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**THE FUTURE OF
UNITED STATES - JAPAN
RELATIONS**

BY

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THE FUTURE OF UNITED STATES-JAPAN RELATIONS
AN INDIVIDUAL STUDY PROJECT

by

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ABSTRACT

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The Cold War is now over. The United States and its allies have won. The world will be a much different place to live; ideologically, politically, militarily, and economically. Ideological methods will no longer be the standard with which global politics is conducted and alliances maintained. The most important alliance in the Pacific region is the one between the United States and Japan. As far back as 1791 the United States understood that the Pacific region would be an important area for commerce and trade. Starting in 1853 the ties between Japan and the U.S. began in earnest. From Commodore Perry through the end of the Cold War the relationship has been filled with miscommunication, missed opportunities, and incorrect perceptions. In the years ahead, a new foundation (trust and respect) for U.S.-Japan relations must be laid. This paper will deal with the relationship from a historical perspective and as that relationship exists today. The military, political and economic problems of the alliance will be studied and potential solutions recommended. Solutions to these problems must be initiated to ensure that this most important alliance is enhanced.

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INTRODUCTION

"The Cold War is over and Japan has won!"¹

The meaning of this quotation indicates that Japan exited the Cold War as the clear winner; the United States may have won the ideological Cold War but at the cost of its own economic strength. The future world may very well judge power by economic strength; therefore, Japan could be placed in a position to be the world's power broker while the United States loses its position as the only super power.

Though this is somewhat a maverick viewpoint, it is based on trends and data that have led people from every level of government and industry into "Japan bashing." "Japan bashing" has become a national pasttime to the extent that some people have even made careers as professional "Japan bashing" consultants. Memories of World War II (especially the fiftieth anniversary of Pearl Harbor) have fueled an already difficult situation.

In January 1992 President Bush went to Japan in a move originally intended to demonstrate the strength of the U.S.-Japan relationship but later included influencing the Japanese to increase purchases of American autos and auto parts. At a state dinner during this visit, President Bush fainted in front of the Prime Minister of Japan and many Japanese dignitaries. In Japan, the Japanese people were embarrassed and concerned for the President. In the United States, the photo of an American President being helped to his feet by the Japanese Prime Minister ruined an economic trip that already was a borderline failure. President Bush's embarrassment allowed Lee Iaccoca and the other

industrialists who accompanied him to tell the American people "I told you so" and add more problems to the fragile U.S.-Japan economic relationship. The fact that President Bush left Japan with nothing but promises may well have contributed to his election defeat ten months later.

The love-hate relationship between the U.S. and Japan is not a recent development. Commodore Perry's gunboat diplomacy opened Japan to the world. The Spanish-American War made the U.S. a Pacific power and the Russo-Japanese War of 1905 solidified Japan as the other regional power. The time prior to World War I fueled the distrust and racial hatred that would eventually lead to U.S.-Japan armed conflict. The period between the world wars was a time during which both countries talked of peace while preparing for the ultimate conflict.

The events after World War II (the atom bomb, the occupation, the Cold War) were responsible for a close U.S.-Japanese relationship that no expert could have predicted. Ideologically, politically, militarily, and yes, even economically, Japan and the U.S. bonded together to fight the spread of communism and further democratic values wherever possible.

However, the Cold War is now over: The United States and its allies have won. The world will be a much different place to live; ideologically, politically, militarily, and economically. Ideological methods will no longer be the standard with which global politics is conducted and alliances maintained. Regionalism, based on economic alliances and trading blocs could be

the new make-up of the New World Order. The U.S. will be a broker for a time, if for no other reason than it is the only "full service" super power left. However, how long the U.S. maintains this status rests on the success or failure of its overall relations with Japan.

In the years ahead, a new foundation for U.S.-Japan relations must be laid. The memories of the past must be put to rest. Such a foundation will require resolute domestic actions on the part of both countries. If interdependence is to be made viable, greater economic compatibility must be achieved. In addition, our security relationship must be expanded to include partnership in concert with the international community in advancing programs relating to peacekeeping in regions of tension, particularly in Asia. To maintain this security relationship, Japan and the U.S. must remain close allies strategically and militarily. Without this all else could fail.

This paper will deal with U.S.-Japan relations past, present, and future. Section One will study the relationship from a historical perspective, which will provide some reasons for the relationship as it exists today. Section Two will deal with today's relationship (Post World War II) and the trends for the future. Section Three will dissect the negative trends and provide possible solutions for the future: specifically, what the U.S. and Japan must do economically, politically, and militarily to maintain this most important alliance.

U.S.-JAPAN RELATIONS IN HISTORY

"Philosophers have said that history repeats itself, that everything happens twice. This is an understatement. History, particularly the history of nations, repeats itself many times."² If this is true, the key issue is to break the chain and the repetitious events that cause history to repeat itself. However, before one can view U.S.-Japan relations from an historical perspective, one must examine the underlying forces that have conditioned the choices each nation has made.

Historically the U.S. has sought to keep the peoples of the eastern hemisphere (Europe and Asia) out of the western hemisphere. The layers of historic American strategic interests can be stated as follows:

1. That the U.S. Army should completely dominate North America.
2. That no power or group of powers should exist in the western hemisphere capable of challenging U.S. hegemony.
3. That the U.S. Navy should be able to keep eastern hemispheric powers out of the western hemisphere by controlling the North Atlantic and eastern Pacific oceans.
4. That no eastern hemispheric power should be able to challenge U.S. domination of the oceans, having their energies diverted by threats within the European/Asian land mass.³

Extraordinarily, unlike most other nations, the United States achieved all of its strategic goals. Through wars, land purchases,

and, sadly, the destruction of the North American Indian culture the U.S. was able to gain control and dominate the entire American continent. There was no threat to the hemisphere except from the sea. Therefore, the U.S. constructed a fleet to dominate the Western Hemisphere and supplant the other great navies of the world (British, Spanish, French) as the paramount power in the Atlantic.⁴ Every strategic decision has always been made to maintain freedom of the western hemisphere from outside influence.

Japan, based on its geographic location, has historically been relatively safe from invasion. Lack of ports and the treacherous waters of the Sea of Japan have meant failure for any foreign power who attempted a direct assault from the sea. Therefore, the goals of Japan's historic grand strategy could be organized as follows:

1. To keep the home islands under the control of a central government and a unified army.
2. To maintain control of the seas around Japan's islands.
3. To dominate land masses abutting this area of sea control.
4. To be the dominate naval power in the northwest Pacific as far south as Formosa, as far southeast as Iwo Jima.
5. To secure and maintain control of access to Japan's mineral sources in either mainland China or Southeast Asia by dominating the entire western Pacific and excluding all foreign navies.⁵

The first goal of Japan's grand strategy was secured without much effort as previously stated. Control of the seas was achieved through a conscious decision to modernize during the Meiji era

(1868-1912) following the slogan "leave Asia and join Europe."⁶ The final goal has always been and will always be Japan's most crucial yet unattainable goal. It has been the scarcity of its own natural resources, more than any external opposition, that has endangered Japan.⁷

As we summarize the past we can see the most important strategic goals of each country were dramatically opposed to one another. On one side was the U.S. which was dedicated to controlling the seas in order to preserve the interests of the Western Hemisphere. Japan, on the other hand, was dedicated to maintaining its control of the seas in the western Pacific in order to keep open the sea lanes which brought its critical natural resources. In effect, Japan desired its own "Monroe Doctrine" for Asia.

