

*This article was translated by JIIA from Japanese into English as part of a research project to promote academic studies on Japan's diplomacy. JIIA takes full responsibility for the translation of this article. To obtain permission to use this article beyond the scope of your personal use and research, please contact JIIA by e-mail ([jdl\\_inquiry@jiiia.or.jp](mailto:jdl_inquiry@jiiia.or.jp)).*  
Citation: Japan's Diplomacy Series, Japan Digital Library,  
[http://www2.jiiia.or.jp/en/digital\\_library/japan\\_s\\_diplomacy.php](http://www2.jiiia.or.jp/en/digital_library/japan_s_diplomacy.php)

## Fifty Years of Japanese Diplomacy\*

Makoto Iokibe

### I. Introduction: The National Goals of Postwar Japan

“I don't understand what national goals Japanese diplomacy is striving to achieve.” This is a common refrain among foreign observers. Indeed, many Japanese may even be hard-pressed to offer an explanation themselves because they have not devoted much thought to fundamental propositions of this kind and are concerned instead with mounting efforts to deal with problems of a more-immediate nature.

Critics from a liberal, internationalist mindset are apt to sense that Japan's efforts in diplomacy fall short in terms of imagination and ideals that hold international currency. Conversely, critics with international political perspectives shaped by a sense of realism typically doubt that Japanese diplomacy demonstrates enough willingness to pursue the national interest or national strategies backed by an awareness of power realities.

Roused by the banners of *hakkoichiu* (eight corners of the world under one roof), *daitoa kyoeiken* (the “Greater East Asian Co-prosperity Sphere”), and other majestic, self-righteous slogans during the wartime years of the 20th century, Japan became obsessed with diplomacy aimed at toppling the status quo or singlehandedly creating an entirely new international environment. Following its wartime defeat, postwar Japan did, in fact, assume a lower-profile style of diplomacy fundamentally geared toward alignment with the rest of the international community. In particular, it sought to avoid justifying its own objectives and positions with the use of grandiose rhetoric. If its position clashed with that of another nation, rather than resort to language critical of the other nation's assertions, Japan instead sought to lay emphasis on those points where agreement was possible while quietly striving to defend its own needs. These are among the reasons why Japan's national goals and diplomatic strategy are difficult to bring into clear focus.

However, this did not mean postwar Japan had lost any of its national goals. If anything, those goals may have been so clearly evident that they needed no explanation. People often do not realize the value of good health until they have lost it or the importance of survival until their own lives have been placed at risk. Confronted by the reality of its own downfall, postwar Japan gained a renewed awareness of the ultimate value of its existence as a nation-state and survival as a people. Needless to say, national and ethnic survival thus formed the national goals that postwar Japan sought to achieve as it set out to rebuild. At the policy level, these two goals translated into the imperatives of security and reconstruction. Deconstructed, the goal of security comprised a shift toward pragmatic measures including limited remilitarization and the conclusion of the Japan-US Security Treaty, coupled with the idealistic pacifist position that peace itself was an absolute precondition for true security. The reconstruction phase, once

---

\* *This article was originally published as 五百旗頭真「日本外交50年」『国際問題』No.500、日本国際問題研究所、2001年11月、4-36頁.*

complete, would be replaced and superseded by the sustained goal of prosperity. Many Japanese citizens that had personally endured through the desolation and starvation caused by war were painfully aware of the ultimate importance of economic survival for the nation. This fact transformed prosperity into an enduring national goal throughout Japan's postwar era.

Security and prosperity have been postwar Japan's two fundamental long-range goals. This may have been the product of an entirely natural and mundane necessity, but its experience of having lost both had returned postwar Japan to a way of life that faithfully adhered to these fundamentals. Besides, achieving both security and prosperity is not always an easy task. In the aftermath of the world war, many countries had lost one or the other, or even both. At least in terms of these two goals, Japan arguably ranks as one of the outstanding success stories of the postwar era.

What were the features of the political and diplomatic setting that effectively linked efforts inside Japan with the international environment after the war? This is a question that must be explored. No one can gain anything without paying a price in return. Across the varied spectrum of values that may exist apart from these two fundamental values, what, if anything, did postwar Japan forfeit as payment for its gains? Japan's stage of development was another matter. The process of overcoming an array of difficulties and building a foundation of security and prosperity elicited a sense of fulfillment. However, having achieved these goals, unless Japan sets its sights higher it faces a cloudy future of stagnation and decay.

Drawing from these perspectives, in this essay I will attempt to provide insights into the larger historical picture through a portrayal of the evolutionary progression of diplomacy in postwar Japan. (For a more in-depth discussion, see *Sengo nihon gaikou shi* [Iokibe, Makoto, ed., and Robert D. Eldridge, trans. *The Diplomatic History of Postwar Japan*. London: Routledge, 2011.]

## II. Diplomacy under the Occupation

The Allied forces attacked the German homeland from its east and west flanks and took control of the entire country. Hitler committed suicide in an air-raid shelter in Berlin and German Admiral Doenitz, as supreme commander of the German forces, authorized the signing of the German instrument of surrender on May 8, 1945. This was a simple, five-article document stating that the German High Command accepted all political and economic conditions demanded by the Allies. Having been completely defeated, Germany had no choice but to surrender with a clean slate and zero terms or conditions of its own. This was an unconditional surrender in the most literal sense. After the signing of the instrument of surrender, Admiral Doenitz was himself taken into custody, and the German government dissolved.

The scenario for Japan would be different. On July 26, 1945 the Allies issued the Potsdam Declaration, a 12-article document outlining the terms and conditions set by the victorious parties. Following the two atomic bombs dropped by the US and the decision by the Soviet Union to enter the war, on August 15 the Japanese government announced its decision to surrender to the Allies after seeking guarantees pertaining to the continuation of the Imperial system. In doing so, Japan accepted the Potsdam Declaration and the terms and conditions set out during negotiations for its surrender. What were the factors that resulted in a settlement different from the one involving Germany?

Normally, whenever an attacking force had surrounded an enemy's castle, it would follow the war custom of recommending that the castle's defending forces surrender before it mounted its final, all-out assault. Of course, while an all-out assault would be certain to reward it with victory, the attacking force also would face the risk of serious casualties depending on the defending force's strength or will to fight. If the prospect of avoiding the loss of human lives, material resources, and time presented itself, the victorious side would be within reason to demand surrender under terms that demonstrated a certain

measure of compassion. To the losing side, the tragedy of total annihilation from an all-out assault would be the worst-case scenario. However, warriors can be driven by a sense of pride so intense that they may choose death if their honor is at stake. Hence, unless the terms of surrender show consideration for that, they may be prepared to fight and die an honorable death.

With its homeland surrounded by the Allied forces in the summer of 1945, Japan faced exactly this situation. It had no military reserves available to come to its aid and its own powers of resistance were weakened. Even so, its forces and particularly the army that loudly called for a decisive battle for the homeland exhibited a strong willingness to fight. On Iwo Jima and Okinawa through the first half of this eventful year, Japanese troops had continued to put up fierce resistance. It would be difficult to estimate the Allies' losses in terms of human casualties and time should the Allies led by US forces launch an all-out attack on Japan's main islands. In that respect, the conditions enumerated in the Potsdam Declaration did not seem too formidable from the Allies' perspective. Although the US side did show resistance to the idea of dropping the ultimatum of unconditional surrender, it relaxed the substance while retaining the nature of the ultimatum by replacing the text, unconditional surrender of the Japanese state in the Declaration to unconditional surrender of all Japanese armed forces.

From the Japanese government's perspective, the final condition that would allow it to forgo resistance to the bitter end had to do with a single clause in the instrument of surrender: the Emperor and the Japanese government. The Imperial system and the existence of the Japanese state were perceived to be symbols of the ethnic identity of Japanese citizens at that time. At the beginning of Allied Occupation, the Emperor and Japanese government would be expected to submit to the authority of the Supreme Commander for the Allied Powers. However, the implication was that the Japanese government would continue to exist as an interested party in Japanese affairs. The Occupation of Japan was limited to a form of indirect governance through the Emperor and the Japanese government. Although ultimate authority would rest with General Douglas MacArthur for a period of time, the Japanese government would continue to exist as a key actor (Iokibe, Makoto. *Beikoku no nihon senryo seisaku* [America's Occupation Policy toward Japan], Vol. 2. Chuo Koronsha, 1985).

Defending the Japanese government role was one of the final objectives of Japanese diplomacy when the Occupation began. However, almost immediately following the surrender ceremony aboard the USS Missouri on September 2, 1945, that role would quickly be put to the test by three proclamations issued by General Headquarters (GHQ). First, the Occupation forces would control Japan using English as the official language; second, an occupation court would be established; and third, the military currency of the occupation forces would serve as the currency for occupied Japan. If these directives were implemented, the occupation would be one of direct military control and the Japanese government would be transformed into a powerless entity that existed in name only. Responding to this development, the Higashikuni Cabinet immediately had Foreign Minister Shigemitsu visit General MacArthur and do his best to persuade the general that all efforts in governance be handled through the Japanese government, given that it was committed to cooperating with the Occupation forces fully and in good faith. MacArthur acceded (Iokibe, Makoto. *Senryoki—shusho tachi no shin nihon*. [The Occupation Period: the Prime Ministers' New Japan], Yomiuri Shimbunsha, 1997). In exchange for its pledge to cooperate in good faith, the Japanese government won affirmation for its continued existence. This would serve as the basic framework for Japanese diplomacy through the Occupation years.

A small incident highlighted yet another collateral condition. At a press conference, Foreign Minister Shigemitsu announced the successful conclusion to his negotiations with General MacArthur and suggested that Japan, as a vanquished nation, should not have to relinquish its independence or

national pride even under Occupation rule. Angered by this comment, GHQ subsequently shunned Foreign Minister Shigemitsu for revealing these details and he was accordingly replaced by Shigeru Yoshida. Clearly, when Japan publicly asserted these notions of independence and national pride, it had to pay a heavy price.

This special set of circumstances in the early years of the Occupation left an indelible mark on Japan through not only the Occupation itself but the extended postwar era, and arguably contributed to the development of a particular style of Japanese diplomacy. Instead of openly demonstrating a stance of grudging cooperation punctuated by displays of self-assertion, Japan adopted a model that fostered cooperation through close contact, goodwill, and self-realization. This was a style analogous to the circle throw (*tomoenage*) in judo, whereby an attacker exploits the power of his opponent and grabs and flings him over while falling backward. It was also a model that facilitated the formation of Japan's bureaucracy. On the political stage in modern Japan, the role of leading actor transitioned from elder statesmen from the major domain factions to political party cabinets, the Japanese military, the Occupation forces, and cabinet administrations of the Liberal Democratic Party (LDP). The bureaucracy continually served these centers of supreme authority and fulfilled an instrumental role not only with the implementation of policy but also with policy formation. This reserved, constructive approach to diplomacy also comprised an adaptation of bureaucratic techniques. *Japan's International Relations*, a text recently published in Great Britain, describes the low-profile Japanese style as aikido diplomacy and discusses it as a comprehensible approach aimed at attaining goals that are in the national interest (Glenn Hook et al., *Japan's International Relations: Politics, Economics and Security*, London, 2001).

Under the Occupation, GHQ monopolized Japan's foreign relations. However, two Japanese prime ministers demonstrated a certain measure of bargaining power with GHQ: Kijuro Shidehara and Shigeru Yoshida, both of whom were pro-British, pro-US diplomats prior to World War II. In one respect, both were also collaborators with efforts to bring about democratic reforms. Rather than wait for directives from GHQ, Prime Minister Shidehara even went as far as initiating reforms to the labor union and electoral laws voluntarily. Both also shared a desire to handle by themselves the formulation of the nation's core legal structure, the constitution. However, upon learning of MacArthur's strong views on the matter, both worked to establish a new constitution that in its original form would be based on MacArthur's draft. With that step, Japan joined the international tide of modern history and moved toward a democratic political system.

In another respect, Shidehara and Yoshida were not embarrassed about engaging in friendly conversation with MacArthur and in the course of extending their cooperation, sought to harness his powers for Japan's own needs. As examples of their success, MacArthur arranged for the distribution of food aid, having declared that he would not allow a single Japanese citizen to die of starvation as long as he was Supreme Commander, and, when demonstrations and general strikes threatened to paralyze Japanese society, directed GHQ to maintain order and announce that mob violence would not be tolerated. In effect, they lobbied the ruling authority to assist in assuring the survival of the Japanese population, maintaining security (law and order), and reviving economic activity.

