

SUMMARY

**Okinawa Reversion:**

**Its Long-Term Significance in US-Japan Relations**

**—Past and Future—**

May 13-14, 1992

**SESSION I: The Cold War in Asia Introductory Remarks**

This first session commemorating the twentieth anniversary of the reversion of Okinawa opened with two paper presentations by Tadashi Aruga, on "The Cold War in Asia" and Thomas Schelling, on "Vietnam: Reflections and Lessons". In introductory remarks prior to the presentations, Minoru Kusuda, the Executive Director of one of the seminar's co-sponsors, The Japan Foundation Center for Global Partnership (CGP), set the tone for much of the debate. Kusuda-san stressed the significance of the Okinawa reversion, not only for establishing a new era in the US-Japan relationship, but also in representing an extraordinary and rare event in the history of international relations whereby territory lost in a war was returned peacefully through diplomatic negotiations.

In other introductory remarks, the foresight of the United States at the time was commended. The reversion was held out as a model of two countries working together to deal with a common problem before a crisis developed and dealing with it in a way that was consistent with the domestic interests of both countries as well as with their common security interests. The reversion of Okinawa strengthened the US-Japan relationship, and not only laid the foundation for the closeness and strength of this bilateral alliance, but also helped foster security in Asia and the rest of the world. It was also suggested that the reversion process and decision should be viewed as a model for dealing with current issues in US-Japan relations, and more specifically as a guiding model in the current Russian-Japanese

dispute over the Northern Islands.

**The Cold War: Asia vs. Europe**

In attempting to understand the significance of the Okinawa reversion as both a product of the Cold War and a factor contributing to its eventual conclusion this, it is necessary to define its parameters, with particular attention being paid to the distinction between post-WWII hostilities in Europe and Asia. Professor Aruga's paper forwarded two main arguments which may be summarized as follows.

First, in defining the Cold War, it becomes apparent that the traditional Cold War scenario as played out in post-war Europe is inapplicable in many ways as a description of tensions and balance of power politics in the Asian region. In contrast to Europe where the conflict centered around two cohesive blocs aligned along pro- and anti-Communist lines, in Asia tensions were much less cohesive and decisively defined. Thus, while in Europe the Cold War became a geopolitical confrontation between two cohesive sides led by the United States (as the champion of free market democracy) and the now eclipsed Soviet Union (as the champion of Eastern bloc, state run communist economies), in Asia there were socialist countries, communist countries, as well as countries allied with the United States, none of which came together in any similar cohesive grouping.

Communism in Asia took its form under the leadership of the People's Republic of China and the Soviet Union, and yet these two communist powers soon developed a conflicting relationship undermining any solidarity based on communist

ideology. Similarly, although there were many countries in the Asian region aligned with the US, these countries did not have any strong ties among themselves. American allies in Asia emerged with different political systems, political culture, and paths towards economic development. Thus it was argued that in the Asian context, it is more accurate to describe three Cold Wars—the Sino-Soviet, Soviet-US, and US-Chinese. Compared with its position in Europe, the role of the Soviet Union in Asia was considerably limited, whereas the role of the United States was by far the greatest in Asia than elsewhere, with the US also playing crucial roles in Asia's two main physical wars—Korea and Vietnam.

The second theme of the presentation further distinguished the tensions in Europe from those in Asia by considering the relationship between nationalism and communism as ideologies and movements in the two regions. In general, whereas nationalism was used as a counter-movement against the communist threat in Europe, in Asia the two ideologies were intertwined, with communist forces using nationalist sentiment to support anti-imperialist claims against the West. In Europe, communist ideology was used to bury nationalism and to create artificial multi-ethnic states based on ideology rather than nationalism. Nationalism, however, triumphed, and it was pointed out in the discussion that in fact Russian president Boris Yeltsin used nationalism to defeat communism in the Soviet Union.

In contrast, communist forces in Asia filled the power vacuum left in many countries in the wake of independence movements which brought the collapse of colonialism. This relationship led to differing views about the American presence in both regions—in Europe the American military presence was endorsed by the Europeans as an "imperialism by invitation", whereas in Asia there was more of an anti-imperialist feeling stemming from the close connection between the communist movement and nationalist movements for independence.

However, it was also argued that nationalism as a movement was not the monopoly of the communists in Asia, as

demonstrated by the existence of such leaders as Chiang Kai-shek, Syngman Rhee, and Ngo Dinh Diem. The point here is not that the communists were the only nationalists in the region, but rather that they were able to take advantage in these years of the destruction and division caused by the war itself as well as of the organizational techniques borrowed from the Bolsheviks. Even in Japan the "Peace Constitution" and Security Treaty was originally viewed by many as an extension of American occupation and an attempt by the American military to suppress the rise of Asian nationalism. The status of tensions and attitudes in Asia reached a major turning point in the years 1972-1973. It was during this time that Cold War tensions in the Asian framework lessened considerably, with improvements in the US-Sino relationship as well as the Japanese-Sino relationship. Significantly, it was during this period that the Okinawa reversion was realized, and the theme of the ensuing discussions pointed to the reversion as one of the key elements in the structure of the US-Japan alliance that developed later in the 1970s and early 1980s.