As far back as 1791 American ships were visiting and trading with Japan. Even in the early nineteenth century, the importance of the Pacific and Japan were well known. "John Quincy Adams, as President of the United States, declared the duty of Japan to assent to the opening of its country, on the ground that no nation has the right to withdraw its private contribution to the welfare of the world."⁸

Official relations between the U.S. and Japan began in 1853; with the U.S. using a familiar method during that period of western colonialism. In March 1852 President Fillmore placed Commodore Matthew C. Perry in charge of a naval expedition to induce the Japanese government to establish diplomatic relations with the

United States and open its markets to U.S. goods. The Japanese, who were aware of China's recent defeat by the technologically superior Western powers, reluctantly accepted the treaty.⁹ However, Japan took action to strengthen its position in order to be able to influence future outcomes.

Beginning with the Meiji era (1868-1912), the regional overlords were brought under control and a central government was formed. The Japanese entered an era of westernization to include changes in society (hair styles/clothing), political structure (authoritarian constitutional government with some trappings of democracy), and military modernization.¹⁰ As early as 1865, the Yohohoma Iron Works began constructing warships for the Japanese fleet.¹¹ Japan also sent missions to the United States and Europe in order to learn about western society, to include industry and education. Finally, in order to take advantage of Western fear of Russian expansion into Manchuria, Japan entered into the Anglo-Japanese Alliance. Essentially, this alliance enabled Japan to change to a more aggressive foreign policy with the support of the Western powers.¹²

To consolidate its position in East Asia and as part of its new modern national strategy, Japan defeated China in 1894 and Russia in 1905. These victories not only made Japan the premier military power in the region, but also gained its control over Formosa and Korea. Both accessions were very important to Japan's strategic lines of communications and transportation choke points. This series of events made Japan the dominant force in the Pacific

region with the exception of the United States.

In 1898 the United States fought the Spanish for domination of the Caribbean. Along with domination of the Caribbean came a gift to the U.S.: Pacific colonies with which to become an influential player in the Pacific region. The Hawaiian Islands provided the U.S. with a forward base to protect the Western coast of North America and to protect sea lanes to the orient. The seizure of the Philippines gave America the potential to influence events in East Asia to include Japan's quest for natural resources. Japan also knew this, which started a growing concern and later fear as the occupation of the Philippines began to interfere with what were seen as vital Japanese interests.¹³

The years just prior to and after World War I were filled with concern, fear, distrust, and hatred within both countries. Both the U.S. and Japan were commercial regimes; their futures were tied to trade. However, Japan's interest in the region was more desperate than that of the United States. Its need to import raw materials and export goods was far greater than that of the U.S. Therefore, U.S. interest in the region was viewed by many in Japan as "a sinister plot" to keep Japan from realizing its destiny.¹⁴

After World War I, as a reward for being an ally, Japan gained control of Germany's Pacific colonies north of the equator. The Marianas, the Marshalls, and the Carolines were of little value economically but strategically critical. This, of course, aroused concern in the United States, because Japan was now in a position to block U.S. access to the Philippines. Japan could not tolerate

a large American naval presence threatening its supply lines. The U.S. could not permit the Japanese to control East Asia and its own access to the region.¹⁵ Thus the stage was set for actions by both nations that brought them closer and closer to war.

Another reason for the deterioration of U.S.-Japanese relations was the treatment of Japanese in the United States. Besides general racial prejudice against Japanese, there were laws passed which officially restricted people of Japanese descent. "The Immigration Law of 1924, called the Exclusion Act, denied entry into the United States to aliens ineligible for citizenship, which embraced all Orientals but particularly struck the Japanese whose ambassador had warned in advance that passage of the law would have 'grave consequences' for the otherwise mutually advantageous relations between Japan and the United States."¹⁶ These types of laws only added to Japan's suspicion and concern of U.S. intentions in the Orient.

Prior to the defeat of Russia in 1904, the U.S. actually supported Japan as the "Pacific Underdog." After the Russo-Japanese War and World War I, however, the enhanced position of Japan became apparent. The U.S. became increasingly concerned about Japanese intentions, especially after its acquisition of Korea, Formosa, and the former German Pacific islands. Though Japan's motivation was strictly economic and protectionary, the U.S. concluded that Japanese "expansion" must be stopped. This affected the U.S. approach to the post-war disarmament conferences.

The United States became so concerned by Japan's position that

it called for a conference to settle all the differences in the Pacific region. The Washington Conference was convened on November 12, 1921 with the United States, Great Britain, France, Italy, and Japan as the major powers in attendance. China also sent a delegation, but due to the chaotic condition of the country it became purely symbolic.¹⁷ Four important settlements were agreed on" (1) a Naval Limitation Treaty; (2) a Nine-Power Treaty, concerning China; (3) a Four-Power Treaty, whereby the U.S., Great Britain, Japan and France agreed to consult each other when problems arose in the Pacific; and (4) a Shantung understanding, concerning Japan and China.

The Naval Limitation Treaty, signed by Great Britain, the United States, Japan, France and Italy, limited Japanese capital ships to 60% that of Great Britain and the United States.¹⁸ Its essential goal was to limit the Japanese ability to threaten British and American interests. "Essentially, it sought to confine Japan to the box it had seized during the Russo-Japanese War."¹⁹

Though the Japanese knew the intent of the Naval Limitation Treaty, they were willing to agree. I contend the Japanese agreed for three reasons. First, the ratio did not allow for a huge fleet in the Pacific by the U.S. and Great Britain. Second, Japan knew that they were in no position to challenge either nation at that time. Third, the Japanese felt they had strategically won some concessions such as the agreement by the United States and Great Britain not to improve fortifications in their Pacific island holdings, to include the Philippines and Hong Kong.²⁰

The other important agreement that eventually contributed to the events that led to the war in the Pacific was the Four-Power Treaty. The United States had long been concerned about the long-standing Anglo-Japanese Alliance, which could bring Japan and Great Britain together in a war against the United States. Therefore, under severe U.S. pressure the Anglo-Japanese Alliance was replaced by the Four-Power Treaty. This treaty did ease tensions between the U.S. and Great Britain, but added to the long term tensions between the U.S. and Japan.²¹

The other two agreements (The Nine-Power Treaty and the Shantung Understanding) were symbolic gestures involving China and really had little impact on the significance of the Washington Conference. In the end, the Washington Conference had some impact on the international naval arms race, but it did nothing to ease the Japanese or American concerns about one another. The collision course would continue.

After the Washington Conference, though U.S. and Japanese political tensions continued, the naval armament limitations provided some hope for the future. By 1927, however, the great naval powers had renewed the armaments race, particularly in construction of ships (cruisers and submarines) not covered by the Naval Limitation Treaty. After a number of failures by the U.S. to bring all parties together, a second round of limitation talks were held in London during the early months of 1930.

