

U.S.-Japan Relations: Small but Important Steps

by Michael Jonathan Green, Olin Fellow for Asia Security Studies,
Council on Foreign Relations

After a frustrating inability to resolve even minor irritants in the U.S.-Japan alliance last quarter, Tokyo and Washington made some small but important breakthroughs this summer and fall on issues related to defense planning, financial support for U.S. bases, and Okinawa. President Clinton's decision to step out of the intense Middle East peace negotiations at Camp David in mid-July to attend the Okinawa G-8 Summit certainly helped, as did the first bilateral defense and foreign ministers' meeting in two years, which was held in September. The success on the security side was somewhat offset, however, by confrontation between Tokyo and Washington over whaling, telecommunications, and steel. Absent a larger strategic framework for the relationship, these smaller issues continue to tug the alliance back and forth. In anticipation of a new administration, a growing number of policy makers and analysts in both the Republican and Democratic parties in the United States are beginning to focus on strategic goals for the alliance with Japan. The question remains whether Tokyo itself can begin to do the same.

The President Goes to Okinawa...Phew!

While last quarter was characterized by the escalation of small irritants and the crowding-out of real strategic dialogue, President Clinton set a good tone for the relationship on July 19 by traveling to the G-8 Summit, in spite of the pressing deadline of the Middle East Peace negotiations at Camp David and widespread press speculation that he would stay home. Indeed, most of the President's advisors were opposed to his skipping-out on Camp David just for a summit in Japan. However, mindful of earlier charges of "Japan passing" and convinced by U.S. Ambassador to Japan Tom Foley and the White House international economics team of the importance of his appearance in Okinawa, the President made the trip. He had only a brief meeting with Prime Minister Mori Yoshiro, which was most noteworthy because of reports that Mori stumbled on his carefully scripted English-language greeting to the President. But the trip did reassure Japan of U.S. commitment to the relationship after Secretary of State Madeline Albright skipped an early foreign minister's session to great criticism in the Japanese press. The trip also provided a useful deadline for resolution of lingering trade disputes over NTT access fees, and negotiations on defense planning and financial support for U.S. forces. Finally, it afforded an opportunity for the President to give an important and historic speech at the Okinawa Peace Memorial Park, in which he pledged to "reduce the U.S. footprint" on Okinawa.

Small but Important Steps in the Security Relationship

In part because of the momentum provided by the brief presidential trip to Okinawa, the United States and Japan made some small but important breakthroughs in the stalled implementation of the 1996 Joint Security Declaration. These accomplishments were announced in the September 11 Joint Statement of the Security Consultative Committee (SCC) in New York, which was attended by the U.S. Secretaries of State and Defense and their counterparts from the Ministry of Foreign Affairs and Defense Agency. At this “Two-plus-Two” meeting, the United States and Japan announced a compromise on the renewal of the five-year Special Measures Agreement for supplementing Tokyo’s financial host nation support for U.S. forces based in Japan. The two governments’ inability to settle on a number for Japanese funding throughout the late winter and spring was beginning to poison relations between the key managers of the alliance, but in the end the U.S. side settled for a symbolic decrease in funds that satisfied all parties involved.

At the SCC, the four ministers also announced the establishment of a Bilateral Coordination Mechanism to link Japanese government agencies with the U.S. Embassy and U.S. forces in Japan in times of war. This coordination mechanism is critical to implementing the revised Defense Guidelines, since the United States and Japan lack a joint and combined command of the sort that manages military responses in NATO or the U.S.-ROK alliance. The Japanese bureaucracy’s 50-year unease with this sort of “jointness” (both with the U.S. and with each other) proved more of an obstacle than expected, but it was largely cleared this quarter. In addition, the ministers appear to have diffused a potential collision over the legal obligations for environmental clean up around U.S. bases in Japan by signing a joint Statement on Environmental Principles. Finally, the ministers took an initial stab at discussing their strategic planning over the next five years, as manifest in Japan’s *Mid-term Defense Plan* and the Pentagon’s forthcoming *Quadrennial Defense Review*. On the whole, the defense meeting was a welcome change from the small skirmishes that consumed the two countries defense chiefs throughout the previous quarter. It was no coincidence that progress was delayed, since it was the first “Two-plus-Two” held in over two years.

