effect in 1970 in prohibiting all nuclear testing and established a global network of monitoring stations. But for Japan's Diet to RATIFY / agree to be part of this NPT had implications on Japan's status as a great power, and for commercial and tech advantage.*
 - *It also raised highly sensitive issues in Japan's domestic politics on national identity with a vocal sector of Progressives on the Left EMBRACING the ANTI-NUCLEAR movement especially given Japan's war past. But on the Right of the domestic politics were political conservatives who were reluctant to close the door to Japan's inclusion amongst the nuclear powers as this means losing out on nationalist pride of Japan remaining a second-class power. Senior officials, including PM Sato, seriously considered a major expansion of Japan's military forces including the possible acquisition of nuclear weapons. This will have pleased political conservatives on the Right.*
 - *LDP Secretary General, Fukuda Takeo, raised a public protest from the Right when he said in 1967 that the majority of the Liberal Democrats of the LDP see the need to outgrow the 'nuclear allergy'. But a secret study that PM Sato commissioned concluded to not recommend nuclear weapons in light of public opinion. This took into account the highly sensitive issues of national identity and opinion regarding nuclear weapons given Japan's war past, with a vocal sector of the public on the Left of the domestic political spectrum embracing the anti-nuclear movement. To ignore this group will have had disastrous effects on Sato's electoral chances given the highly emotive way Japanese domestic politicians and the public felt about nuclear weapons. In the end the movement favoring the establishment of an autonomous defense posture (jishuboei) came to naught when Japanese leaders concluded that the DOMESTIC and international costs of such*

*an option would be too costly. Instead they sought to strengthen the security relationship with the US rather than to embark on a major arms buildup and a concomitant reorientation of Japan's security policy.*⁸

- **In a similar fashion that CONTINUED on in the 1980s**, factionalism, bureaucratic in-fighting, and persistent suspicions regarding the military **CONTINUED to INFLUENCE & SHAPE Japan's relationship with the US & foreign policy** as seen in how it hampered Japanese defense policymaking after the re-intensification of the Cold War in the late 1970s.
 - *In 1986, when PM Nakasone linked raising defense spending above 1% of GNP to a revival of Japanese national pride and defense consciousness, LDP moderates and rival conservatives like Fukuda SIDED with the LEFTIST OPPOSITION to DELAY defense spending.*
- **Overall Significance:**
 - It is far from accidental that Japan chose to pursue a policy of letting the US retain primary responsibility for military security while Japan concentrates on providing the economic underpinnings of regional and even global stability. Other options were rejected by the various Japanese governments because they were believed to be UNSUSTAINABLE for DOMESTIC POLITICAL REASONS. Policies that were put in place by the late 1950s became the templates for future policies designed to meet the exigencies of a changed international environment.
 - The peace and prosperity that Japan enjoyed during the Cold War increased considerably the domestic political legitimacy of this approach. Public opinion data reveal steadily growing support for the institutional structures of the Japanese approach to defense. In the early 1970s, the left could mobilize thousands of demonstrators to protest government policies, but by the late 1970s, the turnout at such protests was greatly diminished.
 - The Japanese government had to create a policy-making process that provided for the country's defense needs while satisfying domestic critics – such as from the opposition JSP; the process had to be in compliance with the spirit of the Constitution and firmly under civilian control. Without this, there was little hope of serious consideration of military cooperation within the US-Japan alliance that affected the relationship in the Cold War.
 - *Eg: Linking Japan's national military planning to greater coordination with the US was impossible for more than 10 years after the 1960 Security Treaty was revised given domestic political constraints and criticisms. But once the 1976 National Defense Program Outline (NDPO) was on its way to becoming national policy with the LDP mollifying its critics by announcing that Japan would not spend more than 1% of its GNP on defense, Japan's National Defense Council director-general Sakata moved quickly to engage the American government in discussions about how the basis of Japan's national defense planning in the form of joint operations between the Japanese and American militaries would be achieved.*
 - *Analysis of Significance: This development in the US-Japan relationship towards greater military cooperation and coordination was clearly shaped in this manner only once the domestic political situation in Japan allowed for it to be so.*

⁸ Kenneth Pyle, Japan Rising: The Resurgence of Power & Purpose, p.251

Reason 3:
Japan's Perceptions towards Communist Threat

- **Background – Reverse Course, McCarthyism and Events of 1949**
 - From 1947, given the onset of the Cold War and to keep Japan's vast industrial potential from the Soviet Union, the US Occupation administrators decided to reverse course and revitalize Japan economically. This was born out of a concern in 1947 that Japan in its present condition might fall to Communist subversion out of American concerns that the Japanese people, out of obedience and used to authority, would immediately fall in with Communist domination should the Soviet Union succeed in taking over given Japan's nature as a hierarchical society in which the people would obey whomever held the position of authority.⁹
 - In 1949, China became Communist when the CCP won the Chinese Civil War as the KMT fled to Taiwan, and the Soviets also successfully tested the atomic bomb without any foreign assistance in its development.
 - These 2 events brought about a Red Scare in the US known as McCarthyism as there was a sense that the US was losing the Cold War and this was due to the presence of Communist spies and sympathizers in the US, working in the US government itself. This then led to the a series of purging of Communist sympathizers (real or fake) and caused a lot of panic and chaos in the US.
 - With the outbreak of the Korean War in 1950 with North Korea's invasion of the South, and the subsequent entry of China into the conflict, it seemed to magnify to Japan the over-whelming threat of Communist China and the subversion threat it presented.
- ***Not surprisingly with these circumstances above, there also turned out to be a Red Purge in Japan.***¹⁰
 - *Since the middle of 1949, companies and government agencies in occupied Japan under the US started turning out great numbers of staff. These 'adjustments' affected about 12,000 private employees, 1200 public officials and 1200 teachers, were used to get rid of many employees suspected of harbouring 'leftist' / communist sympathies. This became known as the 'Red Purge'.*
 - *Even before this mass purge of employees, 24 members of the Central Committee of the Japanese Communist Party (JCP) were purged, the publication of the party's organ Akahata suspended, and had the Communist trade union Zenroren forcibly disbanded.*
 - *From 1953, China's CCP & Poliburo devised a policy of action directed at Japan, proactively encouraging pro-China sentiment targeting China sympathizers and goodwill organizations in the political, business and cultural spheres. BUT with the revision of the Japan-US Security arrangement in 1960, China's CCP launched its first large-scale campaign opposed to Japanese remilitarization. The Japanese Communist Party and many other leftist groups in Japan expressed empathy with the CCP, owing to their desire to atone for Japan's invasion of China. This however raised the sense of threat of a Communist subversion plot in Japan.*