During the discussion, it was suggested that while the year 1972 is significant as a turning point in the region, one should go back to 1969 to find the real impetus for the change in tensions which eventually made possible the reversion of Okinawa in 1972. It was in 1969 that Soviet and Chinese troops fought on Damanski Island, and in the same year Brezhnev developed a more assertive stance to encircle or contain China, in a type of "collective Asian security" strategy. Finally, it was in 1969 that the Nixon Doctrine was enunciated, thereby paving the way for the partial withdrawal of the United States from Asia.

It was also suggested that Japan's business interests were furthered considerably by the Cold War, which was seen as a positive contributor towards Japan's economic recovery. Japan's economy benefited greatly from both US aid initiatives as well as from the opportunities it was afforded to "catch up" during the Korean and Vietnam Wars.

One of the more provocative points raised

in the discussion came from an American participant who argued that the Cold War really began in Asia and that Japan played a major role in bringing the Cold War to an end. While in Europe the Cold War was defined by a fairly rigid power balance, in Asia the situation was more fluid with balances shifting. However, throughout the continuum of change in Asia, it was suggested that the US-Japan alliance remained a constant variable, which blossomed after the Vietnam War both in the defense and economic areas. While the United States played the military role which left countries free to make their own political choices, Japan provided the engine for economic development in Asia.

In general, it was asserted that events in Europe, which were so dramatic at the end of the Cold War, were simply a manifestation of a system that crumbled; yet it began crumbling because of the way Moscow perceived the direction of events in Asia. From the early 1980s it was the US-Japan alliance that created these perceptions, and again the Okinawa reversion served as an essential starting point in structuring the US-Japan bilateral relationship that emerged so strongly in the 1970s and early 1980s.

Finally, it was suggested that parallels might be drawn using the Okinawa reversion as a model in addressing the disputes between Russia and Japan over the Northern Territories. Specifically, it was pointed out that John Foster Dulles developed the concept of "residual sovereignty" which allowed the United States to administer Okinawa and use its military bases there unhindered for another two decades. If Russia granted residual sovereignty over the two larger Kuril Islands to Japan, Russia might still administer those territories for some unspecified time. The two smaller islands would return to Japanese sovereignty immediately, in the same way that the strategically less important Amami Islands were returned by the United States in 1953. Discussion of these comparisons and the potential lessons which the Okinawa reversion could contribute to the current dispute between Russia and Japan are explored in detail in Session Four.

### **Vietnam: Reflections and Lessons**

The significance of the Vietnam War in the evolution of the Cold War in Asia and more specifically in the process which led to the eventual reversion of Okinawa was outlined by Professor Thomas Schelling. The most salient characteristic of the US engagement in Vietnam was that both the Johnson and Nixon administrations saw the initial Viet Cong insurgency and the later full scale military engagement with North Vietnamese forces as an integral part of the Cold War. More significantly, this conception appeared to entail the view not only that the war was an integral part of the Cold War, but that North Vietnam was an integral part of a monolithic and almost seamless Communist bloc and this was the perception even after the split between China and the Soviet Union had become visible to the outside world as both serious and most likely irreversible.

Three main themes were raised in the presentation and discussion. First, one of the significant issues raised was that of expectations and interpretations. In hindsight analysis, the North Vietnamese were not much concerned whether they were part of the Cold War — however willing they were to receive material assistance from the Soviet Union, they were unlikely to think of themselves as any kind of satellite or as another Cuba, and their own relations with China were clearly incompatible with any thought of a Moscow-Beijing-Hanoi axis. Moreover, any interests they had in Cambodia and other neighbouring nations were surely their own and not interests subordinated to those of Moscow. In short, the 17th parallel created in the 1950s as a national boundary was in no way a spiritual descendant of the conference at Potsdam.

The question, however, is whether the fact that the North Vietnamese construed the stakes and issues of the Vietnam War differently from the US invalidates the American interpretation which linked the struggle to the Cold War and the assumption that what was at stake at the 17th parallel was exactly the same as that at the 38th parallel twenty years earlier. If indeed the 17th parallel acquired the symbolic status of the 38th parallel, did it acquire this status at the time

Indochina was divided in the 1950s or had it acquired that status as a consequence of US involvement? In other words, did the United States cultivate an unnecessary sense of commitment when it elected to construe the attempts to subvert and invade South Vietnam as part of the Moscow-inspired and Moscow-led Cold War?

What escalated in Vietnam was not only the commitment of resources and the level of violence and involvement, but also the stakes in the battle. It is important to understand how the stakes can come to be raised so high, and this can be analyzed as the product of two mechanisms—justification and deterrence. It was suggested that perhaps the Cold War thinking of the US might not be peculiar to the Cold War, but rather, as the Gulf War illustrates, when the US or an alliance led by the US engages in military action, that action has to be justified—and the justification will almost certainly adduce principles that transcend the concrete local issues. Exalting those principles and dedicating the nation to those principles will almost certainly enlarge the stakes in the game.

Hence the dilemma is as follows: the need to find justification in broad principles rather than local interests is genuine and legitimate, and the importance of providing grounds for the belief that the US and its allies cannot afford to back down should not be minimized. Yet these two needs are met only at great risk, as the Vietnam War illustrated.