Secretary of Defense Cohen stopped in Japan two weeks later to put the finishing touches on the SCC meeting accomplishments. As a reminder that nothing is ever over until it’s over, however, the Secretary had to deal with the City of Misawa’s official suspension of friendly ties with the nearby U.S. Air Force base because of night landing practice transferred there by the U.S. Navy. Cohen was also forced once more to prod his Japanese hosts to resolve the problem of pollutants being pumped onto the U.S. housing compound at Atsugi naval base by corrupt but evasive local thugs—an issue that was supposed to have been resolved during his last visit to Tokyo. The good news was that these sorts of problems, even though they seem to never go away, did not obstruct substantive progress on the core defense cooperation issues.

Okinawa

Okinawa threatened to explode again as a problem for the alliance in early July when a U.S. Marine became so drunk that he passed out in the bed of a 14-year old Okinawan girl, prompting protests that threatened to ruin the President's trip to the island for the G-8 Summit. A firm and swift response by the Marines and the U.S. Embassy and a protest from Tokyo all helped to diffuse the situation by the time of the G-8 Summit. Just to be certain there would be no trouble, the Commander of U.S. Marines on the island banned alcohol and imposed a 24-hour curfew during the summit (steps that were lifted only with great political difficulty afterward). Clinton also apologized for the incident when he arrived in Okinawa, which played to positive front-page stories across Japan.

With the flash and drama of the Okinawa G-8 Summit behind them, the governments of Japan, Okinawa, and Nago township settled down for the tough business of preparing for the relocation of the U.S. Marine Corps Air Station from Futenma to the north of Okinawa, as promised by the two governments in the Special Action Committee on Okinawa (SACO). On August 13, the three governments inaugurated a tripartite committee to consider the various options for relocation. There are essentially two: a landfill airbase, favored by construction interests in Okinawa; and a steel floating offshore structure, favored by some industries in Tokyo and those in the local area who prefer having the base further away. The politics of the decision are Byzantine. At present, a narrow majority of the local citizens are willing to accept the new facility, if it is the kind of facility they want. But once a decision is made to go with either a landfill or floating structure, the losing side will likely switch over to the opposition, outnumbering those in favor of accepting the Marines. Meanwhile, the new tripartite committee has to make some gesture on Governor Inamine's campaign pledge to limit the U.S. access to the base to no more than 15 years--a time limit unacceptable to Washington and Tokyo because of the dangerous precedent it would represent. The Governor, the Mayor, and Tokyo's representative all want to move forward on the new base, but if these tough decisions are not made soon, all three will be facing another round of elections and an even more complicated political environment.

Missile Defense

After the August 1998 North Korean Taepo-dong missile launch over Japan, the Japanese people and government lined-up solidly behind plans for joint research on the Navy theater-wide missile defense system with the United States. In preparing for the next five year *Mid-term Defense Plan*, the Japanese Defense Agency will probably receive at least \$250 million to continue working on the project. But how deep is the Japanese religion on missile defense? At the ASEAN Regional Forum (ARF) in Bangkok during the week of July 24, Foreign Minister Kono's commitment was seriously tested when China, Russia, and other countries launched a rhetorical attack on U.S. plans for national missile defense (NMD). Kono remained silent at the ARF, but when he returned to Tokyo he was quizzed on the issue in Diet. On carefully prepared testimony on August 1, Kono declared Japanese "understanding" of U.S. interest in missile defense (a step short of "support"), and urged full consideration of the strategic implications by the United States.

The Japanese media almost universally praised the Clinton administration's decision in September to postpone a decision on NMD, but the Japanese government is cautious about criticizing a system that would protect the U.S. homeland, when Tokyo is pursuing a system designed to do essentially the same thing for Japan.

Minor Trade and Legal Disputes Hit on Raw Nerves

Trade and legal disputes with Japan did not receive high priority in either country this quarter, but the confrontations that did emerge hit the Japanese side with particular sting, reinforcing the low-simmering resentment that has characterized the nation's psyche after almost a decade of economic malaise. In early July, the U.S. Commerce Department recommended restrictions be imposed on Sanyo Special Tube, Sumitomo Metal Industries, and a number of other suffering Japanese steel-makers accused of dumping their products on the U.S. market. As expected, the U.S. International Trade Commission imposed punitive duties in early August, raising the amount of Japanese steel imports covered by duties or under investigation to 80%. Steel poisoned the bilateral relationship in other forums as well. At the annual U.S.-Japan Business Conference in Tokyo in July, the steel issue led to acrimonious cries of "foul" from the Japanese side and the issue of U.S. anti-dumping duties on Japanese steel has also been at the core of the Euro-Japanese alliance in the new World Trade Organization (WTO) round to constrain U.S. trade "unilateralism."