⁹ <https://core.ac.uk/reader/4385060>

¹⁰ <https://www.jstor.org/stable/30209511>

- **Significance Analysis:**

- It should be noted that in the 1940s and 1950s, the sense of Communist threat in Japan was felt more by the Americans than the Japanese government. PM Yoshida had even refused to give in to US demands for Japan to be remilitarized and drawn into a regional defense system. Yoshida even made light of Japan's security problems in that period and claimed that Japan could protect itself through its own devices by being democratic and peaceful, and relying on the protection of world opinion. This flabbergasted the Americans but Yoshida continued to not budge and skillfully argued that rearmament would impoverish Japan and create the kind of social unrest that the Communists wanted!
- To PM Yoshida, the sense of threat posed by the Communists and the Cold War was best handled if the US were to maintain its presence in Japan which would be sufficient alone to deter any invasion.

- **Changing Perceptions of China & USSR - Background of 1969 & 1970s**

- Reduction in US troop levels in Asia from 1969
- Number of US military personnel stationed in Japan dropped in the wake of Vietnam War withdrawal
- Early 1970s: Soviet Union deployed submarine-based ballistic missile forces in the Northwestern Pacific for the first time. The Soviet military forces in the Far East also account for one-third to one-fourth of all the Soviet military power, and the Soviet Pacific fleet is the largest of all the 4 fleets by the Soviet Union.
- Increasing Japanese public opinion that they will be abandoned by the US in security matters
- With the 1972 US-China rapprochement and the announcement by Deng Xiaoping of China's modernization policies in the late 1970s, China increasingly looked to be less of a security threat to Japan but more of an economic opportunity.

- **Significance Analysis:**

- From the context of the 1970s above, the sense of threat from growing Soviet military presence in the Pacific and the sense of an American withdrawal with the end of the Vietnam War seemed to have stirred up some fears in Japan and came to shape US-Japan ties in a closer collaborative manner in the area of defense coordination and planning.
- Over the course of the post-war period, Japan's security planning process revolved around the contentious domestic issue of defining the purpose of the SDF as well as containment of the military's institutional influence in national policy formulation due to the memories of the destruction that Japan suffered as a result of the militarism that led to WWII. It was not until the national policymaking process had gained greater domestic support that the Japanese government could move in the direction of creating a policy dialogue with the US government to establish procedures and goals for cooperation between the two militaries.¹¹
- The evolution of Japan's policymaking process coincided with heightened concern about long-term US intentions in the region given the context of that period which led to the overture initiative by Japan towards the US for an engagement study of the requirements of their respective militaries under the provisions of the bilateral security treaty, and this culminated in 1978 in the Guidelines.

¹¹ Sheila Smith, The Evolution of Military Cooperation in the US-Japan Alliance

Reason 4:
US Cold War Strategy

- **Background:**
 - *Events of 1949: Fall of China to Communism & Loss of US Atomic Monopoly with successful Soviet testing of atomic bomb*
 - *Events of 1950: The Sino-Soviet treaty of friendship and the outbreak of the Korean War convinced the US that there was a monolithic Communist bloc at work out to take over the 'free world' in a domino theory style that will not stop until it succeeds.*
- **The US-Japan relationship was shaped from the beginning by security needs for US Cold War interests as seen in how the bilateral Security Treaty of 1951 between Japan and the US forged during the Korean War was focused PRIMARILY on the terms of CONTINUING the American military presence on Japanese territory DESPITE ITS INDEPENDENCE with the peace treaty in 1952. This was not surprising given its strategic and geographical value and the context of aggressive events and Cold War fears at that time. This shows how much the US-Japan relationship was shaped and determined from right from the 1950s by the critical need for strategic security needs by the US in its calculation and implementation of its Cold War strategy.**
- **Even after the US Occupation of Japan, 260,000 US military personnel remained in Japan with their bases and facilities covering 1352 square kilometers, serving as a vital operational support base for combat operations in the Korean and Vietnam wars as part of the US global containment strategy against the monolithic Communist bloc – a reflection of much the US Cold War strategy was shaping Japan's relations, policies and outlook even after the 1950s.**
 - *During the US Occupation of Japan, the US military and coast guard officials served as advisors on the creation of a coastal defence force that later emerged as Japan's navy (MSDF).*
 - *The US also provided the operational training and weaponry for the SDF.*
 - *Even after the US withdrew its ground forces from Japan after the end of the Korean War in 1953 with the armistice, the US army CONTINUED to maintain logistical and supply units in Japan, which were later utilized during the Vietnam War.*
 - *But by the early 1970s with the US withdrawing from Vietnam, most US army bases were either closed or turned over to other US services for use in Japan.*
- **In the 1960 Treaty of Mutual Cooperation & Security between Japan and the US, it stated explicitly that Japan and the US will respond to an attack against either party within Japan's territory and that Japan will provide land for US military installations to provide security for Japan and the 'Far East'.**
 - *Okinawa's unique island culture with its many Chinese elements, distance from mainland Japan, and its inhabitants' slightly different physical appearance, has also added to the Japanese perception that Okinawa lacks an ethnic and cultural affinity with Japan. This results in sometimes subtle, and other times not so subtle, social and economic discrimination, a result of which is the U.S. military concentration on Okinawa.*
 - *For areas in Okinawa hosting installations with ground units, this poses an irritant; for areas in which aircraft constantly take-off, land, and train, it poses a potential danger.*