The second theme of the discussion focused on the inability of the the United States to provoke Chinese intervention during the Vietnam War in any significant way. One of the seemingly incomprehensible developments of the Vietnam War was that, despite the fact that the US had been engaging in a costly and bitter struggle with a close ally of the Soviet Union who was also being aided by the Soviet Union, by the end of the War relations between the US and the Soviet Union, as well as relations between the US and China, were remarkably improved beyond any expectations.

Two reasons were suggested for this apparent inability to engage the Chinese in the Vietnam conflict. First, since the Americans

didn't send ground troops to Vietnam, there was really only an air threat to the Chinese, which was much less menacing to them. Moreover, Vietnam was opposed to direct Chinese involvement. Second, the Chinese and the Soviets in Vietnam thought it would be better to wait for the Americans to tire themselves out, which is eventually happened by the early 1970s.

The third theme dealt with the issue of nuclear weapons during the Vietnam conflict. There was virtually no reference in the US to a possible use of nuclear weapons in Vietnam, and this points to a general lesson observed most recently in the Gulf Crisis—namely, that while nuclear weapons may be useful weapons to hold in reserve, they are not weapons which are necessarily used when it's expedient. It was argued that by the late 1960s nuclear weapons, although clearly not neutralized in Europe, had ceased to play the decisive role in US military planning or NATO military planning which such weapons originally played. This is confirmed simply by looking at the huge amounts invested in conventional weapons which would be utterly useless in the event of a war that went instantly nuclear. In Japan's case, there was a growing consensus at the time that it would not be prudent to have Japan move closer towards becoming a nuclear weapons site. In connection with this view, it was important that when Okinawa reverted there would be no exception regarding nuclear weapons for the island.

It was argued by some participants that Vietnam was actually a "moral" victory for the United States, because although the US paid a high price in trying to contain communism in Vietnam, in so doing it provided those nations in the region with a chance to develop their economies. The remarkable growth achieved by the ASEAN economies in the 1970s and 1980s was made possible by the fact that the threat to their political stability was contained as a result of America's involvement in Vietnam. America was not only able to contain the expansionism of China and the Soviet Union through the war effort, but it was also able to stimulate the birth of the free market political pluralism in East Asia.

However, it was also argued by some

participants that the Vietnam conflict had major negative effects on Japanese politics and the Japanese perception of the United States. While the Korean War was a significant factor in enabling the Japanese economy to rebuild, the same cannot really be said about the Vietnam War because the Japanese economy by the 1960s had developed sufficiently to maintain its growth without such a conflict. Moreover, a further undesirable influence of the Vietnam conflict was the extreme pacifism which grew in Japan as a result of the war. It was suggested that it wasn't until the reversion of Okinawa that the Japanese people came to realize the magnanimity of the American people and the ability of the United States to make major changes which strengthened the bilateral relationship between both countries.

Four lessons from Vietnam were proposed by some of the participants, despite the caveat from one of the speakers that "Of all the disasters of Vietnam, the worst may be the lessons we draw from it". The first lesson to be drawn is not to mislead your opponent, which the United States did in both the Korean and Vietnam conflicts. Second, it is unclear whether democracies, and specifically the United States, can ever successfully fight limited protracted wars. Third, conflicts such as those in Korea and Vietnam are twofold—there is the military conflict abroad and the political conflict at home. Fourth, it is crucial always to have indigenous roots and to encourage an active indigenous role.

Two further conclusions were drawn about the outcome of the war and the experience of the United States. First, the US underestimated the extraordinary toughness of the Vietnamese, and second, it overestimated systematically and over a long period of time the strength of the economies of the communist countries, most notably the Soviet Union.

### **Conclusion: Implications for Okinawa Reversion**

One of the extraordinary aspects about the timing of the reversion of Okinawa is that it occurred while the United States was fighting a war in Asia, particularly since it was using the Okinawan bases for direct combat operations. It

was suggested that it is a measure of the trust that developed at the military level as well as the State Department-Gaimusho level between Japan and the United States that the American government was willing in the end to proceed on the rather convoluted paragraph in the reversion communique. Translated into English, this clause says that if the Vietnam War is still on when reversion occurs, the United States will be permitted to continue conducting combat operations from Okinawa.

A further lesson drawn by some people in the US government about Vietnam and the Cold War was that it was not so easy to tell in Asia, as it presumably was in Europe, whether something was worth fighting for, or whether a change that was occurring with the use of force was something that threatened the security interests of the United States and those of Japan.

For some people reversion was an opportunity to get the Japanese government to say some things about the security of Asia and also to remove the luxury which the Japanese government had become accustomed to in adopting the position that "we have no view, but we can't stop the Americans". On the other hand, reversion meant that the American government was putting itself in a position where it would not again get involved in a war in Asia without knowing that it had the active support of the Japanese government and without the Japanese government being forced to identify itself publicly with those military operations.

### **SESSION II: Postwar Japan-US Relations and Okinawa**

It was again affirmed that Japan and the United States accomplished a political rarity in procuring the reversion of Okinawa, in that action was taken in advance to avert a crisis that was not yet certain or broadly visible and therefore not yet exerting strong pressure on the domestic political agenda.

The Okinawa reversion occurred between two very different twenty-year periods in the US-Japan Security relationship. In the 1950s and 1960s, the US-Japan Security Alliance was politically vulnerable and a constant target of opposition parties in Japan seeking to dislodge

the LDP from its Diet majority. In the 1970s and 1980s, by contrast, the Security Alliance was politically solid, with opposition parties and student activists turning to other issues. The reversion of Okinawa was one of the prime reasons why US-Japan security relations were so much smoother from the 1970s onwards.