The U.S.-Japan row over the high internet access fees charged by NTT also heated-up in the early summer, but was defused and settled by the time of President Clinton's trip to Okinawa in July. The advantage of lower internet access fees to the Japanese economy was embarrassingly obvious to the Japanese business community and bureaucracy. Ultimately, the Mori cabinet prevailed upon NTT and the Ministry of Posts and Telecommunications to accept an accelerated cut in rates on the eve of President Clinton's appearance at the G-8 Summit. While the lower access fees are clearly in Japan's national interest, the entire dispute was colored by the ongoing U.S. governmental review of whether NTT's plan to buy Verio telecommunications company of Colorado would affect U.S. national security. Throw into the mix Senator Fritz Hollings' (D-SC) legislation to prevent foreign-owned telecom companies from investing in the United States, and it is clear why the Japanese side saw more than "globalization" as the U.S. objective. Indeed, the NTT-Verio investigation conjured images of Fairchild Semiconductor, Toshiba Machine Tool, and other U.S.-Japan "technonationalist" fights from the 1980s. In August however, the U.S. gave the go ahead to the NTT-Verio deal, and veterans of the 1980s trade disputes in both countries breathed a sigh of relief.

Far uglier than NTT or steel was the dispute this quarter over whaling. In August the U.S. side began stepping-up pressure on Japan to stop its "scientific" whale harvesting, with newly confirmed Secretary of Commerce Norman Mineta warning of sanctions in an August 27 *Washington Post* article. The confrontation escalated suddenly in the weeks before the UN General Assembly, and may have been the reason Prime Minister Mori and President Clinton skipped the usual U.S.-Japan bilateral session on the margins of the

UN summit. On August 28, the Clinton administration boycotted an environmental meeting in Kitakyushu to protest Japanese whaling and threatened sanctions if the harvest did not stop. Japan defiantly responded that it would take the U.S. to the WTO. Then on September 13, the Clinton administration announced that Japan would be denied access to U.S. fishing resources, a largely symbolic move since Japanese boats have not worked U.S. waters since 1988. Nonetheless, its bluff called, Tokyo prepared its case for the WTO, and Japanese politicians and bureaucrats warned the media of the bitter resentment this was causing toward the United States.

Another emotionally charged bilateral issue this quarter was the continued proliferation of class action law suits filed in the United States against Japanese corporations for suffering caused during the Pacific War. On September 22, a California judge dismissed a large number of suits filed on behalf of former American prisoners of war (POW), accepting the State Department's *amicus* brief argument that reparations were settled with the 1951 U.S.-Japan Peace Treaty. But no sooner was the POW case dismissed, then former comfort women filed a class-action suit against many of the same Japanese companies, also in California. These Taiwanese and Korean comfort women (who can legally sue against Japanese corporations in the United States) were *not* covered by the 1951 treaty, and it appears that this contentious issue between Japan and its Asian neighbors will add new sparks to the U.S.-Japan relationship.

The Pundits' Focus on Japan

In spite of these unpleasant skirmishes, this quarter was also noteworthy for the growing number of American policy pundits calling for the next administration to move beyond "Japan passing" toward strengthened strategic ties with Japan. Last quarter we mentioned the two forthcoming reports on U.S. policy toward Japan by the Council on Foreign Relations (CFR) and a third report by a team led by former Assistant Secretaries of Defense Joseph Nye and Richard Armitage. The CFR study on the Japanese economy will be completed next quarter, as will the Armitage-Nye effort. This July, CFR Senior Fellow Bruce Stokes completed his trade strategy paper, *New Beginnings*. The report acknowledged the deregulation, investment, and proto-entrepreneurial forces loose in Japan today, and called for a U.S.-Japan open marketplace by 2010, with harmonization of regulations and competition policy. The study was reviewed by a group of veteran trade negotiators and its emphasis on the importance of the Japanese economy to U.S. prosperity was a marked contrast to recent rumors that Treasury Secretary Lawrence Summers and other senior officials have begun to discount the significance of Japan's gross domestic product growth figures for continued American prosperity.

Another report on overall U.S. strategy released July 12 also emphasized that ties with Japan must be one of the top U.S. priorities for the next administration. The bipartisan Commission on America's National Interests, led by Robert Ellsworth, Andrew Goodpaster, and Rita Hauser, and including several of the Bush campaign's senior advisors, placed repairing the U.S.-Japan alliance near the top of American foreign policy interests for the next administration. Finally, House International Relations Chair Benjamin Gilman (R-NY) introduced legislation establishing an Asian Pacific Charter

Commission to look at U.S. policy in Asia, the clear subtext being that the Clinton administration has tilted too far toward China and away from Japan.