Foreign Minister Yoshida frequently resorted to the tactic of exploiting internal frictions within GHQ to expand the Japanese government's diplomatic space. The Government Section (GS) under the special staff section within GHQ was run by Deputy Chief Colonel Charles Kades. When the GS went too far with its sweeping purges or interference in Japanese politics, Yoshida called on MacArthur to put a stop to it. The GS was primarily responsible for efforts to democratize Japan and Yoshida himself was not averse to the idea of democratization. However, he raised objections in a letter to MacArthur when it

appeared that Japan was being weakened and the human resources needed for its economic revitalization were being shut out. MacArthur frequently defended the position of the GS run by his subordinates and politely rejected Yoshida's requests. However, he was also known to unequivocally side with Yoshida at critical moments. For instance, MacArthur supported the creation of the second Yoshida Cabinet when the GS was maneuvering to have Takeshi Yamazaki appointed prime minister.

Working together with Major General Charles Willoughby, Chief of Intelligence under MacArthur and an anticommunist, Yoshida sought to blunt the radical reforms and excessive powers of the GS. When Joseph Dodge was sent to Japan to help build a free-market economy, the second Yoshida Cabinet assisted his efforts and helped offset the dominant influence from GHQ bureaucrats that favored market regulation. When John Foster Dulles arrived in Japan for peace treaty negotiations, Yoshida turned to MacArthur for his aid in opposing the demand that Japan undergo rapid rearmament. However, on the issue of the Okinawa islands, Yoshida pleaded with Dulles to allow Japan to retain sovereignty, a proposition counter to MacArthur's opinion that Okinawa should be completely separated from Japan. As an outcome of that effort, Dulles later expressed recognition for residual sovereignty during the peace treaty conference in San Francisco.

Seeking support and concern for the Japanese government while pledging to cooperate in good faith with GHQ together formed a cornerstone of Japanese diplomacy during the Occupation years. However, GHQ itself did not display single-minded purpose and the motives of the US government were highly varied and subject to change. In the second half of 1947, the Allied powers were drawn into the Cold War. Traditionalist Japanese diplomats like Yoshida were sensitive to these developments. While continuing to uphold the principle of cooperation, they also sought to exploit antagonistic strains among the Occupation authorities and pursue a style of diplomacy that would be in Japan's national interest as well as strengthen their own position.

In this respect, the centrist coalition governments headed by the Tetsu Katayama and Hitoshi Ashida cabinets adopted a simpler, clear-cut approach, focusing single-mindedly on building close, cooperative relationships with GS Deputy Chief Kades, the GHQ officer directly engaged in managing Japan's political situation. The Katayama and Ashida coalitions did not try to strengthen their channels of communication with MacArthur, the Supreme Commander. Although both administrations won overwhelming support from the GS, they were unable to resist its will and consequently ended up submitting to even its nonsensical requests and saw the scope of their leadership constrained in the process.

However, when the Japanese government behaved more openly with a sense of autonomy and self-respect, it angered its occupational rulers and faced hardships comparable to the dismissal of Shigemitsu and the purging of the Home Ministry. That said, the quest for closer cooperation did not always prove very fruitful. Absent a sense of self-reliance, cooperation was tantamount to a lapse into submission, rendering the Japanese government incapable of defending the nation's interests or upholding the legitimacy of its own position. The relationship with GHQ during the Occupation highlighted this dilemma. Moreover, after Japan gained its independence, many facets of this dilemma were still sustained through the alliance it formed with the US, which had become a superpower.

### **III. Fundamental Choices for Postwar Japan**

The flames of the Cold War spread into northeastern Asia and triggered a hot war. The Korean War schooled the US on the strategic importance of the Japanese Archipelago. Japan was obviously the most important land mass to the US from the vantage point of its Cold War strategy. From another angle,

however, the urgency of conducting the Korean War heightened perceptions in the US of a need to continue the occupation of Japan and gain free use of its military bases for the war effort. Against that backdrop, Ambassador-at-Large Dulles and the Truman administration chose a policy that comprised signing a peace treaty to satiate the growing desire for independence in Japan and secure Japan's long-term cooperation in the process of establishing cordial bilateral ties. Concurrently, in April 1950—just prior to the outbreak of the Korean War—the US decided to sign a bilateral treaty with the US and adopt policies suggested by Prime Minister Yoshida that would enable the US to maintain its military installations in Japan. (For discussions on the conclusion of the San Francisco Peace Treaty and the Japan-US Security Treaty, see the following: Hosoya, Chihiro. *San Furanshisuko kowa e no michi* [The Road to the San Francisco Peace Treaty], Chuo Koronsha, 1984; Igarashi, Takeshi. *Sengo nichibei kankei no keisei* [The Formation of the Postwar Japan-US Relationship], Kodansha, 1995; Sakamoto, Kazuya. *Nichibei doumei no kizuna* [The Bonds of the Japan-US Alliance], Yuhikaku Publishing, 2000.)

Prime Minister Yoshida faced three huge issues. First, within the international setting shaped by the intensifying Cold War, a comprehensive peace agreement that included nations from the Eastern camp was largely out of the question, leaving Japan no choice but to settle for partial peace. Second, the conclusion of the Japan-US Security Treaty would allow US forces to remain stationed in Japan but, as a means of ensuring Japan's security, failed to fully satisfy those in Japan who yearned for a more complete state of autonomy. And third, to guarantee its security after winning independence, Japan would have to address the question of rearmament as a form of self-reliance.

In the end, Yoshida made the following three choices. First, not knowing when the international climate would bring conditions favorable to a comprehensive peace settlement, he decided that rather than wait, it would be better to harness the opportunities then available and regain Japan's independence, even if it meant only a partial peace deal. Second, with the Soviet Union virtually next door and war-torn Japan unable to fulfill the demands of its own national defense, Yoshida chose to rely on the US for his nation's security. In his mind, stationing US forces in Japan would be essential to guaranteeing Japan's security within the Cold War setting. And third, on the issue of rearmament, Yoshida decided not to proceed for the time being with full-scale rearmament following constitutional revisions but to instead rebuild Japan's military might through reliably limited civilian control after the nation had gained its independence.

Several minor explanatory comments are in order here.

The expression “separate peace” was frequently used to contrast with the notion of comprehensive peace. However, the San Francisco Peace Treaty was signed by 49 nations, not only the US, and in that respect, was more realistically a majority peace settlement. One-sided peace was another term that gained a certain measure of currency in public discourse, but it was preconditioned on the awareness that the world was divided between East and West and that peace had been achieved only with the West. However, while many nations that were not aligned with either the Eastern or Western camps also participated in the signing of the San Francisco Peace Treaty, no delegate from China attended. Some including Burma (Myanmar), Indonesia, and the Philippines did not sign the treaty until reparation agreements with Japan had been concluded, and still others did not ratify the treaty even though they had signed it (Drawing lessons from the failures of the peace treaty with Germany following World War I, the US led among the signatories that did not impose major reparations demands upon Japan. However, this was not satisfactory to the Asian nations that had experienced the ravages of Japan's war machine). India also was not a signatory to the San Francisco Peace Treaty for reasons of its own. In this respect, the 1951 peace treaty could be described only as a majority or partial peace.

On the questions of security guarantees following independence, Yoshida lobbied for a pragmatic policy mix adapted to conditions in the aftermath of Japan's defeat. Specifically, he argued that rushing to rearm would be unhealthy for a population on the brink of starvation, and that Japan should not be too hasty about rearmament in view of the desire of its people for peace and the alarm with which its Asian neighbors viewed Japanese militarism. These perspectives were accompanied by a long-range perception that World War II had brought an end to the age in which individual nations could be expected to fulfill their own defense needs and moved the international community into a new age of mutual interdependence that would compel most nations to rely on collective security and defense arrangements. Taken together, these views allowed Yoshida to stubbornly resist Dulles' call for rearmament.

Had someone other than Yoshida—for example, Ichiro Hatoyama or Nobusuke Kishi—been prime minister at the time of Japan's move toward a peace settlement with independence, that would have provided an opportunity for the government to push forward with rearmament and revisions to the constitution (Public opinion through the period leading up to independence was not entirely against rearmament). Japan under an Ashida or Shigemitsu administration presumably would have moved toward rearmament with an emphasis on closer ties to the US. Had the premiership been held by Katayama at that time, as a pacifist member of the Japan Socialist Party, he would have detested the idea of rearmament but lacked the strength to resist it and likely be driven out of office by that dilemma. Had either Kenzo Matsumura or Tokutaro Kitamaru—two liberals within the conservative camp—held the reins of the premiership, it is questionable whether they would have been able to prevail against resistance to rearmament. In this context, the strategy espoused by Yoshida—namely, forgoing rearmament prior to regaining independence and striving for a modest level of rearmament thereafter—deserved description as a fairly unique approach.

What implications, then, did Yoshida's choices in San Francisco hold for Japan through the postwar era?

First, his choices dictated that Japan become a liberal democracy aligned with the West under the Japan-US Security Treaty through the Cold War era. This defined Japan's position within the international political arena after it had regained its independence.

Second, the security of an independent Japan would be pursued through the combination of a security treaty (dependence on the US) and the capacity for self-defense (self-reliance). However, the persistence of Yoshida's stance on limited rearmament, coupled with the international climate of the Cold War between two competing superpowers, placed postwar Japan into a heavy dependence on the US.

This drew criticism as a state of affairs that heightened the risk of embroiling Japan in a hot war between the US and USSR. However, following the attack on Pearl Harbor by Imperial Japan, no other nation dared wage war with the world's strongest superpower through the remainder of the 20th century. Further, because Japan maintained its peace constitution despite its alliance with the US, it was not compelled to participate directly in any war effort launched by the US, and thus, in that respect, the fears of entanglement proved groundless. In effect, heavy reliance on the US under the security treaty yielded results that were in line with Japan's expectations, at least in terms of security. On the other hand, postwar Japan experienced limits to its autonomy. On matters of international political importance, Japan made decisions within a frame of reference that positioned it as an ally of the US and a member of the Western camp. Although the desire of its citizens for a higher level of autonomy and diplomatic efforts to that end did not subside, as a nation that would have to shoulder the historical burden of a war that had been provoked by an excess of autonomy, Japan placed higher priority on security through international coordination rather than autonomy. Yoshida's choices oriented Japan in this direction.

Third, Yoshida assigned higher priority to economic reconstruction, not rearmament, thus placing Japan on a path that would transform it into an economic power and a leader in the arenas of trade and commerce. In prewar Japan, highly capable students that enrolled in the Military Staff College or the Naval Academy were educated as military professionals and were in no way inferior to their peers from the Imperial University. In postwar Japan, most of the educated elites were recruited for positions in leading corporations. Prior to and during World War II, the second and third sons of farming households were sent off by their families from their hometown stations for military service and war. After the war, young men that had completed their compulsory education were sent off by their families from their hometown stations for mass employment and typically pursued careers as corporate warriors in urban centers during the period of rapid economic growth.

Postwar Japan joined the international system of free trade and, provided the products it manufactured were competitive, would prove able to extend its business and economic activities to the global level despite a lack of natural resources or mature markets at home. These were the key factors that enabled the nation to establish its postwar economic doctrine. In that sense, its alliance with the US—the dominant power in the postwar international economic system—was the decisive condition that enabled postwar Japan to achieve prosperity.

In making their choices in San Francisco, were Yoshida, Hayato Ikeda, or Kiichi Miyazawa aware of the effectiveness of the Bretton Woods system that had been set up in the final days of World War II? When queried about this (during an interview for this publication), Miyazawa surprisingly replied in the negative. Aside from their awareness in subsequent years, at the time, these leaders reportedly were not acting from an awareness of the possibilities for the revival of Japan's economy based on how the international economic system was set up. Nonetheless, Yoshida sought to rebuild Japan into a leading power in the spheres of international trade and commerce and to that end, presumably put stronger priority on ties with the US. When queried about this, as an explanation Miyazawa stated that in his honest opinion, US aid was still an essential for Japan's very survival.