Maintaining these security relations was a central goal of those in both nations who championed the reversion. By exploiting a logical connection, these reversion architects used the negotiations to buttress Japan's commitments in the region. Since the return of the Ryukyus made Japan fully sovereign over its entire territory, it was reasonable that Tokyo should then bear more responsibility to the security of East Asia.

It was suggested that even more importantly, reversion buttressed the security relationship through crisis avoidance. Although few in 1969 could have foreseen the peace that would descend upon the alliance thereafter, almost all those who worked for reversion feared the opposite—namely, that failure to achieve timely reversion could prove disastrous for future relations between the two nations. The campaign for reversion in Japan would grow, with protesters intensifying pressure on the Tokyo government to commit to a reversion formula severely restricting the freedom of action of US forces based in Okinawa.

Three reasons were suggested for the ability of the US and Japan to procure reversion before the issue approached the crisis stage. First was the role of political leaders—Lyndon Johnson was willing to move things forward in 1967, Richard Nixon made the final key decision in 1969, and Eisaku Sato underscored reversion's importance by staking his reputation and political career on resolving it, and only proceeded after consensus had been achieved at each stage in both capitals. Second, under the guidance of a forward-looking group of middle-level officials in Washington, it was possible to get US civilian and military officials to reach agreement on the main US concern regarding flexibility in the use of the bases within the framework of a strong alliance with Japan. Third, under the presidency of someone like

Nixon who proved sympathetic to Japan, the US was able to make the essential compromise that the same rules would govern nuclear weapons on the Ryukyus as applied to the US deployments in Japan proper.

However, although a new security treaty crisis was averted, relations between the two countries remained hampered by the "textile issue". Nixon and Kissinger used Sato's need for reversion as leverage in procuring an agreement which would address Nixon's campaign promise to the American textile industry. Yet although Sato promised to conclude an export restraint agreement, he twice failed to deliver, leaving relations tense and vulnerable to the two Nixon "shocks" of the summer of 1971—the breakthrough in US relations with mainland China and the decision to stop supporting the dollar through sales of gold.

Ironically, however, Nixon's opening to China liberated US-Japan security relations just as the Okinawa reversion had, by removing the other major political burden which the relationship carried. By the early 1970s both the US and Japan were moving to broaden ties with China, and both the State Department and the Gaimusho were coordinating their efforts. Thus Japan was freed to pursue its own interests in dealing with China, and by the time of the actual transfer of administrative control over Okinawa, the stage had been set for a much stronger US-Japan security relationship.

In addition to the Okinawa reversion, four other factors contributed to the strengthening of the US-Japan alliance. First, the US defeat in Vietnam made the Japanese less likely to resent the US presence and more apt to consider the consequences of a US absence. Second, the LDP emerged firmly entrenched in power as their economic policies brought Japanese living standards to the forefront of international standards. Third, the Japanese political process had matured considerably. And fourth, there was the transformation of policy towards China, whereby good policy substance overcame bad policy process. The content of the historic Nixon-Kissinger rapprochement with China was more durable than the deeply disruptive and

secretive means by which it was achieved. In contrast, in the Okinawa reversion, good process was essential to achieving the right substantive outcome, for the agreement could hardly have been reached without careful domestic and bilateral political management.

It was suggested that in addition to analyzing the Okinawa reversion as a model of crisis avoidance, it is important to evaluate how the Okinawa problem has been managed, an aspect which is seen as inseparable from the assessment of the overall Okinawa issue. The standard used in this evaluation is captured by the concept of "hondonami" or mainland standard, and addresses such issues as what kind of future did the Okinawans depict after reversion and what were the future prospects of the Okinawan people in general.

The main "hondonami" standard was identified as economic improvement, and pointed to two ten-year plans for the promotion and development of Okinawa. The first plan, which has had favourable results, focused on improving the income level of Okinawans. The second plan aimed at laying the foundation for the autonomous management of the Okinawan economy, and this has been seen as less successful, partially because of the obstacles posed by the military bases towards industrial development. A significant portion of the current opposition to the military bases on Okinawa comes from those who want a more efficient use of the land available and see the bases as impeding investment. Moreover, sentiment among Okinawans tends to suggest that the Japanese government has not done enough to compensate the Okinawans who were victims of the war. In their eyes, US forces and Self-Defense Forces tend to be seen as one. Because the US bases have been returned to the Japanese Self-Defense Forces, there is an underlying sentiment that only when they are returned to the civilian sector will the reversion of the territory be considered finalized.

Because Okinawa has been seen as a direct victim of the Pacific War, it is the place in Japan where pacifism is strongest and where there is the strongest opposition against military installations. However, it was suggested that the

Okinawa base question would not be solved by a mere reduction in military bases, but rather must entail the reorganization of the American forces in the Western Pacific. In line with this thinking, two possible strategies were suggested. First, in light of the improved defense capability of Japan and Korea, a division of labour regarding defense can be set up among Japan, Korea, and the US. Second, in order to keep the American bases in Japan concentrated and at a minimum level during peacetime, it is necessary to ensure rapid redeployment contingencies. To accomplish this, the Self-Defense Forces and American forces can jointly use the bases with the intention that the Japanese government guarantees rapid redeployment of the American forces when necessary. It was also suggested that a discussion of the timing of reduction in forces is absolutely crucial, and in this regard the military adjustment currently taking place in the Philippines is something which should be analyzed and understood carefully.