The result of the Conference was the London Naval Treaty which actually increased Japan's ship ratio to 67% of that of the United

States and Great Britain. However, due to an escape clause written into the treaty, the signatories were permitted to build above the limitations if any signatory felt its security was threatened by a non-signatory country. Though this clause was really directed against Germany, it caused the treaty to eventually become totally ineffective. As a result, Japan withdrew from both Naval treaties (Washington and London) in 1936 to carry out an unrestricted naval construction program.²²

During this period three trends became most prominent. First, the military had become the dominant power in the country taking control from the democratic parliament. This was in large part made possible by the second trend, which was the Great Depression, which consumed the entire world and acted as catalysts for the changed governments in Japan and Germany. Third, the search for raw materials became an obsession for Japan. Japan believed it could not survive as a modern nation without the importation of natural resources. Therefore, until it could build a navy significant enough to influence the entire Pacific region, there was only one way to gain new sources of natural resources--China. Therefore, "the choice of China as a target of expansion had less to do with ideology than with perceived lack of better options."²³

The Manchurian Incident in 1931 led to Japanese control of all of Manchuria and its natural resources. However, due to the poor condition of its industrial development, Manchuria became a financial burden. The Manchurian situation and the world depression caused Japan to look for further areas of economic

penetration. Interior China and then Indochina became the next targets of Japan's new economic requirements.

Japan always felt ethically superior to China, therefore gaining influence into the region was a natural progression. However, the military incursion by Japan into Northern China ignited anti-Japanese protests by the United States. To the dismay of the Japanese, the United States did not recognize but denounced the "new order" established by Japan first in Manchuria and then in China.²⁴ In addition, the brutal methods which Japan used in its occupation of Manchuria and China angered western nations. The League of Nations Assembly condemned Japanese aggression in Manchuria and China as a violation of the Nine-Power Treaty. However, being weak and ineffectual, the League was powerless to enforce its finding, which only added to the Pacific arms race.

Unlike Germany, the goal of Japan prior to the beginning of World War II was not ethnic cleansing. Unlike Russia in the Cold War, the goal of Japan was not world domination. In fact the goal of Japan in World War II was to attain self-sufficiency in industrial minerals. Its strategic goals were:

1. To occupy those areas that could rapidly be utilized for the production of these minerals.
2. To secure the sea lanes necessary for seizing these areas and transporting the raw materials to Japan.²⁵

Within the first few months of the war, the Japanese had succeeded in both these strategic goals. Japan hoped that after the early stages, the U.S. would accept a peace treaty in which it

could then dominate Asia in a manner no different from that in which the U.S. dominated North America. However, the surprise attack on Pearl Harbor changed any hope of an early conclusion in Japan's favor. As Franklin Roosevelt said about the attack on Pearl Harbor, "It was a day that will live in infamy" (Evil Fame or reputation). The United States would spare nothing in defeating Japan; negotiations would not take place until after complete and unconditional surrender by Japan.

This first phase, the historic phase, of U.S.-Japanese relations was based on miscommunication, missed opportunities, and lack of understanding of each other's national goals. Luck was also a significant factor in the deterioration of U.S.-Japanese relations during this phase. The one event that started the domino effect to armed conflict was the accession of the Philippines by the United States after the Spanish-American War. If it were not for that single event, Japan may not have felt compelled to expand for economic protection, and the United States may not have had to respond in kind. If there had not been a Spanish American War, which was primarily a war for North American expansion by the U.S., the U.S. would have never occupied the Philippine islands. No Philippines, maybe no crisis, and maybe there would have been no Pacific war. Stating what may have been is easy, after the fact. However, an examination of history not only can shed light on what might have been, but can also provide clues on how not to repeat mistakes.

The United States never tried to understand the oriental mind,

which was a significant factor in misreading Japan's intentions. While the U.S. continued in the European mode of colonialism, Japan systematically learned everything about the west. This is a factor that contributed to many of the problems between Japan and the United States.

World War II ended the first phase of U.S.-Japan relations. The next phase, U.S.-Japan relations after the War, established the framework of the present relationship between the U.S. and Japan. Before the desired future can be discussed, the present situation must be covered. The post World War II era is included in the study of the present because the present day U.S.-Japan relationship is an outgrowth of the entire post World War II era.

U.S.-JAPAN RELATIONS AFTER WORLD WAR II

"The defeat of Imperial Japan was the greatest achievement in America's military history. The close of the Pacific War left the United States master of the region and predominant power in the forthcoming Allied occupation of Japan."²⁶

The above quote by Roger Buckley seems to epitomize the most recent period of U.S.-Japan relations. From the close of World War II, through the Cold War, and now as the post Cold War Era begins, the U.S. has been the pre-eminent Pacific power. The U.S. has maintained a very close relationship with Japan, probably second only to that with Great Britain.

After the Cairo, Yalta, and Potsdam Conferences, it was obvious that the Soviet Union wanted to ensure domination of a buffer zone of countries in order to maintain its own territorial

integrity. In order to keep the Soviet Union from expanding beyond its sphere of influence, the U.S. needed allies in every region. Given the chaos in China, Japan was the obvious choice along the Pacific Rim.

The post war occupation of Japan was to be just long enough to hold war crime trials and ensure that Japan could never become a threat to the United States or its allies. However, as the Soviet Union extended communist influence into Eastern Europe and East Asia (North Korea and China), Japan became a crucial element in the American-Asian security alliance system.

With the emergence of the Soviet Union as a global threat to United States interests, Japan's recovery became a top priority of American Foreign policy. Those policy objectives included:

- "1. To preserve the territorial and political integrity of Japan against Communist expansion or subversion;
2. To ally Japan closely to the United States;
3. To ensure political stability; and,
4. To support a prosperous, strong and self supporting Japanese economy."²⁷

The single most important policy objective that has affected U.S.-Japan relations today was to revive Japanese foreign trade and the Japanese economy. There were three reasons for this significant effort. First, economic stability in Japan would prevent the social chaos that would make Japan vulnerable to Communism. Second, a primary interest of the U.S. was to make certain that Japan could no longer make war. Making Japan into an

economic success was the method of choice to ensure a democratic, non-threatening Japan. Third, containing the Soviets and the spread of communism became the obsession of U.S. foreign policy. Therefore, the building of Japan into a self-sufficient democracy to counter the Soviets was paramount.²⁸ Japan's economic development would be a significant U.S. national interest.

Japan's post war economy was slow in developing. By 1949 Japanese foreign trade was only a small portion of what it had been immediately before the war. Japan's industrial potential was moreover only partly utilized because of the traditional lack of raw materials and the large numbers of skilled workers who were either unemployed or only partially employed.

So great were American concerns in this matter that Lindsey Parrott of the New York Times wrote:

"What might result, if Japan's economy got into trouble, would be violent revolution to overthrow a profitless democratic connection and a turn for salvation to a new totalitarianism of the Left and a reliance on the resources of the Communist countries of Asia which could use Japanese industrial power."²⁹

However, there appeared to be no answer to the Japanese economic doldrums until the North Koreans attacked across the 38th parallel.