The Republican and Democratic parties also chimed-in on Japan in their platforms at their July conventions. The platforms differed on trade relations, with the Democrats hitting Japan on steel and autos and promising an “aggressive” effort to “promote fair trade with Japan and China” and the Republicans charging that the administration’s “managed trade” approach to Japan has failed. However, both sides declared their intention to strengthen security relations with Japan. In addition, the two vice presidential candidate selections certainly bode well for U.S.-Japan relations. As Secretary of Defense, Dick Cheney worked hard to insulate the alliance from acrimonious trade disputes, while Senator Joe Lieberman has been one of the few members of the Senate to hire a Japan expert on his staff and actively speak-out in support of the relationship (though he also has been tough with Japan on issues like whaling). On the campaign trail and in debates among deputies and advisors, the Republicans have clearly returned to the theme of the U.S.-Japan alliance more consistently, but the kernel of a renewed Japan policy exists in both parties.

So it seems that the punditocracy in Washington is determined to correct a perceived drift in U.S.-Japan relations over the past few years. The thing that is striking, however, is that there are virtually no parallel efforts on the Japanese side. The exception, Prime Minister Obuchi’s commission on Japanese interests in the 21st Century, certainly emphasized the continued importance of the U.S.-Japan alliance, but it also attempted to balance that with Japan’s search for an independent identity in Asia. Meanwhile, coalition politics in Japan have hampered the kind of leadership that previous Prime Ministers like Nakasone Yasuhiro demonstrated in strengthening strategic ties with the United States. As a new U.S. administration takes the reigns of Japan policy and the Japanese cabinet is reshuffled at the end of the year, two critical questions must be answered. Can Japan’s current political leaders respond effectively to a deliberate U.S. effort to reinvigorate the alliance? And, can the United States strengthen strategic relations without smothering Japan’s growing aspirations for a more equal and independent identity in Asia? The next quarter may offer some answers.

Chronology of U.S.-Japan Relations July-September 2000

July 5, 2000: Drunk U.S. Marine molests a young Okinawan girl, prompting stern rebuke from Tokyo and Naha and raising concerns about Clinton’s trip to the G-8 Summit.

July 12, 2000: Bipartisan U.S. Commission on America’s National Interests releases a report placing the U.S.-Japan relationship high on the priority list for the next administration.

July 18, 2000: Seven thousand protesters demonstrate against U.S. Marine misbehavior.

July 19, 2000: U.S. Trade Representative Charlene Barshefsky and Japanese officials reach an agreement on NTT connection fees.

July 21-23, 2000: Clinton makes a brief but important symbolic appearance at the G-8 Okinawa Summit, skipping a trip to Tokyo in order to return to the Middle East Peace negotiations at Camp David.

July 21, 2000: Thousands of Okinawans gather to protest U.S. troop presence.

Week of July 24, 2000: Japanese Foreign Minister Kono Yohei attends ASEAN Regional Forum in Bangkok, abstains from debate on U.S. national missile defense.

Aug. 3, 2000: U.S. International Trade Commission imposes punitive anti-dumping duties on Japanese steel imports.

Aug. 13, 2000: Okinawan government, Nago government, and Japanese government formally inaugurate tripartite committee to choose the construction method for the Futenma replacement facility.

Aug. 27, 2000: In a *Washington Post* article, Commerce Secretary Norman Mineta warns of U.S. sanctions against Japan if whale harvesting isn't stopped.

Aug. 28, 2000: U.S. Government boycotts Kitakyushu UN environmental meeting to protest Japanese whaling.

Aug. 28, 2000: Liberal Democratic Party secretary-general Nonaka accuses Japanese Foreign Ministry of "kowtowing" to the U.S.

Sept. 11, 2000: U.S.-Japan Security Consultative Committee Meeting in New York, involving both sides Foreign and Defense Ministers, the first "Two Plus Two" meeting in over two years. Progress is announced on Japanese funding for U.S. bases and joint planning and coordination.

Sept. 12, 2000: Secretary Albright and Foreign Minister Kono sign host nation support agreement.

Sept. 12, 2000: Japanese Defense Minister Torashima meets with Defense Secretary Cohen at the Pentagon.

Sept. 13, 2000: U.S. Government hits Japan with a ban on fishing in U.S. waters in retaliation for Japanese whaling

Sept. 22, 2000: Secretary of Defense Cohen in Japan.

Sept. 22, 2000: A California judge dismisses suits filed by U.S. prisoners of war against Japanese corporations, stating that the 1951 U.S.-Japan Treaty settled reparations.