Reconstruction in war-torn Europe was achieved under the Marshall Plan whereas in Japan, it was made possible with aid and a boom in special procurements associated with the Korean War. Beyond that phase, conditions for the function of an open, fair, and multilateral Bretton Woods system finally fell into place (Tadokoro, Masayuki. *'Amerika' wo koeta doru* [The Dollar Goes beyond "America"], Chuo Koronsha, 2001). Miyazawa's reflections on these topics were marked by candor. However, did Yoshida actually possess a special trust in or intuition about the Western model of international business?

That question aside, as elaborated above, in San Francisco Yoshida presented postwar Japan with a package that would place it in the Western camp through its alliance with the US during the Cold War era, stress security in coordination with the US over autonomy, and accord economic reconstruction priority over rearmament. This enabled postwar Japan to develop its liberal democracy and market economy and placed it on track to become an economic power guided by the principal objectives of security and prosperity.

#### **IV. From Anti-Yoshida to the Yoshida Doctrine without Yoshida**

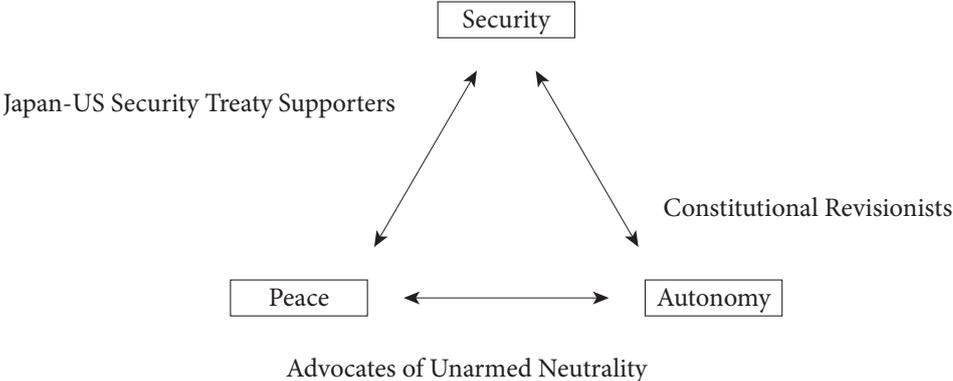
The Yoshida Doctrine didn't take root in postwar Japan in unaltered form. By the time the extended Yoshida administration was approaching its end in the mid-1950s, a wave of anti-Yoshida sentiment had begun permeating through Japan's political landscape. In fact, it was the anti-Yoshida platform that provided an impetus for the merger of two conservative parties and the formation of the 1955 System.

Hatoyama and Kishi were two conservative politicians that had been purged from but later allowed

to return to public office. Both stressed the value of autonomy as something equally as important as security and advocated rearmament through constitutional revisions. By contrast, the Progressives led by the reunified Socialist Party, capitalizing on the opportunity provided by the exposure of the Japanese tuna fishing boat S.S. Lucky Dragon 5 (*daigo fukuryu maru*) to radioactive fallout from the US thermonuclear test on the Bikini Atoll in 1954, strengthened their emphasis on symbols of peace and accordingly struck a sympathetic chord with many Japanese citizens. From their pacifist roots, the Progressives adopted a diplomatic platform of unarmed neutrality that blended opposition to rearmament through constitutional revisions with anti-US sentiment and support for national autonomy.

Under the diplomatic doctrines espoused in postwar Japan, the three equal values of security, autonomy, and peace turned out to be a three-way struggle. As illustrated by the triangular pattern delineating these values in Fig. 1, the second half of the 1950s saw the controversy over postwar political doctrine divide Japan into three factions: those that supported the Japan-US Security Treaty, those that backed rearmament through revisions to the constitution, and those that advocated unarmed neutrality.

Figure 1. The Pattern of Controversy over Postwar Diplomacy



At that point in time, a constitutional revisionist occupied the office of prime minister. Public opinion surveys indicated that a majority of citizens supported constitutional revisions during the period Japan was pursuing peace with independence. Ironically, the peace movement gained momentum and public opinion shifted to a majority against constitutional revisions following the inauguration of the Hatoyama administration. Additionally, when the Korean War ended, the US government stopped pressuring Japan to pursue a military buildup. Yoshida’s position had been that economic and social stability had higher priority than rearmament. US Ambassador to Japan John Moore Allison and US State Department planners had aligned themselves with that view by the time Yoshida left office (Ishii, Osamu. *Reisen to nichibei kankei* [The Cold War and US-Japan Relations], Japan Times, 1989). US government proponents of rearmament demonstrated mixed perceptions about Japan. Washington could not be pleased with the prospect of rearmament through constitutional revisions made under the administrations of Hatoyama or Tanzan Ishibashi, two prime ministers that passionately wanted to win autonomy from the US and mend Japan’s ties with the USSR and China. Even conservative supporters of the Japan-US Security Treaty viewed the idea of rearmament through constitutional revisions with caution. The same could be said for economic bureaucrats that still had memories of expanded defense spending as a nightmare.

Under this three-way deadlock that persisted through the second half of the 1950s, efforts by any of the three factions to foster changes in the status quo were deemed difficult. For that reason, and despite anti-Yoshida sentiment, major revisions to the Yoshida Doctrine as institutionalized in San Francisco were impossible. In fact, it was the Yoshida Doctrine without Yoshida that set the tone for Japanese foreign policy.

At its core, the security treaty Yoshida concluded with the US in 1951 (old treaty) implied that Japan supply its military bases to the US and that the US defend Japan through the presence of US forces on Japanese soil. The treaty did not clearly stipulate the obligations of the US to defend Japan. Further, it contained provisions regarding internal riots and disturbances in Japan and was conspicuous for its flaws as a treaty between two independent nations. Many in Japan insisted that the provisions of the treaty treat both parties as equals; it was only natural that improvements to this treaty would be demanded by an administration that valued autonomy. In August 1955, the Hatoyama Cabinet sent Foreign Minister Shigemitsu to the US to meet with Dulles and propose revisions that would result in the formulation of a mutual defense treaty. Shigemitsu even proposed the complete withdrawal of US forces from Japan looking beyond bilateralism or the issue of equal footing in the treaty. Dulles scathingly countered by asking whether Japan was actually prepared for that scenario (Sakamoto, *op. cit.*).

Having witnessed this situation from the sidelines, Nobusuke Kishi was careful not to propose security treaty revisions even after becoming prime minister in 1957 and worked to cement cooperative bilateral ties for a new age in Japan-US relations. It was Douglas MacArthur in his role as US Ambassador to Japan who took the initiative in seeking revisions to the security treaty. Ambassador MacArthur convinced the US government that replacing the old, tilted security treaty with something that placed all parties on equal terms rather than calling for constitutional revisions or bilateralism would be essential to the future of US-Japan relations, and in the summer of 1958 presented proposals along these lines to Prime Minister Kishi. The instant Kishi went along with this, he initiated a continuation and advancement of the Yoshida Doctrine instead of making any fundamental changes to it. The new security treaty would be implemented two years later. However, Prime Minister Kishi was dogged by an image even at home in Japan as an anti-democratic politician who aimed to solidify his authoritarian rule. That image derived from Kishi's former notoriety as a suspected Class-A war criminal and his proposed amendments to the Act Concerning Execution of Duties of Police Officials, in addition to his advocacy of rearmament through revisions to the constitution. For this reason, proposed revisions to the security treaty were confronted by a strong protest movement that feared Kishi's hand would draw Japan into a dangerous military alliance with the US. After the civil disturbances in protest against the security treaty in 1960 that were comparable to the eve of a civil war, political doctrines based on the traditionalist view of the nation-state as espoused by Kishi were gradually seen as outdated. It was into this setting that Hayato Ikeda entered office as prime minister, advocating measures in income-doubling and other common goals of a soft, free-market nature. Ikeda was a pupil of Yoshida. Under the Ikeda administration, the Yoshida Doctrine was revitalized and postwar Japan transitioned into an era of booming economic growth as a nation driven largely by an economy-first approach. If Yoshida was the one who made the fundamental choices for postwar Japan, it would be impossible to ascertain their long-range, sustained significance unless we trace their survival through the anti-Yoshida period of the 1950s and revival in the 1960s.

## V. The Expansion of Japan's Diplomatic Horizons

To counter the Yoshida Doctrine that had its roots in the US-Japan alliance and strengthen his own power structure, Kishi advocated rearmament through revisions to the constitution. In the end, as prime minister he staked his political career on revisions to the security treaty. This was not a stark choice between two different policy paths. Instead, it signified a difference in the focus of emphasis that derived from the combination of those two paths. It also meant that within the international setting into which it had been placed, Japan stood to gain immense benefits from the deepening of its cooperative relationship with the US.

In the Cold War setting, Japan's security obviously would be at risk if it compromised its relations with the US. Moreover, the US possessed an enormous wealth of resources as the world leader in the international political and economic spheres. As an astute observer of future trends, Kishi exploited private channels with Harry F. Kern and others to build his ties to Washington even before he had assumed office as prime minister. Within the domestic political setting, Kishi was viewed as a traditional nationalist with an anti-Yoshida stance. Toward Washington, however, he was determined to present himself as a pro-American politician who was different from Hatoyama or Ishibashi.

Closer ties between Japan and the US remained a fundamental challenge that postwar Japanese diplomacy could not abandon. It should be stressed, however, that improved US-Japan relations did not count as the ultimate goal of Japanese diplomacy. Ties with the US might also position Japan to improve its ties with two-thirds of the broader international community as a whole. However, that did not mean Japan could afford to ignore all the other nations of the world that had not joined in the San Francisco Peace Treaty. Achieving closer ties with the US amounted to a noble goal that would be in Japan's national interest. On the other hand, an exclusive commitment to the US could easily lock Japan into limited diplomatic scope, zero autonomy, and a relationship of submission. It was inherently essential that Japanese diplomacy strive to be omnidirectional with a 360-degree field of view, nurture broader, multilateral ties of friendship, and orchestrate a balance of international relations that carefully assigned bilateral ties their proper value in that context.

Expanding its diplomatic horizons would be the first order of business in the 1950s for Japan, a defeated nation that had only recently emerged from its misery and won a partial peace. The largest nation that did not sign the San Francisco Peace Treaty was another superpower, the Soviet Union. The continuation of a condition of open war with the Soviet Union would be a factor with a major destabilizing impact on the region. The territorial dispute was not the only issue. At the end of the war, the Soviets took many Japanese prisoners away to work camps located in Siberia and subjected them to harsh treatment. The dispute over fishing rights counted as yet another difficult issue. Furthermore, granted that the Soviet Union was the leader of the Eastern bloc, establishing diplomatic ties with the nations of Eastern Europe would be out of the question unless Japan normalized ties with the Soviet Union first. Additionally, to gain membership in the United Nations, Japan needed Soviet approval because the Soviet Union was one of the five permanent members on the UN Security Council with veto power.

The Hatoyama Cabinet set about the task of launching this diplomatic offensive. The Soviet Union was prepared to return the Habomai and Shikotan islands but sternly refused to return the two Southern Kurile Islands of Kunashiri and Etorofu. Although Prime Minister Hatoyama for this reason had no choice but to shelve discussions over the territorial dispute and put off negotiations on a peace treaty, he succeeded in re-establishing diplomatic ties with the Soviet Union in 1956 (Tanaka, Takahiko. *Nisso kokko kaifuku no shiteki kenkyu* [A Historical Study of the Japanese-Soviet Diplomatic Restoration], Yuhikaku, 1993). As an outcome, Japan gained UN membership at the end of that year. This symbolized

Japan's re-entry into international society, and Japan's citizens were elated to be welcomed back into the universal community of nations.

In effect, Hatoyama carried to completion an important element of the task that Yoshida had left unfinished. Japan's diplomatic horizons were broadened.

On reflection, this was counterproof that the majority peace approach had not been a mistake. Had Japan clung to the goal of a comprehensive peace, a global accord probably would not have been achieved even by this point in time. Japan had gained its independence and was in the process of establishing new relationships with many nations around the globe, but in that interim, its ties with the Soviet Union remained frozen. The Soviet Union was just as disappointed as Japan by that state of affairs. The Domnitsky letter of January 1955 was one of several signs that demonstrated Soviet interest in pursuing negotiations with a fresh measure of flexibility.