More than anything else, it was the Korean War that began the process that turned Japan from a desperately poor, defeated, demoralized nation into an economically viable one. The Korean War provided a sharp spurt to Japan's economy. The U.S. determined

that American military procurement for the war could be most efficiently and economically accomplished in Japan.³⁰

Though the Korean War was the catalyst, the U.S. implemented three policies during this period that secured Japan's future as an economic power and set in place the U.S.-Japan security alliance through the Cold War. The first was to leave Japan's industrial bureaucracy largely intact. By leaving the majority of pre-war government and industrial leaders in place, the same successful but "closed" economic system could possibly be resurrected.

The second policy decision was to allow Japan to have virtually free access to U.S. markets without demanding the same in return. The motive behind the decision was similar to that which guided the Marshall Plan in Europe. General MacArthur asserted that, "A liberal trade policy is important in the relations of the U.S. with many countries but in the case of Japan it is the foundation on which any really meaningful relationship must react. Otherwise Japan will inevitably turn away from us toward the communist bloc."³¹ But providing aid in the form of unrestricted market access while allowing virtually closed markets in Japan encouraged an export orientation in Japan and future trade deficits in the U.S.

The third decision was Article 9 of the Japanese constitution which stated:

"Aspiring sincerely to an international peace based on justice and order, the Japanese people forever renounce war as a sovereign right of the nation and the threat or

use of force as means of settling international disputes. In order to accomplish the aims of the preceding paragraph, land, sea, and air forces as well as other war potential will never be maintained. The right of belligerency of the state will not be recognized."³²

This clause, imposed by the United States, forbade the use of military force by Japan except in defense of the home islands. The result was that the United States would assume responsibility for Japan's defense and for maintaining peace and stability in the Pacific.

It is not necessarily clear why North Korea invaded South Korea during the summer of 1950. It is clear that it would not have done so without approval from the Soviet Union. The most common explanation at the time was that Stalin wanted to test the limits of the U.S. commitment in Asia. Another explanation was that by fermenting conflict in Korea, Stalin diverted Chinese attention from Siberia, a potential Russo-Chinese battleground. What the Korean War did do was transform the U.S.-Japanese relationship into an alliance, provide the Japanese economy with a badly needed postwar boom, and provide for the beginnings of a true military Self Defense Force (SDF). It is important to look at all three of these catalysts separately for a better understanding of present day U.S.-Japanese relations.

The Political/Military Alliance

The beginning of the alliance came from the security needs of both the U.S. and Japan. The U.S. needed a strong ally to stem the

flow of Soviet influence in the region. Japan needed a strong ally to militarily protect it as the economy was rebuilt. However, as time passed, the U.S. and Japan would disagree on the extent of participation in the alliance. Essentially, The U.S. forgave all that Japan had done in World War II, and in return Japan became a loyal and dependable ally, politically and economically.³³

The U.S. eventually desired a rearmed Japan but Japanese Prime Minister Yoshida vigorously opposed rearming and proposed instead that the U.S. defend Japan in exchange for the use of bases in Japanese territory. This proposal was, in fact, accepted and became the basis for the 1951 Japan-U.S. Security Treaty. Yoshida's proposal has continued over time to be central to Japanese Security policy, cooperation with American forces and reliance on the U.S. for defense.

After the Korean War, the U.S. offered military aid to its allies to include Japan, but to be eligible Japan was required to have a plan for self-defense. Though Article 9 prohibited rearmament, Japan justified the beginning of a Japanese post-war defense force on the grounds that Article 9 did not prohibit self-defense. Therefore, on 1 July 1954, the Defense Agency Law established the Japanese Defense Agency and Ground, Maritime, and Air Self-Defense Forces. Concurrently the U.S. and Japan signed a mutual Defense Assistance Agreement to establish a legal basis for a close U.S.-Japan security alliance.³⁴

The alliance, as it was set up in 1954, succeeded in ensuring that Japan would remain a democracy, part of the free world, and

closely allied to the United States as an example of democratic success. In addition, the security treaty allowed Prime Minister Yoshida to realize his number one priority: to maintain Japanese security such that peaceful economic development was guaranteed.³⁵

A significant event in U.S.-Japanese security occurred in 1960 when the U.S.-Japan Security Treaty was replaced by the Treaty of Mutual Cooperation and Security. At the heart of the negotiations were Japanese desires to correct unequal features of the 1951 Security Treaty. Most important were fears of subjugation of Japan to U.S. foreign relations decisions. Second, there was no provision that the Japanese government be consulted when U.S. bases in Japan might be used in a war.³⁶

In the 1960 Security agreement Japan gained all of its political goals while the United States was satisfied that Japan remained a staunch non-communist ally. Ideology was again the most important U.S. national interest.

"If more had been asked (and more frequently) of Japan in 1960 it would have been easier to break the old habits before it became apparent in the 1980's that Japan was not making an adequate contribution to the U.S.-Japan security alliance."³⁷

The major provisions of the alliance are (the entire text of the alliance is attached as Appendix 1):

Article I - Reaffirmed support of United Nations to settle international disputes by peaceful means.

Article II - Called for promotion of peaceful and friendly

international relations and encouraged economic collaboration between the U.S. and Japan.

Article III/IV U.S. and Japan agreed to resist armed attacks in the Pacific Region and required U.S. to "consult" with Japan whenever it desired to use bases in Japan to conduct combat operations in the region.

Article V - Stated that an attack on either the U.S. or Japan within Japanese territory would be acted on together and in accordance with International Law.

Article VI - Established the basis for the Japan Status of Forces Agreement (SOFA) and eventually the principle of burdensharing. Also provided the basis for the strategy of U.S. forces in Japan to ensure regional peace and stability.

Article VII - Reasserted position of the U.N., this treaty, and that there were no conflicts between them.

Article VIII Established the ratification and signing
and IX procedures.³⁸

From a U.S. national interest perspective it was a successful agreement for the U.S. Japan was solidly allied to the U.S., a secure forward presence base was assured, and Japan could become the showpiece in the Pacific of American type democracy. The cost at that time seemed to be minimal--the guarantee of Japanese security and a permanent U.S. presence in Japan.

The Military/Security Alliance has endured for 32 years. It has survived seven U.S. presidents and a multitude of Japanese

Prime Ministers. The Vietnam War, the most unpopular military endeavor in U.S. history, did not shake this alliance. There have been minor "interpretation changes" in the treaty, but in general it has remained the same. Why? The COLD WAR! The threat of Soviet expansion made the Security Alliance stronger than it ever would be without the Soviet threat. There are problems that must be solved but overall, and even with the end of the Cold War, the political/military portion of the alliance appears strong and unbreakable. The economic part of the alliance is another matter.

The Economic Alliance

At the start of the Cold War, the U.S. was prepared to do almost anything to ensure that Japan would remain as a steadfast ally (with a large part of that being economic stability). Communism was understood to thrive where there was heavy poverty, and the U.S. was dedicated to the idea of an economically prosperous Japan.