- *U.S. military concentrations on Okinawa also gave rise to a sizeable number of complaints, such as the negative impact on the tourist industry and economy, environmental issues, training accidents, and crimes committed by U.S. servicemen and their family members against local citizens.*
- Japan PM Sato (1964 – 1972) even had a secret agreement with the US that allowed it to bring US nuclear weapons into Japan and Okinawa. On April 1969, the anniversary of Japan's abandonment of Okinawa to US military administration in exchange for regaining sovereignty, there were nation-wide protests in favor of reversion to full Japanese sovereignty.
 - In Tokyo, Zengakuren and other radical groups including workers, taunted police, erected barricades and instigated violent street battles. Despite the protests, nothing changed as the conservative LDP remained in power, the US continued to use its base in Okinawa for the Vietnam War and public opinion had turned on the protestors after several violent incidents.
- In 1972, as the US drew down its military involvement in Asia after the Vietnam War and returned Okinawa to Japan, it STILL retained access to its bases on Okinawa which host most of the US forces based in Japan, facilitating the projection of American power. The US-Japan Status of Forces Agreement (which grants the US military extraterritoriality on Okinawa) creates frustration amongst Japanese when accidents and crimes occur.
- When US Cold War strategy in the 1970s adjusted to détente with the Soviet Union and rapprochement with China, it also had a corresponding effect in SHAPING & INFLUENCING Japan's policies and relationship with the US during this period.
 - *US President Nixon wanted Japan to increase its efforts to provided for its own defense*
 - *3 additional labour-cost sharing agreements were signed with a target of having Japan pay about half of the total Japanese labour costs associated with the support of US forces in Japan by 1990. Japan increased its share of the costs to station US troops in Japan: \$711M or 24% (1981) to \$1.7B, 31% (1987).*
 - *Japan made steady progress in strengthening its defense capabilities from 1985 to 1989, after significantly underfunding its defense program prior.*
 - *The US urged Japan to increase defense expenditures and accelerate the completion of its 5-year defense program originally designed to give Japan the ability to repel limited and small-scale invasions by 1984. But it was only until 1986, after SEVERAL US requests that Japan began to spend at a level necessary to address its minimum defense requirements.*
- In the early 1980s, with the intensification of US-Soviet military confrontation with the onset of the 'Second Cold War' by US President Reagan, it brought the Japanese military to the forefront of superpower strategic interaction for the first time; reflecting how changing US Cold War strategy can and did have effects on Japan's policies and relationships during this period just like how it was influenced in various ways prior to the 1980s.

- *The strategic importance of the bases in Japan that straddled the exists used by the Soviet Pacific Fleet from its coastal bases to the Pacific Ocean provided the US justification for SDF deployments which can raise the aggregate balance of military forces in the region.*
- *Japan's SDF operations thus became part of the calculus of regional East Asian forces balance and MORE than just part of Japan's basic defence needs.*
- *US President Reagan in 1981 thus announced that it would emphasize a sharing of defense roles, responsibilities and missions between Japan and the US, under which Japan would be responsible for defending its homeland AND ITS SURROUNDING SEA & AIR SPACE while the US would continue to provide the nuclear umbrella and offensive forces in the Northwest Pacific. For the US, this was of vital strategic usefulness as Soviet naval forces needed to go through several straits adjacent to Japan to have access to the Pacific Ocean from the Soviet Union's largest naval base at Vladivostok.*
- *Japan's PM Suzuki elaborated on this by stating that Japan would defend the airspace around Japan out to several hundred miles from the shoreline, and the sea lanes out to 1,000 nautical miles. This CHANGE by Japan here in acquiescing with the US Cold War strategy needs in the 1980s was not unlike how the US Cold War strategy needs had earlier shaped Japan's relations in the 1950s.*

Part C - Japan's Other Responses to Cold War

- I. **Political Responses:** Impact of Relations, Engagement of China
- II. **Economic Responses:** Impact of Relations, Engagement of China & SEA

Japan's Cold War Objectives
1) Regional Stability in East & Southeast Asia
2) Addressing Threat of Communism
3) Countering Soviet Influence in East Asia & Southeast Asia

INQUIRY:

- 1) **Were Japan's responses to the Cold War a successful one?**
- 2) **Did it reveal a client-state relationship with the US? Was it surprising and sustained?**

Political Responses of Japan to Cold War	
<i>Role in Regional Security as US Main Ally</i>	<i>Engagement of China</i>
- Increasing Engagement with ASEAN - Fukuda Doctrine - Stance towards US Cold War Policies (2nd Indochina War & 1979 Soviet Invasion of Afghanistan)	- Cautious Approach - Constraints of Japan-US Security Alliance - Avoidance of Direct Military Confrontation - 1978 Japan China Treaty of Peace & Friendship

Economic Responses of Japan to Cold War	
<i>Use Economic Diplomacy towards China & Southeast Asia (SEA)</i>	<i>Engagement with China</i>
- Foreign trade investment - Foreign Aid / Development Assistance (ODA) to achieve Cold War objectives over time - Yoshida Doctrine - Comprehensive Security Policy - Nakasone's Foreign Policy	- Pragmatic Approach: Separate politics from economics in engagement - Opportunities for deeper economic engagement with Deng Xiaoping's reforms