However, the negotiations between Japan and the Soviet Union did not go smoothly. In one respect, this was a reflection of the Cold War structure. The anger and demands directed toward Japan due to the war had reached intense levels in the Asian nations as well as Australia, the UK, and the Netherlands. However, many nations including those in the Western camp relaxed their demands toward Japan somewhat in response to efforts in persuasion by the US. That was not a context that worked with the Soviet Union, for it viewed Japan both as a former enemy and as a nation now affiliated with its enemies in the Western bloc. Moreover, the US itself did not view the Soviet—Japanese negotiations in a warm light. US Secretary of State Dulles pressed Foreign Minister Shigemitsu not to allow concessions to the Soviets to extend beyond the scope of the San Francisco treaty. The Cold War structure had the effect of stifling rather than encouraging Soviet-Japanese negotiations and stoking intransigence rather than flexibility.

Beyond that, the difficulties surrounding the conclusion of a Soviet-Japanese peace accord could not be understood without recalling the long tradition of political brinksmanship that had predominated in Russo-Japanese and Soviet-Japanese relations. Through the second half of the 19th century, those relations grew increasingly tense as Japan pursued its economic development and Russia expanded southward from the Far East in search of warm-water ports. Eventually, at the beginning of the 20th century, those tensions reached their flash point. This would be a conflict worthy of the imperialist age, by two nations that treated the mobilization of military force as a means of last resort. The Russian Revolution arose under the oppressive climate of World War I, a period of all-out war. Invited to joint in the US intervention, Japan moved to deploy its own troops in Siberia. However, its forces continued to occupy a broad swath of Siberia even after US forces had withdrawn. Immediately following Japan's surrender in August 1945, Stalin issued a letter to US President Truman noting that the Russian people would never forget the Japan occupation in Siberia, and demanded that the northern half of Hokkaido be placed under occupation by Soviet forces.

The history of the Far East had been one of geopolitical conflict marked by a ruthless politics of military force. These geographic and historical liabilities weighed heavily on the negotiations between Japan and the Soviet Union. From Japan's perspective, the Soviet Union's late entry into the war against Japan, its occupation of the Northern Territories, and its internment of Japanese prisoners of war in Siberia all amounted to unjust acts. From the Soviet Union's perspective, exercising military force against a foe in a moment of weakness and maximizing one's own self-interest were patterns of conduct in which Imperial Japan itself had unhesitatingly engaged, so being on the receiving end of such behavior only served Japan right. Having lost in the world war, postwar Japan decided to abandon the brinksmanship of power politics. By contrast, having been transformed into a superpower by its victory in the war, the Soviet Union retained its faith in the use of force. For the Soviet Union as a nation weaker than the US in

the economic and social arena, military power was the principal means on which it could depend to fight and survive the Cold War. From the perspective of that power reality, the Soviet Union was not in a position to pursue hostilities with Japan, a US ally, but at the same time, it lacked a strong incentive to assign importance to a powerless Japan. Until Gorbachev called for a new approach in the final days of the Cold War era, relations between Japan and the Soviet Union seemed as barren as an ice-covered wasteland.

Relations with China were even more problematic. When the peace negotiations had reached their most critical stage in November 1950, the Chinese People's Volunteers Force entered the Korean War, forcing a large-scale pullback by US forces. Drawing from his prewar observations, Yoshida anticipated that a highly autonomous China would not be content indefinitely with the monolithic arrangement of Sino-Soviet solidarity, and felt it would be wise for Japan and other nations in the Western camp to establish diplomatic ties or at least steady economic ties with China and encourage it to pursue a path independent from the Soviet Union. However, Yoshida's hopes were not viable with the political climate in Washington, D.C., which had launched a global crusade against the forces of communism. In his December 1951 letter to Dulles, Yoshida announced that Japan would establish relations with the government of the Republic of China (Taiwan). In April the following year, the Japan-Taiwan Peace Treaty was signed. The reestablishment of diplomatic ties and the conclusion of a peace treaty with the mainland People's Republic of China would have to wait until the 1970s.

Prime Minister Yoshida abandoned the idea of establishing formal diplomatic ties with China but later applied an approach that treated trade and politics as separate issues. In 1952, a private-level Sino-Japanese trade agreement was established and the flow of trade between the two nations steadily widened. During the Cold War, the US strictly limited Western trade with nations of the communist bloc through its Coordinating Committee for Export Control (COCOM) and China Committee (CHINCOM) frameworks. China had been an important trading partner with Japan prior to World War II. Many observers in Japan deplored the loss of that market and, for Japan's own economic survival, called for the resumption of trade with China. This, however, sparked fears within the US government that Japan would be drawn closer to Communist China through their economic ties. On a personal level, President Eisenhower was sympathetic to Japan's economic needs and its pursuit of trade ties with China, but US Cold War strategy did not allow Japan that liberty (Hosoya, Chihiro, editor. *Nihon to amerika* [Japan and America], The Japan Times, 2001).

In light of this context, the Chinese Revolution of 1949, the outbreak of the Korean War in 1950, and China's participation in that conflict were factors that made a confrontation between the US and China inevitable. Washington's fierce anti-China policies had the effect of reining in Japanese efforts in diplomacy. As a consequence, Japan was unable to extend its diplomatic reach into China. Ironically, the bitter animosities fueling the Cold War could be credited with not allowing the two countries time to bring their simmering geographical or historical disputes, and in particular the disagreements arising from the war, to the surface.

The San Francisco peace conference convened at the height of the Korean War, and for that reason, neither South Korea nor North Korea was invited. The fighting in the war ended with an armistice in 1953 but neither side was able to gain a decisive military advantage. Both sides abandoned the objective of a military victory, leaving the Korean peninsula divided. The Treaty on Basic Relations between Japan and the Republic of Korea—two nations in the Western alliance—was not signed until 1965. This reconciliation was difficult to reach largely due to tensions between the perceptions and emotions left by the deep scars that Japan had inflicted on the proud Korean people through 36 years of rule over their nation. Several factors intervened to break the impasse. Demands based on US Cold War logic were one. Another

was the rationalism of President Park Chung-hee, who was then engaged in national reconstruction and felt compelled to pursue cooperative ties with Japan.

Without question, the structure of the Cold War had cast a shadow over the period following the majority peace achieved in San Francisco. Understandably, this was compounded by a complex entanglement of questions over responsibility and the emotional burden surrounding the war and colonial rule by Imperial Japan as well as the liabilities from a geopolitical exchange complicated by geographic and historical factors.

To overcome these obstacles and expand Japan's diplomatic horizons, the Hatoyama Cabinet demonstrated progress in reviving ties with the Soviet Union and gaining membership in the UN. Given that Hatoyama administration had come into power on a wave of anti-Yoshida sentiment, this progress was perceived as a manifestation of Hatoyama's pursuit of a diplomatic course independent of US influence, in contrast to Yoshida's policy of coordination with the US. However, in reality, these differences did not signify an either-or relationship. Rather, they were nothing more than the expressions of two objectives together essential to Japanese diplomacy: closer ties with the US and a broadening of Japan's diplomatic horizons.

## **VI. The Expansion of Japan's Economic Horizons**

Earlier, I discussed two themes pertaining to postwar Japan's diplomacy: closer relations with the US and the expansion of Japan's diplomatic horizons or reach. However, to establish its foundations as a leader in the spheres of trade and commerce, postwar Japan would find it essential to expand its economic horizons. This third theme holds implications for the diplomacy involved in developing the international conditions required for a nation to achieve status in real terms as a powerhouse in the arenas of business and commerce.

In the early postwar years, Japanese goods suffered from an image that equated low pricing with poor quality. To shake off that image and gain status as a major trading nation, it would be necessary for Japan to master and improve on advanced Western technologies, invest in related manufacturing infrastructure, produce goods that are competitive on the international market, and establish itself as an export-driven economy. To that end, it was vital that Japan maintain good relations that would help expedite transfers of technology from the US. However, these challenges were primarily interrelated with the problem of boosting standards of living within Japan.

The task of expanding its economic horizons meant that postwar Japan would have to devote attention to two areas in particular. Participation in the international economic system was one and re-establishing an economic presence in Southeast Asia, the other.

### **1. Participation in the International Economic System**

The Yoshida Cabinet wanted to rebuild Japan into a major trading nation. Aside from the question of how highly it rated the effectiveness of the Bretton Woods system, Japan had been interested in participating in the Bretton Woods institutions from an early date and had won enthusiastic US backing to that end.

Japan gained early membership in the International Monetary Fund (IMF) and the World Bank in 1952. However, due to opposition from the UK, Europe, and nations of the British Commonwealth, it faced difficulties in gaining entry into the General Agreement on Tariffs and Trade (GATT)—the framework for international trade. Japan was finally admitted in 1955 on grounds it would continue to face certain discriminatory trade restrictions under provisions of GATT Article 35. Opposition from the UK

and other members presumably derived partly from fear of a reoccurrence of the nightmare caused in the 1930s by an onslaught of Japanese textile product exports coupled with a sense of revulsion about World War II, during which the British colonial empire had been destroyed by Japanese forces.

In the interim, the US government signed the Treaty of Friendship, Commerce, and Navigation between Japan and the United States in 1953, granted Japan most-favored-nation status as well as open access to the vast US market, and continued to strongly support Japan in its effort to encourage the nations of Europe to accept its admission into GATT. This was because the US considered economic recovery in Europe and Japan to be a key pillar of its Cold War strategy. The opening of markets in the advanced Western nations to Japan and the admission of Japan to the Bretton Woods institutions were two sides of the same coin. In the second half of the 1950s, the economies of the US, Europe, and Japan shifted into a phase of strong growth and the international economic system under the Bretton Woods system at last began to operate as designed. The strongest economic gains under this system would be posted by the two defeated nations, Germany and Japan. Although the process may have followed a tortuous path, the goals cited by one phrase in the Atlantic Charter, namely, “to further the enjoyment by all States, great or small, victor or vanquished, of access, on equal terms, to trade and to the raw materials of the world which are needed for their economic prosperity”, were by and large achieved.

In effect, the postwar era had transitioned into a world that provided economic opportunities as well as the possibility of improving one’s economic circumstances without reliance on the threat of force. Postwar Japan would enjoy significant benefits from this system.

## **2. A Renewed Economic Presence in Southeast Asia**

Several regions of the world, and Southeast Asia in particular, would enable Japan to satisfy its dual goals of achieving closer ties with the US while expanding its diplomatic horizons. As Japan sought closer ties with governments in communist Asia, a skittish US demanded that it instead establish an economic presence in Southeast Asia. Under the Cold War mindset, South Korea, Taiwan, and Southeast Asia counted as the only markets in which a Japanese presence would be tolerated. The US was hopeful that Japanese involvement would contribute to the industrialization of Southeast Asia, in turn helping to curb any tilt by the region toward communism, and ultimately aid its development as a member of the free world.

Japan was chiefly interested in expanding its economic horizons into Southeast Asia. The legacy of the war was an obstacle and although the war in this region did not last as long as it had in China, it had left deep scars—particularly in the Philippines and Singapore. For that reason, war reparations were naturally a central theme of Japan’s diplomatic exchanges with Southeast Asia through the 1950s. Reparations for Southeast Asia were initially in the form of Japanese aid (official development assistance, or ODA). However, this was also an early indicator of the Japanese economy’s reintegration into the Asian community. As symbols of that trend, Japan signed its first reparations agreement with Burma in 1954. That same year it also participated in the Colombo Plan, which had the objective of providing assistance to nations of the British Commonwealth in Southeast Asia, and in the Economic Commission for Asia and the Far East (ECAFE), a UN organization established in Manila to address economic problems in Asia. In the process of fulfilling its obligations to provide reparations and extend economic assistance to the region, Japan also succeeded in expanding its economic horizons into Southeast Asia. As illustrated by its participation in the Bandung Conference of 1955, Japan was unable to conceal its puzzlement over the prospect of being reintegrated politically into the larger Asian community (Miyagi, Daizo. *Bandon kaigi to Nihon no Ajia fukki* [The Bandung Conference and Japan’s Return to Asia], Soshisha, 2001). By

contrast, it settled a series of difficult reparations negotiations with the Philippines and Indonesia in 1956 and 1958, respectively, and demonstrated wholehearted enthusiasm toward becoming economically involved in Southeast Asia.