### **SESSION III: The Road to the Reversion of Okinawa**

In an examination of Japan's decision-making process and its application in the Okinawa reversion, it was suggested that a helpful way of understanding the dynamics of negotiations and decision-making on both sides is to utilize Robert Putnam's "two-level game" model. According to this model of negotiation analysis, an international negotiation between two governments may be regarded as a game played sequentially at two separate levels. The leader of each government negotiates at Level I "across the table" with his counterpart of the other government and at Level II "behind the table" with his domestic constituents. In order to be effective, an agreement reached at Level I must be ratifiable or "winnable" at Level II. All agreements that would win in one nation's Level II game belong to that nation's "win-set". According to this conception, an effective international agreement results from an overlap between the win-sets of both nations. The implication is that the larger each nation's win-set and the larger the overlap between both nations' sets, the more likely an agreement

results from an international negotiation.

Applied to the Okinawa reversion negotiations, Putnam's model points to the size and substance of the US and Japanese win-sets as a basic determinant of the form and contents of a feasible agreement on the Okinawa reversion issue. The maintenance of a close and friendly alliance relationship with Japan and the long and stable tenure of the pro-American Sato government were important enough to Washington that an eventual approval of the reversion of Okinawa, on which Sato staked his political life, was clearly within the US win-set from the very beginning.

However, in the estimation of the US military, particularly the Joint Chiefs of Staff, the retention of the US right to use the bases in Okinawa for two purposes—for operations in Korea, Taiwan, and Vietnam, and to deploy nuclear weapons—was essential to the fulfillment of their mission in the region. Thus by late 1967, the US win-set called for an early reversion, possibly preceded by removal of all strategic nuclear weapons from the US bases, in the interest of stabilizing and perpetuating the US-Japanese alliance and the pro-American LDP government. This would be conditional on a Japanese commitment to permit the US military to continue unrestricted use of the bases, both for combat operations in the region and for deploying nuclear weapons.

These conditions could be satisfied by a change in the conventional Japanese interpretation of the purpose of the "prior consultation" clause provided in an exchange of notes between the two governments appended to the 1960 US-Japan Mutual Security Treaty. Whereas the clause had been traditionally regarded by the Japanese as a means to prevent significant expansion of the use of the US bases in Japan, the Japanese were now expected to view the clause as a means to permit and possibly encourage such expansion. Simply stated, the US win-set required a prior Japanese commitment to agree to future US requests for changes in the use of its bases, not only in Okinawa but also in the rest of Japan. During the last phase of the negotiations leading to the November 1969 Nixon-Sato summit, another

Japanese concession regarding restraint of Japanese textile exports to the US was added to the US win-set.

One of the remarkable things about the successful reversion of Okinawa was that, according to the model outlined above, there simply wasn't enough overlap between the US and Japanese win-sets for agreement to be reached through negotiation, unless either one or both sets were modified during the negotiation. The US was willing to return the administration of Okinawa to Japan fairly quickly, but it made its position contingent on Japanese agreement to permit the US to continue to use its bases in ways not acceptable to Japan—namely, for combat operations in areas where the Japanese did not want to get involved and for possible redeployment of nuclear weapons.

In light of this apparent impasse, it was suggested that the "agreement" reached during the November 1969 Nixon-Sato summit meeting was somewhat miraculous. In terms of the Putnam model, the agreement could not have been reached if both sides had negotiated within the boundary of their respective win-sets. The agreement was reached because the Japanese side went beyond the boundary of its own set, while the US side temporized on the boundary of its set.

The Japanese win-set appeared ill-defined and confusing until after the November 1969 Nixon-Sato summit meetings began, and this was largely due to three factors. First, the US conditions for an early reversion that were known to the Japanese at that time were non-ratifiable in the Japanese Level II game. Second, President Nixon had decided by the end of May 1969 to let nuclear weapons be removed from Okinawa prior to reversion, but this information was successfully and deliberately withheld from the Japanese until the eve of the summit talks. And third, while it was possible to misrepresent the non-ratifiable US conditions to the major constituents of the Japanese Level II game, Sato and his advisors were uncertain and nervous about the implied resort to lies and deceit in achieving one of the most important and "honorable" goals of Japanese foreign policy in the post-War period. In the end, the agreement



was a remarkable compromise worked out between two theoretically incompatible win-sets, and the negotiation that produced it was an arduous and complicated joint search for that compromise.

However, in the longer run, the agreement proved seriously flawed for the resolution of the Okinawa issue and fatally for the textile issue. Although administrative rights over the islands were returned to Japan on schedule in May 1972, the status and functions of the US bases did not significantly change. This kept Okinawa reversion a festering issue in Japanese domestic politics long after the formal transfer of administrative rights. In the meantime, the secret agreement on the textile issue began unravelling within a few months, causing considerable ill will between the top leaders and citizens of the two countries.