With the Cold War in Asia, the US sought to rebuild Japan as its principal Pacific ally and Japan responded by pragmatically adapting with refined skill (across different political leaders from 1952 to 1991) to this international system with threats and opportunities. During the Cold War, Japan adopted an isolationist regional strategy of one-country pacifism. This strategy rested on two pillars: first, Japan pursued economic diplomacy while avoiding any political role in international security affairs; and second. Japan entrusted its stake in regional security to the United States.¹² Through this strategy, Japan came to grow in economic power and came to have an impact not just on the region's stability and strategic considerations of superpower relations in the Cold War dynamic but also in contributing to uplift and transform the economies of China, South Korea, Taiwan and Southeast Asia.

¹² SINGH, B. (2002). Japan's Post-Cold War Security Policy: Bringing Back the Normal State. *Contemporary Southeast Asia*, 24(1), 82–105.
<http://www.jstor.org/stable/25798581>

INQUIRY:

- 1) ***Were Japan's responses to the Cold War a successful one?***
- 2) ***Did it reveal a client-state relationship with the US? Was it surprising and sustained?***

Impact on Region, Relationships & Countries

During the Cold War, Japan developed economic nationalism through its industrial policies and a distinctive set of institutions to take advantage of the new international open-door system that was tolerated by the US for the sake of strategic interests of maintaining a healthy security alliance with Japan. For decades, Japan had no role in international strategic affairs and it often seemed to behave more like an international trading firm than a nation-state!

The 1952 San Francisco Peace Treaty and 1951 US-Japan Security Treaty profoundly influenced Japan's foreign relations in Asia as it reintegrated Japan into the region mostly on Washington's terms in support of US Cold War agenda to contain the Soviet Union/China and to target the spread of Communism happening in the form of regional conflicts in Korea and subsequently Indochina. Japan was able to accommodate to this new world order in a fashion that allowed it to restore its status as a major power by the 1970s, and it was through this accommodation and growth that saw Japan having an impact not just on the region's stability and strategic considerations of superpower relations in the Cold War dynamic but also in contributing to uplift and transform the economies of China, South Korea, Taiwan and Southeast Asia.

Political Responses of Japan to Cold War

US Main Ally & Role in Regional Security & Engagement of China

US Main Ally & Role in Regional Security

- ***Fukuda Doctrine***
 - ***Increasing Engagement with Southeast Asia & ASEAN***
 - ***Stance towards US Cold War Policies***
- The critical moment for the determination of Japan's postwar response to the Cold War came in 1950 when the Korean War crystallized the structure of the new order and made Japan strategically important to the US as its main ally in Asia to be drawn into a regional defense system and to remilitarize it given its strategic location. But PM Yoshida had no interest in a regional defense system and instead skillfully argued that rearmament would impoverish Japan that would create social unrest that the Communists wanted and was also illegal against its own Constitution that valued Pacifism.
 - Instead Japan consented to US bases on Japanese soil and a limited rearmament.
 - PM Yoshida gave exclusive priority to pursuing economic recovery and maintaining political stability as he believed the Cold War required the US to maintain its presence in Japan which would be sufficient to deter invasions.
 - Clearly, the post-war international system provided Japan with extraordinary opportunities for a newly focused national purpose of building Japan into a great economic power.

Fukuda Doctrine: Assuring Regional Neighbors & World

- Anger about Japan's economic domination led Tokyo to proclaim the 1977 Fukuda Doctrine. In this, Japan PM Fukuda declared that:
 - *Japan would never become a military power*
 - *Japan would nurture trust with Southeast Asian countries*
 - *Japan would promote peace and prosperity in the region*
- Japan PM Fukuda also sought to offer reassurance in the wake of the US withdrawal from Southeast Asia following defeat in the Vietnam War.
- These principles of the Fukuda Doctrine heralded a significant strengthening of cooperation between Japan and Southeast Asian countries as Tokyo embraced 'heart-to-heart' diplomacy and promoted enhanced cultural and educational relations.
- This reveals how diplomatic relations are not always stagnant and held hostage to history's memory of conflict and tension, and Japan became a major investor and trading partner of Southeast Asia; even to the point of becoming a partner of ASEAN (Association of Southeast Asian Nations), and the Asian Development Bank.

Increasing Engagement with Southeast Asia & ASEAN

- Japan's response to engaging with Southeast Asia is classified into 3 distinct phases:¹³
 - **1952 to 1964: Period of Reparations** – characterized by pursuit of economic diplomacy through payment of reparations
 - **1965 to 1975: Period of Regional Development** – characterized by changing US policy towards Southeast Asia with events in Vietnam and by Japan's active participation in regional economic development (establishment of Asian Development Bank, Ministerial Conference for the Economic Development of Southeast Asia, and the Asian and Pacific Council ASPAC).
 - **1977 onwards: Fukuda Doctrine Period** – characterized by Japan's positive politico-economic role in Southeast Asia.
- During the first 2 periods, the most important variable in shaping Japan's policy towards Southeast Asia was the American presence in the region, on which hinged PM Yoshida's Asian Marshall Plan, PM Kishi's Southeast Asian Development Fund, and PM Sato's strong endorsement of regional development.
- Japanese reparations from 1955 to 1977 totaled some \$1.5 billion, a sum not insignificant for Japan at that time. But the payment of reparations was not merely the simple payment of damages caused by the war as it also became a way in which export markets could be developed for Japanese goods

¹³ <https://www.jstor.org/stable/2644640>

through the payment of reparations in the good of goods that led to the increased sales by Japanese companies paid by the Japanese government in Yen for the overseas country recipients.