Therefore, when the Japanese erected strong trade barriers in 1950, there was no outcry of unfairness because Japan's economy was in such bad shape. If there was a role for tariffs and quotas in the new economic order of things, it was precisely for countries like Japan that needed to protect "infant" industries from foreign competition.³⁹ After Japan's economy stabilized in the late 1950s, pressure began to be brought on Japan to reduce these trade barriers. Even though many of the quota barriers were lifted, some tariffs and unofficial impediments still remained.⁴⁰

As long as the United States maintained an overall trade

surplus, however, U.S. officials seemed willing to overlook bilateral Japanese trade surpluses in the interest of not upsetting its security arrangements with Japan.⁴¹ "Throughout the postwar period, to retain Japan's friendship there was not to be anything but the gentlest of comment and the politest of encouragement."⁴²

At various times through the 60s and 70s, the United States attempted (without much success) to stem the flow of Japanese imports or to get the Japanese to lift official and unofficial restrictions on U.S. products. An example is the textile negotiations from 1969-1971.

President Nixon had made a 1968 campaign promise to the textile industry in their efforts to stem the tide of lower priced Japanese textile imports. After six months of negotiations, Nixon had received assurances by then Prime Minister Sato that textile exports to the United States would be voluntarily limited. However, Sato was not only unable to stem the flow of Japanese textiles, but was forced to resign prematurely as Prime Minister over the incident. As he was leaving office Sato stated, it was "the maintenance and the development of U.S.-Japan ties as the great issue of our foreign affairs into which I poured both heart and soul."⁴³ Japan wanted to maintain close ties, but also wanted to maintain its closed economic system.

After more than two additional years of difficult negotiations, suddenly the Japanese settled along American lines. It seems that the Nixon administration finally used diplomatic coercion to gain Japanese acceptance. Threats of a unilateral

quota system, import surcharges and a delay in the return of Okinawa made the difference. Though this method appeared to be an effective way of dealing with Japan economically, the negotiation process took too long and provided little permanent decrease in the foreign trade deficit of the U.S.⁴⁴

The 1980s was the decade of constant trade talks between the U.S. and Japan. The Reagan administration fell into a pattern of negotiating for greater market access in specified narrow sectors, or even specified products--a "laundry list strategy," rather than trying to deal with Japan's economic structure and its systemwide impediments to imports.⁴⁵ Increased market share of U.S. tobacco products and voluntary restrictions on automobile imports were the few successes that the Reagan administration enjoyed. The Reagan administration was still fighting the Cold War and therefore felt it had to continue to handle Japan delicately.

The Bush administration appeared to learn from the Reagan mistakes, because more success was enjoyed and the trade deficit reduced. The demise of Communism allowed Bush to put more emphasis on trade matters than security matters. However, the Bush Administration still was not able to successfully push for a change in Japanese non-governmental import impediments. Therefore, the overall dispute in U.S.-Japan trade continued.

Today, though the Bush Administration succeeded in reducing the trade deficit, the picture of Bush slumping to the floor in Japan seems to be what Americans remember most. The image of Bush's fainting spell was an obvious metaphor for the American

economy: flat on its back, seeking help from a resurgent Japan. The economic relationship between Japan and the United States had become a story of almost continuous strife, at least if judged from press accounts. The anger from entire sectors of American industry became difficult to contain.

The problem with the Japanese trade barriers is that there are actually fewer official barriers than there are in the U.S. The one significant existing Japanese trade barrier is in rice production, which is the "staple food" for all Japanese.⁴⁶ Though Japan is the world's largest net importer of farm products, complaints of accessibility to the Japanese market was based only on rice importation. Though the U.S. had similar restrictions on sugar, the "unfair trading" complaints against Japan continued.

Many of the perceived import impediments are actually bureaucratic "red tape" similar to many government requirements found in the U.S. Many of these impediments are agreements between Japanese corporations to assist each other. Japanese "red tape" may be different than in the U.S. and may take longer than in the U.S., but for those corporations willing to work for success in the Japanese system, acceptance is forever.

As history moves into the present and the present begins to shape the future, the U.S. and Japan will have important questions to answer and problems to solve, internally and externally. Increased trade tensions between the U.S. and Japan could erode the relationship in other realms. A stable U.S.-Japan economic relationship will surely assist in a more harmonious future.

However, until there are changes from both the U.S. and Japan, "erosion" will continue and "harmonious" will be more difficult to reach.

Present Problems/Future Solutions

Today, Americans are worried about Japan. Opinion Polls and popular novels reflect the concern that Japan will become a major challenger to the United States in the post-Cold War era.⁴⁷ In The Coming War with Japan, Professor George Friedman states that diverging interests between the U.S. and Japan will bring war early in the 21st Century. This assessment, though pessimistic, provides much food for thought. The issues that divide the U.S. and Japan are hardly the stuff of which great wars are made. However, "A real danger exists for strains and tensions in the bilateral relationship to be exacerbated in this decade, unless concerted efforts are made to recognize problems, cooperate in solving them, and isolate those that are not amenable to short term solutions."⁴⁸

The future relationship with Japan remains a top priority. As part of the Department of Defense strategy for the Pacific region, "The U.S.-Japan relationship remains key to our Asian security strategy."⁴⁹ The U.S. therefore must find a way to solve the political/military/economic problems with Japan and support a global political and economic role for Japan.

Political/Military Solutions

As the post-Cold War era begins, the interests of the United States in the Pacific region have generally remained consistent. They are:

- o Protecting the U.S. and its allies from attack;
- o Maintaining regional peace and stability;
- o Preserving our political and economic access;
- o Contributing to nuclear deterrence;
- o Fostering the growth of democracy and human rights;
- o Stopping proliferation of weapons of mass destruction;
- o Ensuring freedom of navigation along strategic lines of communication;
- o Reducing illicit drug trafficking.⁵⁰

These interests remain the same because of the importance of the Pacific Region. For the U.S., a Pacific power and a maritime power, the Pacific Ocean is a major commercial and strategic artery. Therefore [protecting U.S. interests and] maintaining stability in the region is the paramount U.S. interest and the reason for remaining active in the Pacific.

Now that communism has collapsed the bipolar U.S.-Soviet dominance has ended. The diametric ideologies of "Communism" and "Liberal Democratism (freedom)" are coming to an end. Japan has a real concern that a "revolution of nationalism" will take place⁵¹ and that the political transformation of Asian governments will have repercussions on Japan's national security strategy.

The other nations in the Pacific region have similar grave concerns about Japan. Any attempt by Japan to take on any global leadership role has been responded to negatively by its Pacific neighbors. These concerns are deeply rooted and based on memories that go back to centuries of conflict between the Asian mainland

and Japan.⁵² Therefore the need for a continued U.S. presence is critical, not only for U.S. interests but also for Japan.