Having said that, it was pointed out in the discussion that not only was Okinawa reversion realized on schedule, but the event was also a welcome event to most Japanese, including those in Okinawa. The return of the islands was what they had fought to achieve for more than three decades, and US-Japan relations have obviously benefitted greatly from this event, both in the short run and longer term perspective. As parallels being currently drawn in both this seminar and the media have demonstrated, Okinawa could have become a southern version of the Northern Territories issue that continues to strain and hinder Japanese-Russian relations.

#### **SESSION IV: US-Japan Relations Since Okinawa Reversion**

The fourth and final session opened with a presentation by Professor Robert Scalapino which attempted to draw conclusions from and highlight trends in the broader framework of the US-Japan relationship. It was suggested that the special relationship between the two nations exhibits three distinctive features. First, this century has witnessed wider fluctuations between extensive hostility and close alliance in the relations between Japan and the United States than most, if not all, nations. Second, despite the fact that both countries have radically different cultures, Japan and the United States

have maintained the most intimate relationship which has emerged with a base in economics and extensive political and security ramifications. And third, most importantly, both nations are in the process of reconsidering their global and regional roles, and this is a difficult process with inevitable implications for the bilateral relationship.

One of the interesting aspects of the immediate post-War period, it was suggested, was how quickly two peoples reverted from deep hostility to a quite friendly relationship with each other. Polls taken at the time suggested that the American Occupation Forces came to respect certain qualities about the Japanese—the work ethic, cleanliness, and decorum of Japanese society—despite the fact that the Americans often felt they weren't always getting straight answers when they asked questions and that there were some prejudices against other races. At the same time, the Japanese expressed appreciation for what they perceived as the generosity of the Americans—their willingness to share food and other things, their friendliness, and their hard work—even though they also perceived the Americans as being somewhat loud and wasteful. Finally, a further factor in the successful occupation period was the natural emergence of a hierarchical, patron-client relationship between the two countries. Japan was simply prepared, or so it seemed to the Americans, to take authority, and the Americans were prepared to give authority in this period. It was emphasized that one of the essential aspects underlying this remarkably close bilateral alliance is the continuum today between the domestic situations, bilateral relations, regional ties, and global responsibilities of the two nations. And yet it is precisely among the areas of this continuum that the greatest threats to the stability and durability of the relationship appear. Thus looking at the domestic scene, the problems that post-modern, politically open societies are facing have profound implications for the US-Japan relationship. These problems relate to how freedom and authority are to be balanced and how to balance responsibility with the opportunities for total expression. In this regard the role of the media is particularly significant,

especially in the US, where the tendency towards sensationalism and the creation of negative images influence the citizenry in terms of their cynicism and indifference to the political structure.

As a result of these developments, a certain degree of negativism has emerged in our bilateral relations, reflecting a certain citizenry perception of qualities on the "other" side that are undesirable. Thus Americans feel that Japan has sometimes been selfish and unconcerned about others, driving for market share at the expense of reciprocity. Likewise, the Japanese tend to feel that they have been made a scapegoat for basic problems which lie within the American structure. Again, the degree to which these perceptions are distorted and exaggerated is largely a factor of the role of the media and the sensationalism involving "bashing" on both sides which has achieved prominence since the run-up to the Pearl Harbor anniversary celebrations this past year.

In the economic realm, there is also a greater need to reach towards a greater compatibility between our economic structures. The problem today largely stems from the fact that two societies steeped in very different traditions with different timings of development and different economic strategies, have been suddenly thrust together even though the respective structures were not sufficiently compatible to enable a balancing out of benefits and costs.

The challenges which face Japan and the United States may be summarized as follows. For Japan, how can it bring a political culture which has been traditionally inward-looking, highly homogenous, and hierarchical in nature, to reach out to a world that is diverse, requires a greater flexibility, and insists upon some degree of partnership. For the United States, the central challenge is how to move away from its customary unilateralism in the international arena towards greater decision-making sharing, while at the same time maintaining its world leadership within a more consensus-building process. In short, the US must adjust to the end of the Cold War by rejecting any notions of unilateralism in favor of consensus-building; at

the same time it must turn its energies inward to domestic problems without reverting to isolationism.

One of the main themes of the discussion was the the necessity of encasing the bilateral relationship in a broader framework, and more specifically the need to start thinking about security problems in new terms. It was suggested that a way to approach the changing strategic international environment, particularly within the Asian region, is to isolate those issues that are "situation-specific" and build around them "concentric arcs" based on three elements—the intimacy of involvement with the problem, the perceived national interest, and the capacity to affect the outcome.

For example, in addressing the issues of the Korean Peninsula, the first arc would be North and South Korea. The second arc would comprise the four major states that have a huge stake historically and in contemporary terms with the Korean issue—the United States, Japan, Russia, and China. Indeed, the actions of these four nations in the past year have made a significant difference in progress towards resolving the Korean issue. Finally, a further arc would involve the international community in general, through such agencies as the United Nations, which are trying to operate with respect to a possible free economic zone.