- When Japan became the first country to establish dialogue channels with Asean in 1973, diplomatic tensions were high amid the Cold War and distrust was rife, with World War II in recent memory.
 - *Antipathy towards Japan led to mass boycotts and protests in South-east Asia. Furthermore, Japan's synthetic rubber exports threatened to cannibalise Asean's natural rubber industry, leading to a synthetic rubber forum in 1973 to help soothe trade tensions.*
 - *This paved the way for the Fukuda Doctrine four years later, named after then Prime Minister Takeo Fukuda, which set out three principles that serve as a guide for Japan's ties with Asean: It would never be a military power; it would establish "heart-to-heart" relations with Asean; and it would forge an equal partnership with Asean.*
 - *Japan also sought to transfer technical know-how with no strings attached. It contributed 20.25 trillion yen worth of overseas development assistance (ODA) to Asean from 1968 to 2022, through technical cooperation, low-interest loans and grants.*
 - *ODA projects have included infrastructure such as schools, hospitals, roads, bridges, dams and sewage systems.*

Significance Analysis:

- But throughout all the periods of Japan's engagement and response towards Southeast Asia, it was consistently the maximization of economic profits (as nurtured by PM Yoshida) that was at the heart of guiding Japan's response. While this maximization of economic profits does coincide and advance the US Cold War strategic aims of containing Communism by shoring up countries' economies, it will be too simplistic to characterize Japan's response towards Southeast Asia as merely being dictated to by the US in a client-state relationship manner for US Cold War agenda.
- Japan's policy response towards Southeast Asia was not always smooth as among the countries of the region were important non-aligned nations in the Cold War, such as Indonesia.
 - *Indonesia, remembering their colonial experiences, had strong suspicions regarding intervention of outside powers. Toward Japan, there was even more antipathy and concern because of the actions of the Japanese Imperial Army during WWII which Indonesia suffered.*
 - *Although all Southeast Asian countries were invited to the Ministers' Meeting for Southeast Asia Development in 1966, Burma which had adopted a neutralist policy, decided not to participate citing the meeting's image of strengthening the 'Western camp', while Indonesia and Cambodia opted to limit their participation to observer status.*

Stance towards America's Cold War Policies in Indochina

- In the 2nd half of the 1960s, Japan's relations with the US were shaken by the escalation of the Vietnam War which saw the US decide to eventually withdraw after a large scale intervention in the civil war between the anti-government Vietcong (which sought a united Vietnam to pursue a Socialist path and thus received backing support from the Communists) and the anti-Communist government of South Vietnam.
- From the US perspective, the US was fighting to protect Japan and the free world from the threat of Communism and believed it should be thanked.
- From the perspective however of most Japanese, the Vietnam War was a war lacking legitimacy where the world's most powerful country was punishing Asia's poorest which was longing for independence.
- As a result, Japanese public opinion towards the US spiraled downward as Japan's 'peace at any cost' type of pacifism and a traditional diplomatic inclination towards Asia came together in the movement against the Vietnam War; joined by the innate anti-Americanism of the Left in Japan's domestic politics.

Significance Analysis:

- But even though the anti-war and anti-US base movements grew, this did not translate into a large number of seats in the Diet for the opposition forces such as the Socialist Party and the Communist Party. Rather, the Japanese electorate CONTINUED to support the ruling LDP despite reasons for criticisms of the LDP in the area of corruption.
- The active political participation of regular citizens gained attention, particularly in the form of one of the most salient new movements – Beheiren: Citizen's Federation for Peace in Vietnam. Beheiren sought to become a pure peace movement, divorced of ideology and symbolized the coming of a new era for citizen participation in politics as part of Japan's response towards the Vietnam War in the 1960s and 1970s. This was clearly not fully fitting a typical client-state relationship that one may associate with in the US-Japan relationship as well, and in fact the Japanese government became caught between the anti-war movement by its citizens and its relationship with the US.
- This was complicated by the Japanese government's desire to prove itself to be a reliable partner of the US in the American global strategy of Containment in order to realize the reversion of administrative rights over Okinawa and not complicate this process by placing further restrictions on the use of US bases in Japan which was extremely important to the Americans.
- The Japanese government's response was to seek the realization of national interests (like the return of Okinawa) through cooperation with the US as an alliance partner while at the same time attempting to limit Japan's contribution in security affairs and emphasizing its peaceful non-nuclear policies as necessary due to the domestic pacifist demands of the time.