At this point it should be noted that though dealt with separately in this paper, political/security and economic issues have become closely intertwined in today's global environment. John Scott, Deputy Director of the Office of Japanese Affairs of the U.S. State Department, feels "that we are entering an era when the ability or desirability of separating political and economic issues are a thing of the past."⁵³

Within certain limits, Japan must take on a more active leadership role in the post-Cold War era. Japanese strategy in the post-Cold War should be:

1. Maintain the balance of power among the countries on the continent.
2. Do not get excessively involved with the problems on the continent, except to maintain stability. A maritime power will not do well attempting to influence land powers. "A fish cannot survive on land."
3. Ensure that sea lines of communication remain open and encourage open international trade.⁵⁴

Any future national strategy of Japan must include a close relationship with the U.S. The first Japanese interest--maintain stability in the region--and the third Japanese interest--secure sea lines of communication--will require a U.S. security presence. Whether military or otherwise, Japan cannot realize its national goals without the U.S.

As stated earlier Article 9 of the Japanese constitution inhibits the use of military force. Japan has considered its security relationship with the U.S. to be a major element of its defense while it concentrated on economics and trade. Until the demise of the Soviet Union and the Gulf War, this philosophy of security was acceptable to both sides. However, during the Gulf War, the first post-Cold War conflict, there was a desire internationally that Japan promptly respond like the other industrial nations.

Japan did contribute and was the second largest financial contributor to the war effort. The fact that no Japanese combat troops were deployed did not upset the Western nations and relieved other Pacific nations' concerns of a Japanese remilitarization. The problem became the length of time to actually provide the support. Though Prime Minister Kaifu showed immediate vocal support for the war, the actual decision to send the financial contribution took painfully longer. This angered the West and left it with the impression that Japan would only contribute under duress. As a British House of Commons member stated, "Japan is failing its first real test of its declared role as a world power."⁵⁵ Japan was unprepared diplomatically to deal with a crisis management situation after many years of letting its Western allies take charge.

To change this unsettling trend, the United Nations Peacekeeping Operations (PKO) Bill was passed in 1992 by the Japanese Diet. In general, the PKO Bill allows the Prime Minister

to act, without approval from the Diet, but within certain stringent limitations, on the dispatch of non-combat arms personnel for peacekeeping missions. However, any detachment that may include combat operations must be approved by the Diet.⁵⁶ Though this bill may not go far enough to prove Japan's global accountability, it is a first step in an effort by Japan to become more global in its responsibility. Japan needs to feel comfortable with providing security assistance because it is appropriate for Japan to do so, not because they have been pressured into it from the outside (U.N./U.S.).⁵⁷ This will take time for Japan to accomplish, and patience and understanding by the West.

As Japan ponders its future global role, U.S. presence will remain the basis for all security decisions. From a U.S. perspective, a military presence in the Pacific will continue to be a critical requirement for the same reasons as for Japan: protection of national interests and regional stability which promotes free trade and economic growth.⁵⁸ These interests are even more important today, because of the decline of the U.S.-Soviet bi-polar world.

At this time, there are grave concerns in Asia that the U.S. will leave the region. As the U.S. attempts to solve its own economic problems, the temptation for the U.S. will be to pull back and look internally. The U.S. needs Asia for its international trade. The two-way trade between the U.S. and the Pacific is one-third larger than trade between the U.S. and Europe. To pull back from its commitment could cause a number of outcomes that would

hurt U.S. interests in the region.

Any scenario which included a U.S. pull-back could entail some type of Japanese rearmament. As previously stated, the other Asian nations are fearful of any kind of rearmed Japan. The memories of the Japanese conduct during World War II and before could ignite an Asian arms race that would dwarf what is happening in the Middle East. The secret of the Asian economic success is based on a regional stability that only the U.S. can provide.

Marine Corps Lieutenant General Henry C. Stackpole coined the phrase "Cap on the Bottle," while discussing the future requirement for a U.S. military presence in Japan. The phrase was quoted as meaning that the U.S. was afraid of a rearmed Japan. This is a totally inaccurate interpretation. A rearmed Japan, which is now firmly entrenched in democratic values, could be a powerful and valuable ally. So the Cap on the bottle has very little to do with a rearmed Japan or a fearful U.S.

A more reasonable interpretation includes the entire Pacific region. The ethnic differences in Asia are diverse and complex. Japan is concerned about Korea, Korea is concerned about Japan, and both are concerned about China. China, Korea, Japan, Vietnam, and the rest of the countries in the Pacific region often dislike each other and distrust each other politically and militarily. Therefore, the "cap" is in fact the U.S., however the bottle is not Japan but the entire Pacific Region. The contents of the bottle, therefore, is not Japanese militarism but Asian nationalism.⁵⁹

Along with its desired role as a global leader, Japan has made

a concerted effort to become a permanent member of the U.N. Security Council. Their argument for admission is that they are the second most powerful country economically and an influential global player. Detractors feel that Japan is "an economic giant" but a "political dwarf."⁶⁰ It is obvious that there is both some truth and falsehood in both arguments. The only question that must be answered is what does Japan need to do to make itself acceptable to the other permanent members of the Security Council?

First, Japan must become a good Asian neighbor. That means confronting the ghosts from the past that it has consciously ignored since World War II. The Japanese have so far carefully and circumspectly expressed "regret" and "contrition" but, unlike the Germans, they have not yet brought themselves to apologize directly to those peoples.⁶¹ Until Japan takes this step, its Asian neighbors will continue to react negatively to any Japanese leadership role.

Second, Japan must clarify its global role, not just economically, but also politically and militarily. Politically Japan must show that its leaders (Prime Minister and Diet) are prepared to be flexible in their interpretation of its constitution in order to assist in regional and global stability. This may include the passage of laws like the PKO Bill which will politically clarify Japan's role in the community of nations.

Militarily, the future role of the Self-Defense Forces (SDF) must be clarified. Until 1990, a deployment of the SDF would be unthinkable. Since 1990 there have been SDF deployments to

Bangladesh, the Middle East, and Cambodia.⁶² The deployment to Bangladesh was performed by medical and engineering personnel not in uniform and not advertised as SDF troops. The Middle East and Cambodian deployments were more open but still maintained a low profile so not to cause concern at home. There must be a change in Japan socially and politically which will allow SDF forces to officially deploy outside Japan's borders, such as under Article 43 of the United Nations Charter (maintaining international peace and security).

Third, Japan must demonstrate a capacity for leadership and provide that leadership promptly in areas where they are able to provide it. This does not mean that Japan must send troops every time, or anytime (Russia and China do not participate) to be a global leader.⁶³ However, it cannot hedge its political and economic support or provide that support only after pressure has been brought to bear. Burdensharing is one method by which Japan shows its support for regional and global stability. By 1995 Japan will be paying 74% of the cost to maintain U.S. troops in Japan. This and assisting with financial support (checkbook diplomacy) for U.N. or regional missions, will show responsibility for regional and global problems. However, Japan's leadership and responsibility must come decisively and without hesitation. There can be no substitute for quick action. Japan must evolve from its cold war pacificism to a post cold war internationalism, support by all levels of the Japanese government.

Has the alliance outlived its usefulness? From a U.S.

viewpoint, the alliance keeps us engaged in the Pacific, something all Pacific nations want. Even China and the Soviets have stated they welcome the presence of the U.S. as a stabilizing influence. An additional advantage, the cost advantage of the alliance, is the best ever--the U.S. cannot forward deploy troops or maintain a forward presence in the Asia-Pacific region anywhere for less cost than in Japan.