The future of US-Japan relations has been profoundly influenced this past year by two major structural changes—that in the security sphere involving the demise of the Soviet Union, which has implications for our economic relations, and the more gradual change in the economic sphere involving the steady rise of Japanese economic power and its implications for security, particularly with regard to the United States. The removal of the Soviet threat removes what has been called the "security umbrella" of the economic relationship, meaning that there was always the guarantee that if an economic conflict between the US and Japan began to threaten the relationship, those overseeing the security dimension would immediately bring the importance of the alliance into perspective. Similarly, the rise of Japan as an economic power relative to the United States

fuels the tendency in the US to generalize and find a broader pattern in specific economic conflicts which, when kept in perspective, can be seen as inevitable and even sometimes constructive or useful.

The problem suggested by these structural changes is often exacerbated by the way that America tends to deal with economic conflicts, which is considerably different from the way it dealt with Okinawa. In the Okinawa reversion, the basic initiative came from the Japanese, to whom the Americans were seeking to respond. On economic policy conflicts, however, the initiator is almost always the United States, and the pattern involves the dynamic of "gaiatsu", whereby the US puts pressure on Japan.

Some participants suggested that it is possible to project a progressive unraveling of the US-Japan relationship based on the problems outlined above which tend to be exacerbated by misperceptions and rhetoric in both countries. Yet at the same time it was also emphasized that there is a lot of common ground between the two nations which hold them together. Indeed it was even suggested that perhaps one of the reasons why we have so much "noise" in our economic conflicts but so little actual acts of trade war is due to this interdependence. Moreover, the changes which have transformed the international stage over the past year suggest the emergence of new opportunities for some sort of multilateral security structure in the Asia-Pacific region. Until recently, this was unthinkable, as everything was framed in bilateral structures. However, it was argued that we may now be in a situation in which not only the rationale for continuing the bilateral relationships is progressively undermined by the lack of a common enemy, but also the loosening up of politics and rivalries may offer more leeway for imaginative construction of a more comprehensive regional security arrangement.

Continuing this positive outlook, it was asserted by some participants that the US-Japan relationship is nowhere near as bad as the recent media rhetoric would suggest. Change in both the US and Japan is likely to be slow, but regardless the US is not going to abandon its security commitment in Asia and the Japanese

are going to need time to formulate a more positive and active role in both the region and the world in general. On the domestic front, the US is already addressing its economic problems and Japan is making efforts towards achieving a more open economy.

In line with this thinking, it was argued that there is nothing to be gained, on either side, from a worsening of the US-Japan relationship, and that politically it's in the American interest to maintain this relationship in a positive manner. Nowhere has this been made more apparent than in the present presidential election campaign in the United States. Japan has simply not become an issue in the campaign and is unlikely to become so at any point.

Having said this, there are some worrisome aspects about the relationship which were brought up in the discussion as particularly relevant when comparing the situation today to that at the time of the Okinawa reversion. In comparing the two time periods and the difference in the relationships, four differences become apparent. First, with regards to the realm of decision-making, in the late 1960s the process was controlled to a large degree by people who believed in the importance of the relationship and who were able to coordinate their efforts successfully. This contrasts with the situation today, where there is no real control of the process in the US government, in large part because so many different elements of the bureaucracy now have strong interests in Japan (which formerly was not the case), and this merely serves to complicate the relationship. Congress is infinitely more important in the process today and the media has become more inclined to sensationalism.

A second factor is that there was a strong political leadership in the 1960s on this issue, whereas today both countries suffer from weak political leadership, to the point where the Level II game (in terms of Putnam's model of negotiation) threatens to overwhelm the Level I game. This was illustrated quite dramatically when George Bush visited Tokyo at the beginning of this year and played out an entirely domestic political game in Japan. This not only had disastrous results for the US-Japan

relationship, but interestingly, and in a sense to the benefit of the relationship, it also had bad results domestically in American politics.

Third, the successful negotiation of the Okinawa reversion reflected the high level of mutual trust and confidence that the reversion could be accomplished without compromising our interests, largely because there was a sense that our interests were compatible. Today it seems as if this trust and mutual respect have declined, and this is particularly captured by the apparent depth of the "kenbei" phenomenon in Japan, which in some ways may be more profound than the elements of "Japan-bashing" in the United States.

Finally, the biggest difference is that there was a major asymmetry of power in the 1960s which in a sense gave the Americans the freedom to be magnanimous and made Japan a kind of model of how a defeated nation or client in a patron-client relationship should behave. As this asymmetry has been replaced by a growing equality in the relationship, there is clearly a reduction in the American willingness or ability to be magnanimous, as well as a much greater resistance on the part of Japan to play the role of a client. And yet, it was argued that neither country has been willing to adjust their behaviour to accept the implications of this growing equality.

One of the major themes of the discussion concluded that the most important thing to improve the US-Japan relationship is for both countries to focus on their domestic problems. In the United States, this entails addressing the budget deficit, improving the educational system, dealing with the problems of race relations, social problems, and political reform. In Japan, this involves opening up the society more and playing a more active and responsible role in international society.

These changes will by their very nature entail a protracted and often drawn out process with the inevitability that there will be elements of tension-ridden bilateral approaches to continuing problems on trade and economic issues. In this regard, developments such as Super 301, the Structural Impediments Initiative, and voluntary adjustment for different product

areas are in a sense inevitable transitional elements until these larger domestic-oriented problems are resolved.