Japan's Engagement of China

- **Cautious Approach**
 - **Constraints of Japan-US Security Alliance**
 - **Avoidance of Direct Military Confrontation**
 - **1978 Japan China Treaty of Peace & Friendship**
-
- Politically, Japan's response towards any diplomacy with China was constrained by the US position given the US-Japan security alliance and the context of the Cold War rivalry and legacy of the memory of the Korean War that saw China involved as one of the parties.
 - Japanese officials and businessmen had misgivings about US insistence on isolating China diplomatically and economically while pretending that Taiwan (Republic of China) was the legitimate power instead. However, the Japanese government's priority was to end US Occupation and regain sovereignty; hence Japan followed the US position.
 - This alignment with the US position on China persisted until 1972 when Tokyo followed Washington's abrupt shift and NORMALIZATION of relations with China following the 1972 Shanghai Communique issued by Mao Zedong and US President Nixon in Beijing. Japan then went on to sign the Treaty of Peace and Friendship with China in 1978.
 - Japan's approach towards political relations with China became worse in 1958 under PM Kishi
 - *PM Kishi had expressed sympathy with Chiang Kai Shek's anti-communist views and efforts to recapture the Chinese mainland during Kishi's visit to Taiwan in June 1957.*
 - *Not surprisingly, this diplomatic gaffe by Kishi had an effect of complicating extremely the negotiations between Japan and China that year for the 4th Trade Agreement, particularly over the question of establishing respective trade representation offices and the related diplomatic rights. While the trade agreement was signed in 1958, the events after its signing led to a rupture in ties when Taiwan strongly opposed this agreement and Japan's government stated that it would not recognize any special rights for private trade offices including raising of the flag of the PRC.*
 - In the 1970s, when the US suddenly announced its rapprochement with China publicly in 1972, Japan was caught by surprise and PM Sato only knew about it a few minutes before it was released publicly. The great secrecy that the US under President Nixon conducted its rapprochement with China reflected a lack of consideration for Japan, but by June 1971, China had already privately expressed to Japan its desire to improve relations based on the 3 principles of restoring Sino-Japanese relations.
 - *Japan recognize PRC as the only legitimate representative of China and that Taiwan was an inalienable part of China*
 - *Question of Taiwan was to be regarded as an internal Chinese matter*
 - *Peace treaty between Japan and Taiwan was illegal and must be terminated*
 - *At the time of Nixon's visit to China in February 1972, China positively spoke of the role of the Japan- US Security Treaty in restraining Japanese militarism and in July 1972, China's Zhou Enlai even called for Japan to visit China to normalize relations.*

- *But negotiations between Japan and China to normalize relations were not easy: Japan while prepared to break ties with Taiwan if necessary did not wish to see the Japan-Taiwan peace treaty of 1952 portrayed as illegal and chose to stick to the legality of it since Japan understood that the PRC has already forfeited the right to claim reparations against Japan after the signing of the 1952 Japan-Taiwan Peace Treaty. Japan also did not wish to harm relations with other countries like the Soviet Union if the joint communique with China included the 'anti-hegemony clause.'*
- Sino-Japan ties progressed on to normalization from Sept 1972.
 - *Sino Japan ties were normalized with the Joint Communique issued in Beijing between Mao Zedong and Japan PM Tanaka that called for the negotiations for the arrangement of economic exchanges, a peace treaty and Japan recognized PRC as the sole legal government of China with Taiwan being an inalienable part of the territory of the PRC. Care was also taken to not antagonize the Soviet Union by stating publicly that this was not meant to be directed against any third country and that neither Japan nor China sought hegemony in the Asia Pacific.*
 - *Finally in 1978, Japan and China concluded the Treaty of Peace and Friendship, and even though the treaty itself did not directly involve any major legal obligations or commitments on either side, it certainly created a new political environment for closer Sino-Japanese cooperation in various areas.¹⁴*
- Significance Analysis:
 - The response and evolution of Japan's diplomatic relationship with China clearly reflects a good example of the client-state relationship as Tokyo dutifully adjusted to the sudden normalization in ties between the US and China which occurred without any prior consultation by the US with Japan, and Japan was forced to swallow its pride and loss of face and resentment as a vassal must do given the huge importance the US played in Japan's security.
 - Nonetheless, there was still some room for local agency in Japan's government leaders to maneuver and find ways to pragmatically respond to foreign policy and relationships during the Cold War, which can lead to both positive and negative effects.
 - During the 1970s, Japan's position as Asia's only developed country and a major economic power supporting the world economy was solidified. Japanese diplomacy as well was able to move beyond the simplistic debate over dependence on the US or independence, toward the question of playing a larger and deeper role globally and regionally. With the exception of the USSR which had adopted hard-line policies under Brezhnev, it can be said that there was no country with which Japan's relations had clearly worsened during the 1970s.
 - While much can be credited to Japan's diplomatic responses, one also needs to acknowledge that this was possible only after the regional and global stage had been set as a result of the Sino-US rapprochement and the end of the Vietnam War, which greatly reduced political tensions and reflected the US approval of Japan's policies and moves to be done.

¹⁴ <https://www.jstor.org/stable/2757656>

INQUIRY:

- 1) ***Were Japan's responses to the Cold War a successful one?***
- 2) ***Did it reveal a client-state relationship with the US? Was it surprising and sustained?***

Economic Responses of Japan to Cold War

Economic Diplomacy with SEA & Engagement of China

Economic Diplomacy: Southeast Asia & China

- Foreign trade investment
- Foreign Aid / Development Assistance (ODA) to achieve Cold War objectives over time
- Yoshida Doctrine
- Nakasone's Foreign Policy

Yoshida Doctrine:

Framing Japan's Economic Responses to the Cold War & Impacting Countries who Benefit from Japan's Growth

- Japan's policy response to the Cold War of shunning international political-military commitments while concentrating on economic growth was initiated by PM Yoshida and elaborated upon by his successors. Because of its effectiveness in dealing with the international and domestic political environment, the Yoshida Doctrine proved much more durable than PM Yoshida anticipated.
- Through the Yoshida Doctrine, Japan's status in the world came to be restored as a major economic power by the 1970s which then gave Japan the capability to uplift economically its Asian neighbors with the approval and blessings of the US who saw the merits of this as being in line with its Cold War containment strategy to shore up countries economically against Communism.
- For Japan, which used the fact that it would not participate in power politics utilizing military means as a source of national pride, the prevention of the Communization of the region through stabilizing the people was a positive security policy that became part of the country's comprehensive security concept of later years.
 - *In the early 1960s, Japan's Official Development Assistance amounted to approx. \$100 million*
 - *But by 1965, that figure had increased dramatically to \$244 million.*
 - *By 1970, it reached \$458 million.*
- In this manner above, Japan's foreign aid diplomacy towards Southeast Asia was quite significant in the Cold War context. The containment of Communism was the primary goal of the US in Asia, and stabilization of local economies and political situations of non-communist states through Japan's economic assistance was very much welcomed and blessed by the US. In fact when the US Congress drastically cut America's own foreign aid as the Vietnam War worsened and the US trade balance grew more serious, there was a strong expectation by the US government that Japan would extend aid to the region on its behalf to further US goals!