During the drive to rebuild Japan into an economic power within the Cold War setting, the debut of visions linking the US, Japan, and Southeast Asia came as no surprise. During a visit to Washington in the last year of his administration in 1954, Prime Minister Yoshida advocated an Asian version of the Marshall Plan that would funnel approximately \$4 billion into the development of Southeast Asia. Although this was a good idea, Japan at that time did not have the latitude to supply funding on such scale and instead called on the US to serve as a generous sponsor. In 1957, Prime Minister Kishi visited the US and proposed creation of the Southeast Asian Development Fund. Under this plan as well, the US was to provide financing while Japan provided its technologies and industrial capacity, with the goal of harnessing Southeast Asian manpower and resources and fostering the region's economic development.

In the interest of Asian development and security, committing a sum equivalent to one-third that spent under the Marshall Plan for European reconstruction may not have seemed unreasonable to the US. However, the Marshall Plan was the first major initiative that the US had successfully undertaken to confront the danger that the war-torn nations of Western Europe—a region with which it felt a strong sense of unity—would collapse and tilt toward communism. It was a success precisely because it had been implemented to provide crisis management and security guarantees during the global-scale conflict with the forces of communism. The taxpayers and domestic political climate of the US would not allow the US government to behave as a Santa Claus with infinite resources delivering aid to every corner of the globe. That said, given the wide-scale carnage and expense of the Vietnam War that it launched in the 1960s with the same goals of Cold War crisis management, the US probably would have found it far less expensive and far more constructive to implement the plans advocated by Yoshida or Kishi.

One point worth noting is that Kishi had hammered out a plan of action that linked Japanese efforts in Asian and US diplomacy together. Kishi had attached strong importance to his visit to Washington in June 1957, and because he viewed that visit with such importance, he followed a two-step itinerary. First, he toured six nations in Southeast Asia and demonstrated that Japan, having been accepted by the region, had a meaningful role to fulfill. He then headed to Washington following Cabinet approval of a measure to boost Japan's defense capacity. Two years earlier, Shigemitsu upon his visit to Washington had been coolly received by Dulles. By contrast, Prime Minister Kishi was warmly welcomed by the Eisenhower administration as a valuable and capable friend.

Within the scope of this essay, it is also worth noting that while the Hatoyama Cabinet sought to expand Japan's diplomatic horizons to nations and regions other than the US, the Kishi administration placed the focus on Southeast Asia and laid out policies that linked closer Japan-US relations with the dual goals of expanding Japan's diplomatic and economic horizons.

### **3. Three Diplomatic Principles**

In 1957, Japan's Ministry of Foreign Affairs issued its first Diplomatic Bluebook, *Waga gaiko no kinkyo* (Review of Foreign Relations). This publication gained recognition for its description of three diplomatic principles for postwar Japan: a UN-centric doctrine, coordination with free nations, and awareness as a member of Asia.

As a nation ambitiously engaged in the pursuit of security and prosperity, Japan in reality had an overwhelming need for its alliance with the US. Coordination with free nations was arguably a somewhat euphemistic expression. Domestically, nationalist sentiment festered with a desire for autonomy from

the US, and definitive support for the alliance with the US was not assured. People are not always content with the satisfaction of their real-world needs; they also want to lead lives backed by lofty universal ideals. Adherence to a UN-centric doctrine appeared to carry connotations that fit that desire. Following advocacy of the Leaving Asia doctrine (*datsu-a-ron*) in the Meiji era, modern Japan had inflicted harm on Asia and invited its demise. That being the case, like those who were homesick for something they had lost and thought fondly of their birthplaces, following World War II, the Japanese people yearned once again to be members of the Asian community.

The three diplomatic principles could be interpreted as an articulation of objectives that arose from a situation of this nature. However, drawing on these principles to chart the direction of real-world foreign policy would not be an easy matter. For example, what semantic significance did the United Nations possess within the context of UN-centric doctrine? Was it a manifestation of the abstract concept of a family of all nationalities? Or, did it refer to the US-led coalition of nations that fought for one side in the Korean War? Did it comprise the community of nations that could be rendered incapable of action if the superpowers on the UN Security Council exercised their veto power? Or was it the conference from the 1960s onward that became a forum for the voices of the developing nations that together formed the UN majority? During the Lebanon crisis of 1958, Japan was an enthusiastic voice in the UN debate. However, when asked to deploy peacekeeping forces to Lebanon, Japan was unable to heed the call due to its own domestic circumstances. The notion of UN-centric doctrine was as vague as Mona Lisa's smile.

The notion of being a member of the Asian community also carried an array of implications. For instance, it could refer to those that sought involvement with China or who were exploring the possibilities for the Third World as was the case at the Bandung Conference. It might refer to those interested in gaining a renewed presence in Southeast Asia or in aiding Taiwan's economic ascension. This could only be described as a principle far removed from real-world policymaking.

Nonetheless, on closer reflection, it must be conceded that the principles of following UN-centric doctrine and existence as a member of Asia also enjoyed unusual vitality as long-range goals of Japanese diplomacy through the postwar era. For better or worse, these principles reflected the international outlook embraced by the citizens of postwar Japan, and have time and again exerted a real influence on Japanese foreign policy and action.

Next, I will briefly discuss Japanese diplomacy from the 1960s onward with attention to actual diplomatic doctrine and as a quest for closer ties with the US and the expansion of Japan's diplomatic and economic horizons.

## **VII. Diplomacy through the Economic Boom Years**

### **1. Hayato Ikeda**

The years under Prime Minister Hayato Ikeda were the signature phase of the postwar era for Japan. Ikeda declared a policy platform that could have been summarized on a single poster with a slogan pledging to double everyone's income. Whereas Yoshida engineered the international framework for postwar Japan's ascension as an economic power, Ikeda brought that economic focus home to domestic policy and the national standard of living.

Needless to say, closer ties with the US formed the pillar of Japan's foreign policy. Supported by the popularity of a young and ebullient President Kennedy and the Japanophile Edwin O. Reischauer as US Ambassador to Japan, Ikeda succeeded in reining in the protests against the 1960 Japan—US Security Treaty, portraying US-Japan ties as an equal partnership, and rebuilding bilateral trust. In June 1961, Ikeda traveled to Washington for a meeting with President Kennedy on the presidential yacht. This,

together with the creation of the Joint Japan-US Committee on Trade and Economic Affairs—a body set up to facilitate direct ministerial-level visits between the two nations—helped bring the new US-Japan relationship out into the open.

The three pillars represented by the US, Europe, and Japan constituted a novel feature of Ikeda's perspective on diplomacy. In addition to giving expression to the unity of the Western members of the free world within the Cold War setting, this was also apparently a concept that symbolized the identity of the advanced economies. That nations with advancing, free-market economies help support the world was a view that went a step farther than one of the three diplomatic principles: that of coordinating with free nations in distant parts of the world. As such, it conceivably had significance as a forerunner to the notion of US-European-Japanese trilateralism that gained attention in the 1970s.

Incidentally, compared to other administrations, the Ikeda Cabinet was quite generous with its release of diplomatic documents. Even the full texts of the proceedings of top-level meetings held during state visits to the US, Europe, and Asia were made publicly available. Documents associated with the November 1962 visit to Europe reveal that Ikeda wanted to have GATT Article 35 rescinded and establish barrier-free economic ties between Japan and Europe. Aware of France's hardline stance, the French Embassy in Japan urged caution on the grounds that Ikeda's objectives would be considered premature. Ikeda ignored this and set out on his European visit, first toppling opposition from the UK and then gaining acceptance from France as well. These achievements highlighted Ikeda's determination. On a pragmatic level, he was engaged in a quest to expand Japan's economic horizons with the intention of expanding trade between Japan and Europe. In terms of frameworks, Ikeda was striving to have Japan included as a full member in the club of advanced nations. The Ikeda Cabinet posted a string of achievements, succeeding not only in having GATT Article 35 rescinded but also in gaining Japan's membership in the Organisation for Economic Co-operation and Development (OECD), an institution bearing the aura of the world's advanced economies, and, in the financial arena, transitioning Japan to status as an IMF Article VIII nation no longer subject to financial restrictions. At home, the Ikeda Cabinet achieved booming economic growth. Internationally, it helped foster the identity of the US, Europe, and Japan as advanced, free-market economies.

Following in the footsteps of his predecessor, in November 1961 Prime Minister Ikeda went on a four-nation tour of Southeast Asia. Ikeda apparently perceived that as one of the three key pillars of his foreign policy, Japan should also assist Asia. In particular, he viewed Southeast Asia as a region that Japan should help industrialize and develop into a market for Japanese goods. The written proceedings of his meetings with other leaders portray Ikeda confidently explaining the vital points of his economic policies and making quick decisions on the specific monetary value of projects in economic assistance. In the sphere of trade with China, Japan had suffered setbacks attributable to the inflexible foreign policy stance China adopted following the Nagasaki national flag incident of 1958 and its own Great Leap Forward campaign. Through the mediation of Kenzo Matsumura and Tatsunosuke Takasaki, Ikeda successfully restarted trade with China based on policies that separated politics and economics. The Ikeda administration followed a free-market doctrine that placed as much emphasis on the twin expansion of Japan's economic horizons into Europe and Asia as it did the cultivation of closer ties with the US.

## **2. Prime Minister Sato and the Reversion of Okinawa**

The administration of Prime Minister Eisaku Sato lasted longer than any other in Japan's modern history. At seven years and eight months, it lasted almost four times longer than the average administration of two years in the 1970s, and lasted twice as long as even the Ikeda administration.

During the four years of his administration, Ikeda effectively balanced his state visits between the US, Southeast Asia, and Europe. Sato's travels, by contrast, demonstrated an extreme bias. Aside from a single, carefully planned trip that took him to Southeast Asia and Oceania, Sato visited the US four times but did not visit Europe or other countries even once. That record illustrated Sato's foreign policy commitment to establishing closer ties with the US.

Unlike the *sankinkotai* (a system under which feudal lords in the Edo period were required to spend every two years in residence in Edo), Sato's visits to the US every two years were not quite so random. In 1965 he headed to Washington to request that Okinawa be repatriated to Japan. His visit in 1967 was aimed at forming a consensus on a decision to repatriate Okinawa within the next two to three years, while in 1969 he returned to the US again to win a deal on the repatriation of a nuclear-free Okinawa, on a par with the mainland, in 1972. Then, in 1972 he headed to Washington once more to work out the final details on Okinawa's repatriation. The long-term Sato administration made closer ties with the US the central pillar of its foreign policy. However, it would also be safe to say it set its sights on extracting the repatriation of Okinawa as one of the rewards of that policy stance.

Actually, even Sato's 1967 Asia-Pacific tour was shaped by the objective of laying the groundwork for the repatriation of Okinawa. This fact was recently disclosed in *Kusuda Minoru nikki—sato eisaku sori shuseki hishokan no nisen-nichi* (Diary of Kusuda Minoru: 2000 Days as Chief Secretary to Prime Minister Eisaku Sato), Chuo Koronsha, 2001. As the Vietnam War intensified and the Asia-Pacific signaled a sea change with China's acquisition of a nuclear arsenal, Sato toured China's neighbors with an itinerary that took him to South Korea, Taiwan, and Southeast Asia as well as Australia and New Zealand. The motives for that tour were the same as they had been for his brother, Prime Minister Kishi, and followed a pattern that comprised cultivating ties with Asia-Pacific nations and putting pressure on Washington. However, Japan had posted 10 years of rapid economic growth since Kishi's tour and its powers of influence had accordingly gained more weight in the interim. For this reason, each destination on his itinerary politely welcomed Sato as prime minister of Japan that had shown rapid economic strides and become a force for stability, and Washington paid careful attention. Sato had embarked on his tours after assessing Asia as a scene of crisis. The US assigned Sato importance as a leader of the Asian region and dealt with the Okinawa issue in a favorable manner.

The above-cited diary of Minoru Kusuda contains the complete minutes of the proceedings of top-level meetings held by Sato during his visits to the US in all years except 1965. As those records show, in 1967 President Johnson evaded direct negotiations over the Okinawa issue and requested that Sato instead discuss the matter with Secretary of Defense Robert McNamara or Secretary of State Dean Rusk. A man of intense intellectual curiosity, McNamara eagerly queried Sato about the views on China held by nations geographically near the Vietnam conflict. As the minutes reveal, at one point when their discussions had reached a pause, McNamara abruptly declared that Okinawa would at any rate be repatriated. Although steady working-level preparations and negotiations had of course been under way, judging from the dialogue held at center-stage, the prime minister's remarks on security trends in Asia appear to have helped set the stage for Okinawa's repatriation to Japan.