From the Japanese perspective, the alliance still provides a framework to sort out what forms of contribution to make to world order. Not only does the alliance give Japan a framework to develop within, it also provides insulation from the suspicions and concerns of its neighbors. As long as Japan's national strategy develops within the confines of the alliance, it will be able to participate within the Asian region without its military motives being under constant scrutiny. These advantages make the alliance critical to a global thinking Japan.

Economic Problems/Solutions

In a diplomatic sense, the U.S.-Japanese relationship is one of the great successes of postwar American History. An enemy has become a close and prosperous ally, intimately tied to America's own diplomacy and, most importantly its economy.⁶⁴ The U.S. exports over \$130 billion to the Pacific, the majority of that to Japan. Those exports translate into roughly 2.6 million American jobs dependent on U.S. trade in the region.⁶⁵

Today, with the Cold War over, Japan has become part of the first political issue of post-Cold War politics--the economy.

During the 1992 Presidential Campaign, the only unified position among the candidates was "Japan, unfair trading partner."⁶⁶ Are the Japanese truly unfair in their trade practices? Are the Japanese markets really closed to U.S. products? Is Japan really responsible for the U.S. budget deficit?

The bulk of the budget deficit is blamed, by the American press at least, on the large trade deficit with Japan. The trade deficit with Japan--\$41.71 billion in 1991--is often blamed on unfair Japanese trading practices. If you ask an American economist, the problems are high Japanese tariffs, the keiretsu, (a closely knit group which finance each other's projects and use each other as suppliers), government procurement practices and lax enforcement of antitrust laws. If you ask a Japanese economist, the problem is American corporate impatience, poor product quality, a large budget deficit, low savings rate, and a financial system that favors short-term profits over long-term investment.⁶⁷ Both assessments are correct.

The Japanese tariffs and subsidies are actually no higher than most countries, including the U.S. (sugar). The problem is that in certain cases the tariffs and subsidies are in industries in which the U.S. also exports. However, if the U.S. cares to remember, it encouraged economic protectionism by Japan in 1948 to build up its fledgling economy. So, the U.S. must share part of the blame of teaching economic protection to Japan.

The keiretsu, informal internal trading blocs, government procurement practices and lax enforcement of antitrust laws all are

part of the same set of trade practice. The U.S. would call it impeding trade and the Japanese would call it smart business sense. In fact, according to Mr. Scott of the State Department, "The Japanese remind us that they are only doing what the U.S. and Mr. Deming has taught them. We (U.S.) should take our own advice."⁶⁸ This is a consistent theme throughout these economic problems--the U.S. creates an economic situation favorable to the U.S., then when it is no longer favorable to the U.S., changes are expected. The U.S. needs to understand that changes in trading practices cannot be accomplished overnight. It took the U.S. over 200 years to perfect its imperfect system, while Japan, has had only 47 years. Maybe expectations are too high.

American corporate impatience is an example of the "Ugly American theory." An American corporation expects instant access without any delay, because it is "American," therefore no questions should be asked. If a company wants to do business in a foreign country it learns the language, customs, and laws of the subject country. Japan has managed to do this very effectively. The U.S. firms, on the other hand, generally do a poor job of learning how to do business in Japan. Most U.S. companies don't learn the language, understand the customs, or study the laws. An exception is the Toys 'R Us Corporation. By understanding how to do business in Japan, Toys 'R Us was able to change a government law (The Big Store Law) and begin operations over the powerful lobby of the Japanese toy markets Association. Toys 'R Us was successful and is now a permanent part of the Japanese business world. Other

operations should take a lesson from the success of Toys 'R Us.⁶⁹

Poor American product quality is more a function of building for the consumer than poor building itself. A good example are the U.S. automobiles. The automobile companies are the most vocal "Japan Bashers" in America. "Japan is unfair," they say, "the Japanese need to accept more auto imports from America." The casual observer would notice a drastic difference in a U.S. automobile and a Japanese automobile. When American consumers purchase Japanese automobiles, they are built specifically for them. The models built in Japan, for Japanese, are built to Japanese specifications. Contrastingly, U.S. automakers have not attempted to build a car tailored specifically for the Japanese market. That would require a steering wheel on the right, a shorter wheelbase to navigate the narrow streets of Japanese cities and greater fuel efficiency to offset higher Japanese gasoline prices (\$3.00/gal). U.S. auto companies rested on successes from previous decades, and did not care to change for the customer (unlike foreign auto companies).

A large budget deficit, low savings rate, and short-term profits regime of the U.S. economy are functions of the American way of doing business and the U.S. welfare system. In 1932 President Roosevelt created the Social Security System, and in 1964 it was expanded by President Johnson. It is sufficient to say that in an attempt to provide every American with an opportunity to enjoy the American dream, the U.S. has created the potential for a deficit of such large proportions that a reduction could be

difficult. This paper will not study the pros and cons of the U.S. Welfare System, except to say that this has contributed to the huge budget deficit.

Short-term profits vs long-term investment, is a product of the American business philosophy. The bottom line has always been profit margin at the expense of investment. The American Steel Industry is an example of profit margin over investment. Until the 1960s, technology was such that profits were large while investment was minimal. As the Japanese invested heavily in the most modern steel producing technology, the U.S. chose profits over long-term investment. By 1968, most of management in the U.S. steel industry saw the end coming. That year, a middle manager of Sheet and Tube Steel Corporation predicted, "the Steel Industry in the Eastern Ohio area will be gone within 10 years."⁷⁰ He was one year off, because Sheet and Tube shut down in 1979. If U.S. corporations, the board of directors, the stock holders, and the employees don't learn how to invest for the long haul, this scenario will continue to be played out.

Though most U.S. economic problems are homegrown and require homegrown remedies, Japan's economy and economic philosophy are different from those of other capitalist societies and are a factor in Japan's appearance as protectionary. These differences in Japanese and American economic philosophies are hurting the U.S., and Japan is changing too slowly to solve the problem in this foreseeable future.

Japanese government policies have often emphasized benefits to

producers more than to consumers, and the Japanese government has been prone to intervene in markets (sometimes ineptly) more than the U.S. government. Also, Japan has old laws in effect which were passed during the period when protectionism was required for national survival but are now completely out of focus in today's global economy. These three areas, when taken together, have had a significant impact on the U.S. and global economics.⁷¹

Now that the problems have been noted, what are the solutions?

The United States needs to admit that Japan is being made a scapegoat for America's inability to get its own economic house in order. Also, Japan needs to make a pronouncement that it will work with its neighbors in formulating economic policies to maintain an open market for American products in the region.⁷²

The United States government must provide tax breaks for international investment to corporations willing to invest abroad. The government also needs to influence the Securities and Exchange Commission to be more forgiving of companies that invest internationally, especially when they show a corporate loss while investing.⁷³ The Japanese need to provide the same openness for investment as they receive in the U.S. It's time for Japan to realize that at some point they will have to take a chance on a true global economy as the U.S. has taken.