- *In seeking to obtain a promise from the US for the return of Okinawa, Japan PM Sato in 1967 during his trip to Washington found that US President Johnson was very firm about Japan being obligated to exercise leadership in the economic sphere since Japan could not send troops to Vietnam for the defense of the free world unlike Australia and Korea.*
- *US President Johnson in 1967 thus asked Japan to buy \$500 million in US bonds, provide a special fund of \$100 million for the Asian Development Bank, donate televisions to South Vietnam for educational purposes and even build hospitals there.*
- Japan's economic power, derived only through the consistent application of the Yoshida Doctrine over time, was also used to resolve foreign policy issues in its economic relations with the US (over trade deficit and cost sharing burden of bases and defense) and in increasing its foreign aid and official development assistance to neighbors in Asia and the world.
 - *By the end of the 1980s, Japan was not only the world's greatest creditor nation, it was also the world's largest aid donor. Nearly two-thirds of this aid went to Asian countries, amounting to a staggering 6 to 7 times the sum of annual US aid to the region!*
 - *One should also note that such aid was never altruistic in nature as it was often targeted for strategic commercial purposes as well. Instead of focusing on single infrastructure projects – such as a dam or a highway for example – the strategy of the Japanese government became more proactive and comprehensive by focusing more attention to the development of STRUCTURAL complementarities with the Japanese economy and what will supplement and boost Japanese companies' orders and profits.*

Significance Analysis:

Yet despite having caught up economically with the advanced nations by the 1970s, many Japanese were still not satisfied as Japan remained dependent on the US for its security. This dependence, together with a heavy reliance on the US market to absorb nearly 40% of Japan's exports and subsequent earnings for Japan, made Japan constantly vulnerable to US pressure and highlight the unequal standing in the US-Japan relationship.

- Because the Japanese electorate was so deeply divided, the mainstream Yoshida-school conservatives avoiding outright confrontation between opposing views, focused on building a strong consensus behind the popular goal of economic growth and adopting the language of pacifism.
- This view of Japan as a pacifist nation, fervently held by the Progressives, was cynically used by the post-war conservative leadership to dampen domestic political confrontation and served as a pretext for their strategy of concentrating exclusively on the goals of economic nationalism.
- The strategy of adapting opportunistically to the structure of the Cold War system while exploiting the advantages of the free-trade order proved to be remarkably successful but was bought at a high price as it was demeaning to rely wholly on another nation for security and to have it prolonged indefinitely as a matter of policy required suppression of national pride and self-respect.

Nakasone's Foreign Policy

- As a grand strategy, the Yoshida Doctrine guided Japan's fortunes smoothly and shrewdly to achieve long-term goals beyond even just economics. However, it left Japan unprepared to deal with the political consequences of its newly acquired economic power and it ignored the latent issues of wounded national pride caused by the subordinate role Japan adopted in the US-dominated world system and US-Japan alliance relationship.
- During Nakasone's term of office as PM of Japan (1982 – 1987), this longtime conservative critic of the Yoshida Doctrine made a bold and ambitious attempt to reorient Japanese national purpose and to define a new broader national interest.
- Rather than adapting to international trends, PM Nakasone laid out a self-determined course for Japan where it will have its own ideals in foreign affairs and provide a model for other countries instead of emulating others.
- Nakasone believed that Japan had to leave behind many aspects of the distinctive Japanese model of Capitalism, and he appointed an advisory group in 1985 to recommend measures to deal with trade surpluses. He also sought to boost defense spending, and reform the education system.
- However, Nakasone's agenda was largely unrealized as there was fierce resistance from the Japanese bureaucracy and the mainstream conservatives in Japan. So strong and embedded was the Japanese trait of dependence on the external structure, that Nakasone's determination to fashion a self-generated new direction ultimately failed.

Engagement of China: Pragmatic

- **Pragmatic Approach: Separate politics from economics in engagement**
- **Opportunities for deeper economic engagement with Deng Xiaoping's reforms**
- While Japan publicly followed the US position on political relations with China, it also made moves to improve relations through expanding exchanges at private and popular levels in the economic and cultural spheres done through a "building block" (tsumiage) style given the constraints of the US-Japan Security Alliance and Japan-Taiwan Peace Treaty of 1952.
- The Japanese government believed that if political and economic problems could be separated, then trade relations with the mainland which took in a large portion of Japan's exports in the pre-war period could be expanded.
- As early as the 1950s, between 1952 and 1958, private trade organizations from Japan and China (People's Republic of China – PRC) signed four different trade agreements. Private exchange between Japan and China proceeded during these years and trade expanded but the amount of trade even in a good year remained under 3% of all Japanese trade.
- A reason for this limited trade in the 1950s was because the US-led COCOM (Co-ordinating Committee for Export Control to the Communist Bloc) limited trade with China and because there were secret understandings between the US & Japan, Japan's trade with China was further restricted. Until 1957, Japan's trade with China was subject to controls tighter and more disadvantageous than those of other Western countries with Eastern Europe and the Soviet

Union because of the anti-China policies of the US in particular especially after the involvement of China in the Korean War! This once again reveals the client-state relationship that constrained and affected Japan's responses in the Cold War period.