The minutes indicate that President Johnson valued input from advisors and in that respect was in some ways more Japanese in his style than American. In contrast to his decision-making approach, President Nixon, who assumed office in 1969, followed a thoroughly dominant, presidential style. In their first top-level meeting, Nixon and Sato prepared drafts of a joint communique on the repatriation of Okinawa, thrashed out the content, and finally reached an accord. This was a settlement that had been reached through direct negotiations by top government leaders. Later, Nixon and Sato would spend

almost all of their second and third meetings engaged in stubborn back-and-forth debate over voluntary restrictions on the textile trade. In earlier accounts, Sato reportedly caused a gap in awareness between the US and Japanese sides by stating that he wanted to act accordingly. Another account mentioned that a secret agreement had been worked out through negotiations between Kei Wakaizumi and Henry Kissinger (Wakaizumi, Kei. *Tasaku nakarishi o shinzemu to hossu* [The Best Course Available: A Personal Account of the Secret U.S.-Japan Okinawa Reversion Negotiations], Bungeishunju, 1994. This was later translated by John Swenson-Wright and published in English from University of Hawaii Press, 2002.). Based on the written minutes of the proceedings, the discussions at the top-level meetings were drawn out, and Prime Minister Sato stated that he would demonstrate enough responsibility, thus revealing that a secret accord had been reached. Because it was a secret agreement, Prime Minister Sato eventually would not be able to implement it domestically. That situation would spur turmoil in the 1970s.

Johnson followed a typically Japanese, and Nixon, a typically American, style in their respective decision-making approaches. By contrast, Prime Minister Sato applied an atypical Japanese approach to his decisions on the reversion of Okinawa. The Okinawa reversion was treated as an issue by the Sato administration in the first place because a private brain trust (“S Ope,” for “Sato Operation”) led by Minoru Kusuda had proposed that Sato take up the issue, and Sato accepted. Japan’s Ministry of Foreign Affairs was generally guarded in its outlook on the reversion of Okinawa, stating that the US government and its Department of Defense (Pentagon) in particular would never consent to reversion as long as the Vietnam War was under way. Prime Minister Sato set up two advisory bodies—the Roundtable on the Okinawa Problem and the Study Group on the Military Base Problem—to facilitate active private-level dialogue on the issues associated with Okinawa. Harnessing these organizations as a driving force, he then sought to formulate an in-depth plan for the reversion of Okinawa and lobbied the US through non-diplomatic channels. For a prime minister at the helm of a government dominated by decisions that relied heavily on the bureaucracy, Prime Minister Sato followed a style of Okinawa reversion diplomacy that was closer to presidential in nature.

## VIII. The Crisis Years of the 1970s

Rarely in history does a single event completely transform the issues confronting Japan and the world and immediately alter the frame of reference for public perceptions. The 1970s, however, witnessed a wave of such events. These included the two Nixon Shocks of 1971, the Oil Crisis of 1973, and the Soviet invasion of Afghanistan in 1979. As I do not have enough space or time in this essay to give a detailed account of each, I will provide a brief chronological outline with a summary of Japan’s response to the crises and turbulence they caused.

First, I must give an overview of the structural changes that provided the preconditions for the string of crises that accompanied the 1970s. The balance of power between East and West was tilted by a notable decline in the national strength of the United States, embroiled as it was in the quagmire of the Vietnam War. Under the leadership of Leonid Brezhnev, who replaced Nikita Khrushchev in 1964, the Soviet Union had pursued an intensive arms buildup and by the start of the 1970s possessed a nuclear arsenal closely comparable in scale to that of the US. On the economic front, Japan and Europe posted rapid gains under the Bretton Woods system while the US witnessed a relative decline. Despite that, as a guns and butter model, the US economy sustained massive spending while showing structural weakness in its current account balance. In short, *Pax Americana* had begun to teeter on its foundations under the impact of its defeat in Vietnam. The Guam Doctrine (Nixon Doctrine) of July 1969 acknowledged this reality and announced a measured US withdrawal from Asia.

The first shockwave of the 1970s arrived with a statement by US President Richard Nixon in July 1971. On that occasion, and without any prior consultation with friendly nations, Nixon announced plans to visit China. This was the first Nixon Shock and as such, it left the Japanese public in a state of panic and floored by a sense of isolation from the rest of the world. Not only did this have the effect of cutting a lifeline to the pro-US Sato administration, but it also served as the decisive factor behind Kakuei Tanaka's upset win over Foreign Minister Takeo Fukuda in the race to elect the next prime minister.

Great shocks can be an impetus to inspired action. In September 1972, Prime Minister Tanaka visited China and succeeded in reestablishing Japan-China diplomatic ties ahead of the US. Having destroyed the spirit of bilateral coordination, the US had no reason to voice objections when Japan turned to an independent path of diplomacy and began pursuing the expansion of its own diplomatic horizons. The following year would see the Tanaka Cabinet also restore diplomatic ties with North Vietnam.

On careful reflection, this shift did not pose a bad environmental change for Japanese diplomacy. The signing of the first Strategic Arms Limitation Treaty (SALT I) brought recognition of nuclear parity between the US and Soviet Union. This, together with cessation of the confrontation between the US and China, signified an era of dual détente for the Far East. Further, during top-level bilateral talks in February 1972, China reversed its earlier position and decided to show acceptance for the Japan-US Security Treaty (despite the notion the treaty was the cap in the bottle of Japanese militarism). The maintenance of its alliance with the US, the most important nation, and the recognition of that by an important neighboring nation—China—together created a more stable climate for Japanese diplomacy.

The second shockwave struck on the economic front. This was the Second Nixon Shock (Dollar Shock) of August 1971: the announcement that the US dollar would be taken off the gold standard that had been in place since the end of World War II. During the occupation, the exchange rate had been fixed at 360 yen per US dollar, but at the end of 1972 the yen was revalued to 308 yen, and then transitioned to the floating exchange rate system in February the following year. Japanese companies scrambled in earnest to defend their export competitiveness from the impact of the strengthened yen, but were hit doubly hard when the Oil Crisis arrived in October 1973. Not only did oil prices climb sharply, but the Arab oil-producing nations declared an embargo on supplies to unfriendly nations. The Japanese public reacted in panic as if the Japanese economy had been handed its death sentence. This event once again brought home the realization that postwar Japan's prosperity depended entirely on the international system of free trade, which allowed the nation to purchase unlimited supplies of foreign resources and market its products worldwide as long as they were known for quality. If access to supplies of crude oil dried up, the security of Japan's economy and the standard of living of its people would be lost.

Although US Secretary of State Henry Kissinger made a visit to Japan to urge restraint, the Tanaka Cabinet evaded his efforts and announced closer ties with the Middle East that won Japan guarantees of a stable supply of oil in return. Prime Minister Tanaka also made energetic visits to a host of other resource-wealthy nations and utilized diplomatic efforts to help Japan build its own resource infrastructure and free itself from dependence on the major producing nations. This autonomous push in resource diplomacy was designed to guarantee economic security but apparently spurred apprehension in the US and had virtually no benefit.

The Oil Crisis inspired extraordinary efforts in innovation that ultimately buoyed Japan into position as a world leader in the manufacturing arena. Japan's entire society mobilized to halt the economy's descent; neon lights were shut off to conserve electricity and negotiations between labor unions and corporate management assumed a conspicuously more-cooperative tone. This gave the impression not of a relaxed drive to sustain the pace of prosperity but rather a desperate, all-out war to defend the nation

from losing its economic security. Efforts to develop new, energy-saving technologies demonstrated breathtaking strides and carmakers churned out compact models that boasted sharp gains in fuel efficiency. These achievements would later enable Japan to dominate the international market following the sharp spike in oil prices that accompanied the Second Oil Crisis of 1979. Japanese consumer electronics products also took the world by storm with mechatronics technologies that integrated high-quality mechanical components with electronic brains. Energy-saving technologies as well as desulfurization systems and other pollution-reduction technologies came into widespread use and facilitated the restoration of degraded environments.

As these examples illustrate, the impact of the Oil Crisis compelled Japan to redouble its efforts to develop new technologies and improve its social efficiencies, and helped transform it into an industrial powerhouse marked by a world-leading level of export competitiveness. Understandably, these gains also enabled Japan to revive its economy by the end of the 1970s. In the political arena, expectations that progressives would upset the balance of power with conservatives were turned on their head, and Japan returned to a period of conservatism. However, in the realm of foreign relations, Japan faced its next phase of difficulty in the form of heightened economic and trade tensions with the US. Although that development was presaged by the dispute over the textiles trade in the early 1970s, concerns over a gap in the perceptions of the Japanese and American people prompted then-Prime Minister Fukuda to take the initiative and set up the Japan Foundation, effectively adding cultural exchange as another dimension of Japanese diplomacy.

The third shockwave materialized with the violent anti-Japanese protests that broke out during the state visits that Prime Minister Tanaka made to Bangkok and Jakarta on his tour of Southeast Asia in 1974. Following the reparations it made to Southeast Asian nations after World War II, Japan in the 1960s had established a framework for development assistance and put it into motion through the provision of yen loans, grant-based technical cooperation, and deployments of Japan Overseas Cooperation Volunteers (JOCVs). It was also instrumental in the establishment of the Asian Development Bank in 1966, joined the OECD's Development Assistance Committee (DAC), and participated in programs designed to provide aid to developing nations through international organizations. Although Japan continued to expand its aid flows to nations bordering the Vietnam conflict, the mechanisms to expand its economic horizons were heavily colored by mercantilist ambitions. In addition to doubts surrounding the quality of Japanese aid, the war was still fresh in the minds of many, Japan's all-too-rapid economic thrust into Southeast Asia evoked fears of and opposition to the prospect of Japanese economic domination.

This dealt a heavy blow both to the Japanese government and the financial community, and the response was to set up a commission and have it explore ways to improve Japan's economic involvement in Asia. At the political level, Prime Minister Fukuda announced a new approach (the Fukuda Doctrine) during an address given at the 1977 Association of Southeast Asian Nations (ASEAN) Summit in Manila. In essence, Fukuda pledged that Japan would (i) not become a military power, (ii) help build mutual relations of trust and goodwill with the people of all Asian nations, and (iii) provide assistance aimed at fostering the development and security of the ASEAN community and Indochina as a whole. At that point in time, the US had withdrawn from Vietnam and the outlook for peace and order remained murky. Members of the ASEAN community enthusiastically welcomed Fukuda's address as an indication that Japan was interested in extending its cooperation to all corners of Southeast Asia, not as the North Wind but as the Sun (a reference derived from one of Aesop's fables).

Fukuda made no special effort to strengthen ties with the US during the years of the Carter administration, when the US was still reeling from the aftereffects of its defeat in Vietnam. Instead, he sought

to strengthen ties with Asia and apply economic approaches to fill the void left by the US withdrawal from Southeast Asia. Although Fukuda himself had described his diplomacy as omnidirectional, as a general concept, that implied a lack of prioritization. However, it could not be described as an empty policy because in fact, it was Fukuda himself who helped conclude the Japan—China Treaty of Peace and Friendship. Japan's diplomatic horizons were omnidirectional except within the context of relations with the Democratic People's Republic of Korea (North Korea).

Fortunately, the Fukuda Doctrine was not an exercise in empty promises. As its trade surplus burgeoned, Japan moved into a phase of ODA growth accompanied by gains in quality. Over a three-year period starting in 1978, Japan doubled its ODA spending, and then doubled it again over the next five years. Having survived the Oil Crisis and built a powerful economy, Japan intensified its involvement with other nations across Asia through trade, direct investment, and ODA. This was one of the key factors behind the collective advancement—not plunder—of the Asian community known as the East Asian Miracle. During World War II, Imperial Japan followed the rules of a zero-sum game that facilitated its own expansion while victimizing the nations of Asia. However, in the final 20-plus years of the 20th century, Japan and Asia succeeded for the first time in being involved together in a constructive, positive-sum game. This effectively nurtured a process of quiet reconciliation with Southeast Asia.