In concluding remarks, it was stressed by many participants that the successful evolution of the US<sup>TM</sup> Japan relationship now depends greatly on integrating the bilateral alliance within larger, multiple webs of interdependence. It was argued that there has been reluctance, at least in the United States, to move in this direction. Referring to the policy initiative outlined in Secretary of State Baker's November visit to Tokyo, some participants maintained that the notion of the US as the hub with spokes reaching out to all the different countries of the region through its bilateral alliances needs to be replaced by embedding the relationship in something larger than itself.

A further theme expressed by some participants embraced a more optimistic view of the future relationship between the two nations, asserting that the key to maintaining the closeness of the relationship is the dynamism of the private sector which really serves as the economic glue essential to the "global partnership". While this aspect tends to be overlooked by academics and pundits in the media, the fact remains that the arena controlled by the government has been shrinking as the interactions of the private sector have increased. And this means that there are built-in constraints on the ability of governments to do "mischief" to the relationship.

To cite some examples, Japan is the major export market for the United States outside Canada, with American business selling more in Japan than to France, Italy, and Germany combined. Since 1985 American exports to the world have doubled, yet US exports to Japan have outpaced even this remarkable growth. Finally, to ensure survivability and competitive growth, Japanese globalization of business inevitably must create localization, with local management such as American managers in their American companies. This necessity will further integrate the economies, leading to an increase in strategic alliances between American and Japanese corporations.

Finally, the issue of what lessons from the

Okinawa reversion can be applied in resolving the Northern Territories dispute between Russia and Japan was brought up, and it was suggested that this Seminar should use this anniversary gathering to send a message to President Yeltsin. In drawing parallels between the Okinawa reversion and the current territorial dispute between Russia and Japan, advocates of this attempt to benefit from history past suggest four areas of convergence which validate such an exercise. First, the Russian military today is in a similar position to that of the Joint Chiefs of Staff in the mid-1960s, in that the JCS were still opposed to reversion and it wasn't until 1967-68 that they changed their minds. The Russian military presently is opposed to reversion of the Northern Territories.

Second, instead of framing negotiations for the Northern Territories in terms of money for land, a message should be sent to Yeltsin about how the reversion of Okinawa laid the foundation for a more stable and stronger relationship between the United States and Japan, a strategic bilateral alliance which was crucial in "winning" the cold war and which is now one of the pillars of the future new world order. The Russians should see their negotiations regarding the Northern Territories in the same way—what they are negotiating is a long-term relationship with Japan, not just a means for achieving aid in this period of hardship.

Third, in the case of Okinawa, Japan was very flexible in terms of the details of the reversion in order to ensure that the legitimate security interests of the US were protected. It was suggested that Japan would be prepared to be flexible on the same set of issues with regard to Russia today.

The fourth parallel involves the Shikotan and Habomai group of islands, which should be returned immediately, very much as the Amami group was returned in 1953. Under this strategy, Dulles' "residual sovereignty" could serve as a guideline with enough ambiguity perhaps to facilitate some of the more difficult issues in the present negotiations.

On the other hand, despite this comprehensive comparison, it was cautioned by

some participants about the problems in drawing parallels between the Northern Islands and Okinawa. Okinawa was the case of two countries with common interests developing under a firm alliance who wanted to strengthen this relationship and were resolved to settle the Okinawan question as part of this objective. It would be inappropriate to underestimate the importance of the fact that Japan and the US were allies with common interests which they were trying to protect and further.

## CONCLUSION

One of the main themes which emerged in this final session and which helped tie together all of the sessions was the sense of optimism about the future of the US-Japan relationship. Pervasive in most of the discussions was the sentiment that, as we look back on the reversion of Okinawa and how it paved the way for the global partnership between Japan and the United States today, it is important to acknowledge the positive aspects of our relationship which seem to be obscured in the recent hysteria of Japan-bashing and *kenbei* being highlighted in the media and the "war of words" across the Pacific.

Indeed at this time of historic change worldwide, it was argued that Japan and the United States are in a process of pioneering the modification of classic concepts of sovereignty. The SII talks, for example, have been enormously important in illustrating the degree to which the domestic policies of a country, when they impact seriously upon another country, are not just a matter of domestic concern. The revitalization of these talks is important, and furthermore it was felt that Japan should be more assertive in addressing those aspects of American economic policy which are deleterious not only to the US but also to Japan and other countries. At the same time, the United States should be encouraged to continue its frank discussions of aspects of Japanese domestic policy, and this type of communication should be endeavoured on either side without rancor or mistrust. Finally, it was emphasized that, when one looks beyond the difficulties in policy negotiations between the two countries and beyond the ostensible cultural differences

between the two societies, one should be struck by the fundamental similarities in values between the peoples of both countries. As we celebrate the twentieth anniversary of the reversion of Okinawa, we are not only celebrating an historic agreement which helped solidify one of the world's most important bilateral relationships, but we are also expressing our commitment towards exploring new horizons in the recently proclaimed global partnership.

In his closing remarks, Ambassador Matsunaga quoted from a speech given by former Prime Minister Sato in November 1969 at

the National Press Club in Washington. Looking at the US-Japan relationship on the eve of the Okinawa reversion, Prime Minister Sato observed that "Both the Japanese and the Americans are never satisfied with the present, and their tendency is to endeavor constantly to bring about a better society in the future." It is in this spirit that the Okinawa reversion was eventually realized, and it is with this legacy that both countries begin to address the challenges for the twenty-first century.

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