The leadership of both countries need to articulate the message of economic interdependence to their publics. It is obvious from opinion polls taken in both countries that the message is not getting out.⁷⁴

The U.S. will have to put ideology aside when doing business overseas. An example is Vietnam where the French and the Japanese are poised to start trading while the U.S. appears to be hanging back for ideological reasons. If the U.S. government does not become more open minded, it will fall further and further behind. Twenty years of remembering Vietnam is enough. Dragging it out further will only be detrimental to U.S. interests.⁷⁵

Finally, U.S. companies need to learn that long-term investment is the answer to long term profitability, and foreign investment means learning the language, the culture, and the trade laws. If U.S. companies do not, they will not be successful. They, not Japan, hold the keys to their own destiny.

Conclusion

Are the ties that bind the United States and Japan together stronger than the forces that pull the two countries apart? Most analysts would state yes.

In Japan, debts are neither readily forgotten nor easily repaid. The Japanese acknowledge the enormous debt they owe America for the benevolence of the post World War II occupation and for the nurturing and protection the U.S. has provided Japan ever since. Older Japanese in particular feel the need to repay that debt, especially now that the U.S. is in the midst of its longest recession since the 1930s.⁷⁶

But there are limits to how far Japan is willing to go to help America. Opinion surveys show that the majority of Japanese fear that a significant drop in the nation's trade surplus would be bad

for their domestic economy. This concern gives some bureaucrats reasons to delay reforms that would further open markets to American imports.⁷⁷ Even though problems exist, the U.S. and Japan have become economically interdependent on many levels. As the two most powerful economic powers in the world, they will not share consensus on every economic issue. While this will cause some frictions, both will benefit in the long term from overall economic interdependence, particularly if the frictions are contained by a larger long-run strategic vision.⁷⁸

For the U.S.'s part, it must continue simultaneously to pressure and encourage Japan to improve its market availability. America also must be prepared to improve its own internal economic situation. The budget deficit, corporate profit philosophies, and government regulations on international trade are all examples of changes that the U.S. must make for the sake of economic interdependence with Japan. Also, the U.S. must be comfortable with a new leadership role for Japan in this post-Cold War global economy.⁷⁹

As Japan begins to find its way out of its post World War II political/military isolation, the United States will remain at the center of the Japanese security strategy. Until Japan can come to closure on its global security role, it will continue to be recognized as a global player but not a global leader.⁸⁰ Its constitution, domestic attitudes, and the attitudes of its neighbors are all obstacles which Japan must overcome before accepting a minimal global security role.

A minimal security role will still include the U.S. as the major player in the region generally and in partnership with Japan particularly. The Tokyo Declaration of January 1992 issued by President Bush and Prime Minister Miyazawa included a defense portion which:

- Reaffirmed the 1960 Mutual Security Treaty as central;
- Recognized the importance of the defense relationships to regional peace and stability;
- Declared that the U.S. will maintain forward deployed forces in the region;
- Stated that Japan will bear an increasing share of the associated costs of U.S. forces stationed in Japan;
- Emphasized increased defense force cooperation and two way flow of technology;⁸¹

This declaration listed clearly the desires and responsibilities of both nations. From a U.S. perspective, the Declaration was consistent with U.S. National Interests.

As our countries move into the 21st Century, the U.S.-Japanese relationship will remain strong because both nations require the other's support. The uniqueness and dangers of the region require a commitment from the U.S. and Japan that emphasizes regional peace and stability. Though there are economic problems between the U.S. and Japan that could disrupt the relationship, the fact that each country thinks of the other as its most important ally in the Pacific means that those disputes will be placed within a larger post-Cold War strategy. American support for a Japanese global

role and Japan's support for open markets for quality American products will assure that both countries will win rather than face inevitable conflict in the long run.

APPENDIX

TREATY OF MUTUAL COOPERATION AND SECURITY BETWEEN THE UNITED STATES OF AMERICA AND JAPAN

The United States of America and Japan,

Desiring to strengthen the bonds of peace and friendship traditionally existing between them, and to uphold the principles of democracy, individual liberty, and the rule of law,

Desiring further to encourage closer economic cooperation between them and to promote conditions of economic stability and well-being in their countries,

Reaffirming their faith in the purposes and the principles of the Charter of the United Nations, and their desire to live in peace with all peoples and all governments.

Recognizing that they have the inherent right of individual or collective self-defense as affirmed in the Charter of the United Nations,

Considering that they have a common concern in the maintenance of international peace and security in the Far East,

Having resolved to conclude a treaty of mutual cooperation and security,

Therefore agree as follows:

ARTICLE I

The Parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security and justice are not endangered and to refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the purpose of the United Nations.

The Parties will endeavor in concert with other peace-loving countries to strengthen the United Nations so that its mission of maintaining international peace and security may be discharged more effectively.

ARTICLE II

The Parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by

promoting conditions of stability and well-being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between them.

ARTICLE III

The Parties, individually and in cooperation with each other, by means of continuous and effective self-help and mutual aid will maintain and develop, subject to their constitutional provisions, their capacities to resist armed attack.

ARTICLE IV

The Parties will consult together from time to time regarding the implementation of this Treaty, and, at the request of either Party, whenever the security of Japan or international peace and security in the Far East is threatened.

ARTICLE V

Each Party recognizes that an armed attack against either Party in the territories under the administration of Japan would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional provisions and processes.

Any such armed attack and all measures taken as a result thereof shall be immediately reported to the Security Council of the United Nations in accordance with the provisions of Article 51 of the Charter. Such measures shall be terminated when the Security Council has taken measures necessary to restore and maintain international peace and security.

ARTICLE VI

For the purpose of contributing to the security of Japan and the maintenance of international peace and security in the Far East, the United States of America is granted the use by its land, air and naval forces of facilities and areas in Japan.

The use of these facilities and areas as well as the status of United States armed forces in Japan shall be governed by a separate agreement, replacing the Administrative Agreement under Article III of the Security Treaty between the United States of America and Japan, signed at Tokyo on February 28, 1952, as amended, and by such other arrangements as may be agreed upon.

ARTICLE VII

This Treaty does not affect and shall not be interpreted as affecting in any way the rights and obligations of the Parties under the Charter of the United Nations or the responsibility of the United Nations for the maintenance of international peace and security.

ARTICLE VIII

This Treaty shall be ratified by the United States of America and Japan in accordance with their respective constitutional processes and will enter into force on the date on which the instruments of ratification thereof have been exchanged by them in Tokyo.

ARTICLE IX

The Security Treaty between the United States of America and Japan signed at the city of San Francisco on September 8, 1951 shall expire upon entering into force of this Treaty.

ARTICLE X

This Treaty shall remain in force until in the opinion of the Governments of the United States of America and Japan there shall have come into force such United Nations arrangements as will satisfactorily provide for the maintenance of international peace and security in the Japan area.

However, after the Treaty has been in force for ten years, either Party may give notice to the other Party of its intention to terminate the Treaty, in which case the Treaty shall terminate one year after such notice has been given.

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