The important point is that China was involved in that relationship. In 1978, China was ending its Cultural Revolution and Deng Xiaoping had begun implementing his policies as the nation's new leader. That same year brought the signing of the Japan-China Treaty of Peace and Friendship, and in the following year, Japanese Prime Minister Masahiro Ohira reached an accord on economic cooperation with China. Ten years prior to the end of the Cold War, China embarked on a series of economic reforms and market-opening policies that would introduce selected aspects of a market economy even while the nation retained its socialist system. Japan aided China in that undertaking. Achieving reconciliation would never be easy, given that Japan had invaded and occupied China over a period of eight years. However, the products of their positive-sum relationship, China's transition to a market economy, and much later, its democratization-oriented reforms, together had the effect of gradually broadening the cooperative foundation on which Japan and China could stand together despite a series of ups and downs in their bilateral relationship.

The 1970s brought a wave of shocks and crises. However, in retrospect, the relatively young and vibrant society of postwar Japan was able to harness those events as a springboard for Japan's re-emergence. On the international front, the inaugural summit of the Group of Seven (G7) major advanced economies assembled in 1975. As a forum for the integration of the international community's capacity to address a range of important challenges, the G7 commanded a level of significance that could not be easily ignored.

## **IX. The 1980s: A Peak for Postwar Japan**

The arrival of a heightened state of Cold War tensions shows that history likes diversions, too. Since its intervention in the Angolan civil war in 1976, the Soviet Union had aggressively exercised its foreign influence with a level of military power that had reached parity with the US. Amid growing fears of the Soviet threat, in 1979 the Soviet Union invaded Afghanistan, drawing a sharp outcry from the US and other nations of the West. By that time, Prime Minister Ohira had effectively restored Japan's identity as a member of the Western camp when he stood together with US President Jimmy Carter, who had been tormented by the US Embassy hostage crisis in Iran. Although Japanese diplomacy through the 1970s had been oriented toward achieving autonomy from the US and expanding Japan's diplomatic horizons,

to Ohira, the origins of the Japan-US relationship had been reaffirmed. Ohira joined Carter in declaring a boycott against the Moscow Olympics and implementing economic sanctions against the Soviet Union. In 1980, Carter lost his re-election bid to Ronald Reagan, a candidate that had won the presidential race with a more extreme, confrontational platform that labeled the Soviet Union the “Evil Empire.”

Having surmounted the crises of the 1970s and gained a stronger footing in the process, the Japanese economy in the 1980s demonstrated a decisive competitive edge relative even to other advanced economies. In 1980, Japan’s gross national product (GNP) accounted for fully 10 percent of the world total, an accomplishment that inspired the designation, “10-percent nation” (*ichiwari kokka*). In a world of 180 nations, a GNP share of this scale implied that Japan had become an extraordinary economic superpower. In fact, it was the Japanese economy of the 1980s that boosted its share of global GNP to 15 percent. Indeed, the 1980s would be the decade that saw Japan achieve an unprecedented level of prosperity and exert its strongest economic impact on the world at large.

What challenges might confront a society that had arrived at this pinnacle in its economic development? First would be the unusually difficult task of sustaining its prosperity beyond the short term. Second, Japan would have to deal with trade tensions and the other “side-effects” of having a strong economy; an ebbing domestic atmosphere of crisis would carry the risk of encouraging a relaxed spirit mixed with the vices of self-indulgence, greed, and indolence. Third was the question of what Japanese society planned to do once it had built its foundation on an adequately affluent economy. Man does not live by bread alone. Enjoying adequate nutrition and building a healthy body are good things, but they are not definitive life goals by themselves. The question rather has to do with the wonderful things that can be achieved if one harnesses that healthy body. By that analogy, as a nation that had achieved economic superpower status and more than adequately cleared its goals for prosperity, Japan in the 1980s and beyond would have to develop a national vision for the next phase of its development and take on the challenges posed by its new goals. Otherwise, as with the rolling bicycle that will fall over if allowed to stop, Japan, having already achieved its postwar goals of security and prosperity, could conceivably wander and lose its way if it no longer had any purpose to guide it. In that respect, it was with propitious timing that Prime Minister Ohira established his council of nine policy research groups and asked that they come up with a long-range vision to carry Japan through 1980s.

Not many government administrations are that conscientious about developing grand national visions. The reason is that regardless of their national wealth or poverty, in the arena of political diplomacy, most administrations have to deal with pending issues that are dictated by concurrent trends. Succeeding at that enterprise alone is quite an undertaking in itself and leaves little if any margin for thought about future, long-range visions. However, absent a major vision, governments that follow a haphazard approach will show a tendency to lose direction and reach an impasse even in their handling of pending issues.

US President Ronald Reagan and British Prime Minister Margaret Thatcher were emblematic of the trends that shaped the 1980s. Their foreign policy stances comprised elements of a new Cold War doctrine that refused to back down from the threat of force against the communist Soviet system and naturally demanded closer coordination and unity with other nations in the Western alliance. Domestically, they followed a neoliberalist approach that aimed to restore the vitality of their free-market economies and private sectors with tax cuts and deregulation and accordingly achieve an economic revival.

The Japanese leader that skillfully harnessed these international trends was Prime Minister Yasuhiro Nakasone, who assumed office in November 1982. Nakasone punctuated his debut with a return to policies that Kishi and Sato had utilized to link Japan’s diplomacy toward Asia with that toward the US. He

went on a lightning tour of South Korea and reached a settlement on a loan issue that had been a stumbling block to improved ties between the two nations, and in January 1983 also made a state visit to the US. As a champion of the “new” Cold War of heightened tensions with the Soviets, Reagan had no reason not to be delighted by the mending of ties between two Asian allies. Nakasone’s strategy was to cultivate Japan’s relations with the rest of Asia and then launch a diplomatic advance aimed at the US. In doing so, he reversed the shaky course of Japan-US relations left behind by the outgoing administration of Zenko Suzuki and helped cultivate exceptionally close, cooperative ties with President Reagan that were dubbed the “Ron-Yasu relationship.”

At the Williamsburg Summit in May 1983, Nakasone led discussions on an issue for global security with the question of how the West planned to respond to the Soviet deployment of mid-range SS-20 missiles in Europe. This was a rare feat for a prime minister of the free-market economy, postwar Japan. Commensurate with the climate of heightened Cold War tensions, Nakasone made closer Japan-US ties and membership in the Western alliance pillars of his foreign policy. In doing so, he drew attention by seeking an international security role for Japan as a mature economic power. Somewhat unexpectedly, Nakasone enjoyed strong public support despite following a top-down rather than consensus-based approach to governance and assuming a hawkish, pro-US stance that had been despised by many Japanese citizens through the postwar era. Apparently Japan had entered an age that favored those capable of demonstrating gallant leadership roles on the international stage.

Although closer ties with the US formed a pillar of Nakasone’s diplomacy, that goal was not pursued exclusively to the detriment of ties with other nations in Asia. Nakasone formed an exceptionally close relationship with China’s General Secretary Hu Yaobang and concluded successful state visits to Southeast Asia. Establishing closer ties with the US was considered to be the reason why a Japanese prime minister was viewed with importance by the nations of Asia (Nakasone, Yasuhiro. *Tenchiujo* [Universal Sentience], Bungeishunju, 1996).

Thanks in part to the energetic role played by Foreign Minister Shintaro Abe, the Nakasone Cabinet restored and strengthened Japan’s ties with many nations in Asia and Europe (other than the Soviet Union) while maintaining the US-Japan relationship as a pillar of its foreign policy. The crowning achievement in that quest was the May 1986 Tokyo Summit that Nakasone hosted. Trade tensions would inevitably intensify the stronger Japan’s economy became. The month prior to the Tokyo Summit, Japan released the Maekawa Report (formally, the Report of the Advisory Group on Economic Structural Adjustments for International Harmony). This raised hopes for solutions based on adjustments in economic structure among the leaders of various nations and demonstrated that summit host Japan’s leadership was not in decline. The month following this highly successful event, the prime minister called simultaneous elections in both houses of the Diet and posted the largest landslide victory the nation had seen since the days of the Sato Cabinet. Nakasone was a prime minister who knew how to exploit both sides of the linkage between domestic and foreign policy.

Without question, it was Nakasone’s administration that defined the peak in postwar Japan’s diplomacy. However, that is not to say Japan had finally morphed from a purely economic power into a full-fledged member of the international community of nations. Nakasone diplomatic style was highlighted by an emphasis on personal diplomacy between national leaders. While this approach had considerable benefits, it also conversely suffered limitations. For example, Sino-Japanese exchanges based on the prominent personal ties that Nakasone developed with General Secretary Hu Yaobang met with resistance among Chinese government insiders, effectively placing those exchanges as well as the General Secretary’s political status in jeopardy.

Institutionalizing and sustaining a new relationship over the longer term is a genuinely difficult task. Although Nakasone demonstrated certain gains in his dealings with the US as a prime minister fervently committed to a role in fostering security, he nevertheless failed to deploy minesweepers during the conflict in the Persian Gulf and fell short as an internationally minded leader capable of taking the initiative on matters pertaining to international security or the international economic system. Lacking a coherent, comprehensive vision of what to do at home or abroad with his nation's increasingly vast economic power as the yen strengthened following the Plaza Accord of 1985, Nakasone ultimately entrusted his fate to the financial bubble.

## **X. Concluding Remarks: The Aftermath of the Cold War**

With assistance from the Ministry of Foreign Affairs, the Noboru Takeshita administration that succeeded Nakasone in 1987 hammered out its International Cooperation Initiative, a vision for progress in three key areas. In addition to the expansion of ODA, a field in which Japan already had an established track record, the initiative also called for the promotion of cultural ties that extended beyond the purely economic dimension that had largely defined exchange with the nations of Europe and other regions to that point. Furthermore, it called for cooperation in the interest of peace, an endeavor aimed at contributing to the formation of structures for peace in war-torn regions. Among other things, the Takeshita Cabinet created a Center for Global Partnership (CGP) within the Japan Foundation. However, before its work was done, the Recruit scandal would force its members to resign *en masse* in June 1989. Indeed, 1989 would be a year of transition, with the death of Emperor Showa followed by the start of the Heisei era and a crushing LDP defeat in the upper house of the Diet signaling the demise of the 1955 System. This would also be the year that brought the collapse of the Berlin Wall and the conclusion of the Cold War.

I have already discussed the postwar diplomatic process in the last chapter of *Sengo nihon gaikoshi* (The Diplomatic History of Postwar Japan) (Op. cit. Makoto Iokibe, editor). Here, I want to forgo that discussion and simply summarize the long-term changes that the end of the Cold War brought about in the context of Japan's international relations and diplomacy. The Cold War lasted more than four decades and its end did more than drastically alter the general structure of the world. The shockwaves from that change prompted a response from nations worldwide, in turn triggering a chain reaction through multilateral channels and a set of multilayered challenges that hit Japanese diplomacy like a fresh tsunami. I will elaborate on the main developments below.

### **1. Market Liberalism and Globalization**

Through the 1980s, the Western camp was largely under the rule of four leaders: Reagan, Thatcher, Kohl, and Nakasone. In a word, liberalism was the principle on which their leadership was based. The Keynesian fiscal activism that had fueled the quest for the Great Society in the 1960s had become bankrupt by the 1970s. That prompted a return in the 1980s to classic liberalism, which became the principle underlining the supremacy of market economies that stressed self-reliance, deregulation, lower taxes, private sector vitality, and small government. This proved fundamentally a success; it restored economic vitality and became a force that led to victory in the Cold War.

In the aftermath of the Cold War, the 1990s basically would be a continuation and elaboration of these themes. With all opposition decimated, market liberalism would be extolled to an extent bordering on religious fundamentalism. The impression was that it had become the dominant global doctrine, aided by the US-led revolution in information technology (IT) and the advancing pace of globalization.

That brought a powerful upswing of the once-struggling US economy and, with the exception of languishing Japan, served as a force for global prosperity through the 1990s. However, as a universal truth that applies to all things in this world, prosperity based on market liberalism also had its trade-offs and negative side. One was that nations interested in capitalizing on the prosperity brought by the globalization wave would be compelled to lower the threshold to trade posed by their national borders. Within a climate of liberalism and deregulation, it is not that easy to ensure one's citizens adequate protections. Witness, for example, the 1997 East Asian economic crisis that saw a phenomenal expansion in short-term financial trades trigger the collapse of several national economies.

More importantly, the prosperity brought by globalization had a darker side: the economic devastation caused by marginalization. Conditions of severe economic hardship and national economic collapse extended from sub-Saharan Africa to Afghanistan in Central Asia. This was the "chaos zone" described by Akihiko Tanaka (Tanaka, Akihiko. *Atarashii 'chusei'* (The New Middle Ages), Nihon Keizai Shimbunsha, 1996).