- Following the downturn in Sino-Japan relations in 1958, China began to take the position that politics and economics were indivisible, and that economic exchange should be subordinated to politics. This became clear in the '3 Political Principles' Policy of Aug 1958 where China announced:
 - *Japan had to stop viewing China as an enemy*
 - *Japan could not be involved in attempts to create 2 Chinas*
 - *Japan should not attempt to prevent the normalization of ties with China*
- Significance: This once again reveals how while Japan's leaders initially in the 1950s wanted to be pragmatic and focus on economic relations with China for mutual interests despite the constraints of the US-Japan relationship, it was not always possible to do so as seen in the example above. For Japan to agree to the 3 principles of China above, it will have jeopardized the US-Japan alliance that was built on containing Communism and China. Clearly, once again the client-state relationship between the US and Japan and how it constrained Japan's options and responses is evident.
- After the Sino-Japanese normalization treaty (*Treaty of Peace and Friendship between Japan and the People's republic of China*) was concluded in 1978, the bilateral relations experienced relative stability despite existing precarious elements such as maritime border disputes in the East China Sea, tensions over the Senkaku/Diaoyu Islands and Japan's continuing relations with Taiwan.¹⁵
 - Japan began to provide China with Official Development Assistance (ODA) in 1979, including human development, technical cooperation, grants and ODA loans, and contributed to building economic and social infrastructures in China.
 - As China's rapid development after Deng Xiaoping's economic reforms in 1978 created large economic opportunities, including trade and investment, Japan gained from its enhanced economic ties with China. This mutually beneficial relationship between China and Japan was well received by the public, and both enjoyed stability. Indeed, according to a public poll conducted by Japan's Cabinet office, over 70% of the Japanese population considered China favorably from 1979 to 1988, and the public considered China the second most important country after the United States.
- Japan PM Ohira visited Beijing in 1979 to set the stage for closer economic ties in the 1980s by promising China the first yen-based loan of 50billion yen and cooperation in Deng Xiaoping's Modernization policies of China. PM Ohira also announced the 3 Principles:
 - *Japan would not undertake military cooperation with China*
 - *Japan would not undertake loans to China at the expense of aid to ASEAN*
 - *Japan would not control China's market at the expense of US & Europe*

¹⁵ chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://olemiss.edu/courses/pol337/Koga2016ChinaJapan.pdf

- *PM Ohira's loan to China at this time was to show its support of China's reform policies, express appreciation to China for renouncing reparations for the war, and attempt to bring China over to the West in the wake of the very tense international environment following the Sino-Vietnam War of February 1979 that also made the US cautious.*
 - *1984: Japan PM Nakasone agreed to a 2nd loan to China of 470 billion yen*
 - *Aug 1988: Japan PM Noburu announced its intent to grant China a 3rd loan of 810 billion yen from 1990 to 1995.*
 - *Through this assistance from Japan, it helped China to develop into a world economic power based on Deng Xiaoping's plans of modernization and opening up.*
- However, the relationship began to change near the end of the Cold War. one such trigger was the 1989 Tiananmen Square incident. Admittedly, the Japanese government was still inclined to maintain strong ties with China. Even when the 1989 Tiananmen Square incident invited strong criticism from the United States and Europe and internationally isolated China, the Japanese government decided to restart its ODA to China as early as November 1990. The Chinese government expressed its appreciation for such a decision, and the government-to-government tie remained strong. Yet, public perception toward China began to alter.
 - *The rate of favorable views of China dropped from 68.5% in 1988 to 51.6% in 1989, and the rate of unfavorable views increased from 26.4% in 1988 to 43.2% in 1989.*
 - *In the context of the loss of strategic common interests near the end of the Cold War, the Tiananmen Square incident evinced a different value and political system existing in China and affected Japanese perceptions of China at the public level.*

CONCLUSION

Over the course of four decades, Japan's role in the US Cold War strategy was transformed from a rear basing area for combat operations in the Korean and Vietnam Wars to that of participant in the regional military balance of forces between the US and the former Soviet Union; with implications on China and the Cold War in turn as well. Japan's role in US strategy during the latter part of the Cold War also reflected Japan's great economic and technological strength, the growing capability of the Japanese Self-Defence Force (SDF), as well as the need to respond to improvements in Soviet naval and air deployments in the Pacific.¹⁶ Two major trends are visible throughout the Cold War period:

- ***As the US military's physical presence diminished on the main island, its composition changed coincident to the flow of the strategic competition between the Soviet Union and the US.***
- ***Japan's economic growth and the rehabilitation of the military increased Tokyo's value to the US in the effort to compete with the Soviet Union.***

As an ally of the US, Japan's primary mechanism for coping with global changes that impinge upon its security has been through collaboration with the US. Since 1952, the US-Japan alliance has provided the context within which Japan developed its post-war security policy, and as US strategy unfolded over the course of the Cold War, Japan's role in that strategy expanded.

For much of the Cold War however, Japan's military was excluded from the bilateral security dialogue. It was ONLY until Japan regained its economic strength that there was interest in promoting operational coordination between the US & Japanese militaries. And while Japan's military played almost no role in the implementation of US Cold War strategy during the early years, the US military on the other hand played a SIGNIFICANT ROLE in DEVELOPMENT of Japan's Self-Defence Force (SDF).

The Cold War context of the evolution of military cooperation between the US & Japan both hindered and helped the alliance dialogue. In the early years of the Cold War, there was greater concern within Japan that the alliance would inevitably involve Japan in a war, and the resistance to the notion of joint military planning stemmed from deep divisions over the US goals. In terms of operational cooperation between the US & Japanese militaries, however, US forward deployments not only contributed to Japan's own defense needs but made the presence of US forces in the region certain. When US forces were reduced in the 1970s, Japan's government realized for the first time the need for a direct dialogue over how military cooperation outlined in the bilateral treaty would be implemented.

¹⁶ Michael Green and Patrick Cronin, *The US-Japan Alliance: Past, Present, and Future*, p.74