Economic despair can be a hotbed that breeds radical terrorism. The synchronized terrorist attacks that struck New York and Washington, D.C. on September 11, 2001 shook the entire world. Problems of this nature effectively demonstrated that everything has limits, and that the world cannot support an exclusive devotion to globalization based on market liberalism. Poverty in the developing world is not a problem that can be mitigated by nongovernmental organizations (NGOs) acting alone. The advanced nations need to reconsider the value of ODA and the international economic system must be adjusted to reflect considerations for the subsistence and survival of a diversity of societies. The role of the nation-state in protecting its citizens is another matter that deserves renewed attention.

In the aftermath of the Cold War, this presented a troubling dilemma for approaches to the political implementation of liberal democratic principles that represented the other side of market liberalism in the economic dimension. As illustrated by the NATO bombing campaign in the former Yugoslavia, rather than adhering to the principles of classical liberalism and respecting the rights of individuals and sovereign states as inviolable, the political decisions of international society have increasingly shown a tendency toward intervention or the imposition of sanctions against those that violate the universal values of human rights or democracy. Although a growing international consensus supports the repudiation of wars of aggression and acts of genocide, the tactics to deal with such behavior remain a question for further study while in practice, trial-and-error still prevails.

## **2. Regional Upheaval**

One implication from the collapse of the polarized order known as the Cold War was that problems for individual regions of the world would be liberated and rekindled. In many regions, geographically and historically rooted problems came to a head and boiled over. A feeling of disarray and chaos pervaded as empires in Russia, Yugoslavia, and elsewhere broke up and an epidemic of ethnic conflicts and acts of terrorism spread from Africa to Central Asia.

It was pointed out (by Nobuo Noda) that tensions among ethnic and religious groups and Asian communities could be expected to flare following the end of the Cold War. At the global level, examples of ethnic, religious, and regional resistance to globalization were backed by the principles of self-identity and took form not as large-scale wars but primarily as low-intensity conflicts marked by regional strife and acts of terror.

The Cold War scenario of two worlds did not give way to the scenario of individual worlds defined by the unit national level. Within each nation, ethnic minorities and the forces of regionalism continued

to gain powers of influence, and additional minorities existed at a further-fragmented level. Endless fragmentation would not be a solution to any problem. Conversely, the general scenario for globalization was oriented toward the creation of one world. Nonetheless, that idea faced limits because the real world is simply too diverse and too large. The prevailing trend in the post-Cold War era has been for multiple nations to band together, form communities, and achieve a certain degree of regionalism while showing tolerance for diversity within their respective borders.

One development that coincided with the end of the Cold War in Japan's own neighborhood was the inauguration of the Asia-Pacific Economic Cooperation (APEC) forum in 1989 (Kikuchi, Tsutomu. *APEC*, Japan Institute of International Affairs, 1995; Funabashi, Yoichi. *Ajia taiheiyo fyuujon* [Asia Pacific Fusion], Chuo Koronsha, 1995. This book was later translated and published in English as *Asia Pacific Fusion: Japan's Role in Asia*, Peterson Institute, 1995). Given its position on the international political map, Japan was surrounded by nations that could be easily split between East and West or North and South. For that reason, it was abundantly worthwhile to have a relaxed regional framework that encompassed the Asia-Pacific. ASEAN was founded as a community with the goal of surmounting the difficulties faced by nations bordering the theater of the Vietnam War, and it deserves attention for its surprising advancement, support for the operation of APEC, and the trust-building functions it has provided through, for example, the ASEAN Regional Forum (ARF). Although Northeastern Asia had been troubled by historically rooted problems as well as the problems derived from the partitioning of member-states, it lacked a framework for regional cooperation. However, the ASEAN Plus Three forum has at last been institutionalized as a periodic gathering with the participation of the three East Asian nations of Japan, China, and South Korea.

### **3. The Gulf Crisis and International Security**

The Gulf Crisis was a large-scale conflict that broke out immediately following the end of the Cold War. Japan invited a deep-rooted gap in international perceptions of itself through its inability to participate in the international response to the Iraqi invasion of Kuwait in the far-away Persian Gulf. This was a bitter experience that some observers even rated as a defeat for Japan. However, due to the severity of that shock, Japan did manage to spring into action rather than find itself complacently trapped like a frog in slow-boiling water. In June 1992, the Kiichi Miyazawa Cabinet spearheaded passage of the Act on Cooperation with United Nations Peacekeeping Operations and Other Operations (the PKO Act) and succeeded in having Japanese forces participate in peacekeeping operations in Cambodia. This experience could be described as postwar Japan's awakening to the concept of collective or international security. Under Article 9 of its Constitution, Japan as a defeated nation long only had two phrases in its mental vocabulary: wars of aggression and wars of self-defense. However, at this point, it belatedly recognized that it, too, must assume some of the burden as an active participant in the task of ensuring the security of international society.

Japan's involvement in the Cambodian peacekeeping effort was prompted by its negative experience with the Gulf War. In reality, though, it was also an outcome of long-range efforts on two levels by the Ministry of Foreign Affairs. Participation in peacekeeping operations had been an earnest goal of the Foreign Ministry ever since the Lebanon Crisis of 1958, immediately following Japan's entry into the UN. It had also been an intermittent subject of study by successive Japanese governments, up to and including the Noboru Takeshita Cabinet. On another level, the Foreign Ministry's Asian Affairs Bureau had shown sustained interest because Japan had a long history of deep involvement in Cambodia and had a pool of advanced specialists at its command. When the civil war in Cambodia was winding down, the Asian

Affairs Bureau realistically supported the October 1991 Paris Peace Accord with its own draft proposal for a settlement (Ikeda, Tadashi. *Kanbojia wahei e no michi* [The Road to Peace in Cambodia], Toshi Shuppan, 1996; Kono, Masaharu. *Wahei kosaku* [Strategy for Peace], Iwanami Shoten, 1999).

#### **4. Setbacks for Japan-US Relations after the Cold War**

As the first US president elected following the Cold War, Bill Clinton believed economics would surpass even security as the core policy tool of international politics. The rival of the US in this field was assumed to be Japan, a nation that had emerged as the world leader in manufacturing through the 1980s and that continued to amass a huge surplus in its trade with the US. Going as far as imposing numerical targets, the US sought to corral the Japanese economy and continued with a series of ill-conceived negotiations over trade tensions in the automotive sector (components) in 1995. Ultimately, however, it met with resistance from Japan's Ministry of International Trade and Industry (MITI) and the negotiations ended in failure. The reasons were as follows: The Japanese economy at that time was reeling from the implosion of its financial bubble whereas the US economy had been placed on a strong growth track by the IT boom. Economic sanctions were supposed to create conditions that would force Japan to give in and allow the US to reap the benefits, but ironically, that scenario had vanished by 1993, the first year of the Clinton administration. Additionally, bilateral transactions aimed at settling import quotas were contrary to the principles of free trade stipulated by the GATT/World Trade Organization. This prevented the US from garnering international support.

A protracted era of US-Japan tensions in the economic arena was finally brought to a close when the US withdrew its numerical targets in 1995. However, the liabilities were not insignificant. Anti-US sentiment and feelings of outright resentment toward the US began to spread among Japanese bureaucrats, diplomatic personnel, businesspersons, scholars, and others that hitherto had ranked among the US-savvy intelligentsia. Although resistance to the narrative of the still-important US-Japan relationship and the US-Japan alliance in the 21st century had long been associated with the leftist camp, it began to gain traction among the conservative and nationalist factions as well.

#### **5. Japanese Diplomacy and the Crises in Asia**

China's response to the conclusion of the Cold War was rather unique. The communist frameworks of the Soviet Union and East Europe fell apart entirely amid a race toward two goals: politically, the creation of liberal democracies and economically, the creation of free-market systems. While this provided encouragement to advocates of democracy in China and helped radicalize their movement, among supporters of Deng Xiaoping's government, it also raised alarms over the use of peaceful tools to bring down socialist systems, and led to the decisive use of force in the crackdown against pro-democracy demonstrators in Tiananmen Square.

The Tiananmen Square incident shocked Japan and the entire world. However, more importantly, China over the longer term opted to retain its communist system of one-party rule while continuing with the transition to a free-market economic system. This arguably enabled China to avert the upheaval that otherwise would have accompanied the collapse of its communist system while exploring paths to a soft landing that would lead to a relaxed pace of democratization following the steady implementation of market-oriented reforms. China's alarm over the use of peaceful means to bring down socialist systems was associated with its concern that Taiwan, having achieved economic advances and democratization under the leadership of Lee Teng-hui, would seek independence after amassing support from the West. That fear reached a climax in March 1996 with the missile crisis in the Taiwan Strait. Although it paid a

price for the international outcry it caused in the process, China nevertheless relied on crude methods to send the message that it would decisively block any move toward Taiwan's independence.

North Korea was another story. As the last remaining communist state, it was unable to develop either a political democracy or a market economy. Isolated by South Korea's restoration of diplomatic ties with the Soviet Union and then China, and having failed to improve its own ties with Japan, North Korea assumed a menacing posture with allusions to the use of nuclear weaponry and missiles. Given its close proximity to North Korea, Japan was stunned by this mischievous display. The nuclear crisis of 1994 was resolved by the surprise mediation of former US President Jimmy Carter, while the nuclear crisis of 1998 was resolved through the Perry Process (named for former Defense Secretary William Perry), a collaborative effort by the US, Japan, and South Korea.

Whereas the Gulf War awakened Japan to the need to participate in efforts to ensure international security, the North Korean nuclear missile crises and the Taiwan Strait missile crisis together alerted it to the need for collective defense, and oriented it toward the redefinition of the US-Japan Security Treaty in April 1996 and the formulation of the new Guidelines for Japan-US Defense Cooperation. Once again, closer ties with the US would be the response to the series of crises Japan faced in the 1990s.

China strongly reacted to this new US-Japan collaboration in the security arena as a scheme aimed at containing China itself. However, after it had been confirmed that the US-Japan alliance would remain operational through the 21st century, US and Chinese leaders paid mutual state visits to each other and relations between Japan and China moved into a phase of stability. The Ryutaro Hashimoto administration placed relations with Russia on a sound footing while Prime Minister Keizo Obuchi and South Korean President Kim Dae-Jung achieved an historic reconciliation between Japan and South Korea. When the East Asian economic crisis broke out in the summer of 1997, Japan provided other Asian nations with a package of support measures through the New Miyazawa Initiative. At the close of the 20th century, Japan's economy still languished in a deep recession but on the diplomatic front, the leaders of the Asia-Pacific nations scrambled to expand their multilateral ties of coordination through a whirlwind series of state visits to one another. Suffice it to say this presented a favorable international climate for the historic expansion of their diplomatic horizons.

North Korea aside, Japan would cross into the new century without a single enemy anywhere in the world. That reality, however, did not signify that a convincing state of order had been achieved, but rather, that a favorable environment had taken shape as members of the international community pursued their hectic diplomatic agendas. If one takes pause, one's efforts to that point may unwind. If one slackens one's grip, he may be entangled by the ensuing chaos. We would be reminded of these truths by the uproar over the history textbook issue and the visit by Prime Minister Junichiro Koizumi to Yasukuni Shrine in the first year of the 21st century.

In retrospect, postwar Japan had achieved its goals of security and prosperity by the 1980s. However, as a consequence of not setting further goals that would harness and build on these achievements, Japan saw its prosperity seriously shaken and its security conspicuously compromised during the period of flux that followed the Cold War.

In that setting, as a nation preparing to enter a new century, Japan faced the challenges of improving its own capacity for security—even if it still maintained its renunciation of war—and of giving real substance to its participation in joint actions taken in the interest of ensuring international security.

Striving for closer US-Japan ties with an emphasis on the US-Japan alliance, transcending the legacies of its past and developing closer ties with its neighbors in Asia, and—as a member of the Asian community—contributing to the development of the international relations of a new Asia presumably

will be the key challenges for Japanese diplomacy in the 21st century. In this new century, Japan must build on its security role from a foundation of international collaboration. Even so, its capacity as a source of the civilian power it has amassed through the postwar era will continue to bear ultimate importance. Harnessing these strengths to help rebuild an injured world must be Japan's top priority.