

Economic Foundations of the Foreign Policy of Japan

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The concept of foreign policy in post-war Japan has had the unique characteristic of *idealistic pacifism*. Reaction to the pre-war militarism, heavy defeat in the war and the tragic experience of Hiroshima, all of these combined to produce a nation-wide atmosphere of anti-war belief and pacifism. Besides the American policy towards Japan immediately after the occupation aimed, as reflected in General Mac Arthur's Statement that Japan should be a Switzerland in the Far East, at demilitarisation and democratisation. This also encouraged pacifism. And so Japan came to have a new constitution which rejected not only armed conflict but also the army itself.

After the out break of the Korean war, the United States fundamentally changed the occupation policy to attach importance to Japan's role as a bulwork against Communism in Asia. They intended to make Japan self reliant both economically and militarily. During the period, Japan has taken economic development as her primary goal. During all these years, Japan maintained an 'inward-looking attitude'.

The success of inward looking' and 'economics above all' policies was regarded as the success of pacifism. So a strange combination of *economic realism* and *idealistic pacifism* is still prominent in the Japanese scene. The profound conflict between realism and idealism makes it very difficult for Japan to have a national consensus on foreign and defence policies in the foreseeable future. The more important features of the post-war foreign policy of Japan are listed below:

The Japanese outlook on foreign affairs today is strongly influenced by *pacifism*. This arises from Japanese history, in which foreign wars have been few and domestic conflicts largely limited to the 5 or 6 per cent of the population who belonged to the Samurai class. The mass of the people did not participate in wars before the modern era, except as the unhappy victims of power clashes among the warriors. More immediately, the devastation of American fire bombing and the horror of the Hiroshima and Nagashaki atomic bombings have left the Japanese with an abhorrence of war that must be the greatest in the world. A

large majority of the Japanese want nothing to do with war for whatever reason and no matter what happens to them. Pacifism explains much of the Japanese antipathy for the Vietnam war. While there has been political and ideological opposition to American policy, at the base of it the Japanese have been afraid that war would escalate into a direct conflict between the Americans and the Chinese and spill out beyond Vietnam to engulf Japan.

A longing for *neutrality* is another restraining element in Japanese thinking about international relations. The Japanese not only want to stay out of other people's quarrels, but do not want to be involved even as mediators. This form of neutrality differs from the neutralism of India or of the United Arab Republic, in which government does not align itself with the major powers but still attempts to exert influence on the course of world events. The Japanese low posture has precluded them from making any effort other than offering platitudes to help settle international crises. The United States encourage the Japanese to mediate discreetly in the Indonesia-Malaysia confrontation several years ago, but Prime Minister Ikedya Hayato adamantly refused.

The Japanese have shown *little willingness to accept responsibility in international affairs*. Just as the Individual Japanese shuns responsibility and functions within the group so also Japan as a nation shuns responsibility, keep its own counsel, watches which way the winds of consensus are blowing, makes adjustments, and allows itself to be borne along. Moreover, the Japanese have lacked self-confidence on the world stage, a consequence of the war-time defeat.

A spurt of initiative in foreign policy beginning in late 1965 seemed to indicate that Japan was moving toward exerting some regional leadership in Asia. The Japanese called a conference of Asian economic ministers to discuss development, helped form the Asian Development Bank joined the Asian and Pacific Council, assembled creditors of Indonesia to help straighten out that nation's economy after President Sukarno had been deposed, sent Foreign Minister Sato Eisaky abroad on good-will missions, and several times announced that it stood ready to help settle the Vietnam war. But the promise so far has proved illusory. The Japanese have wanted the prominence that went with such moves but have not been willing to get down to the hard work and exert the leadership to turn out realistic results.

The reluctance of the Japanese to assume responsibility and leadership was perhaps best seen in their attitude towards the Asian and Pacific Council (ASPAC). It was formed in 1966 under the leadership of South Korea and Thailand in an effort to pull together a loose alliance of non-Communist Asian nations for economic and cultural exchange. They hoped, and still hope, that ASPAC would evolve into a collective-security arrangement. They and the other members, including Australia and New Zealand, wanted the Japanese in because all recognized that no regional organisation in Asia could be effective unless the Japanese were in it. Japan, however, opposed ASPAC because it feared this would turn into just the sort of organisation the Koreans and Thais envisaged, with a hard-line stand against the Chinese. The

Japanese joined ASPAC reluctantly and mainly to prevent it from becoming a working organisation. Japan has continued its original policy and so far prevented ASPAC from accomplishing anything substantive, even along economic lines.

The economic cost of ASPAC and the other apparent initiatives has been a major reason for the lack of Japanese enthusiasm. The cost of any foreign-policy decision is carefully calculated and subjected to severe internal pressures to keep it down. *The Japanese are concerned almost solely with their own economic development and have contributed but a pittance in economic aid to developing Asian nations.* Most of that has been an open or disguised form of export promotion. Japan has extended loans or credits to several nations but at high-interest, short-length commercial terms rather than the low-interests, long-term "soft" loans extended by other economically advanced nations. At their 1975 meeting of economic ministers in Tokyo, the Japanese indicated that they were ready to assist in economic development on a large scale. But subsequent ministerial meetings in other capitals have produced little except suggestions for studies and surveys. The Japanese were enthusiastic at first about the formation of the Asian Development Bank, seeing it as an excellent export promotion mechanism. If other nations contributed funds for economic development, Japan would be the logical source of supply for equipment and other materials. But after the bank's headquarters were situated in Manila, the Japanese considered withdrawing. They were persuaded to stay by having a Japanese named as the first President of the bank. Japan has contributed its share to the capitalization of the bank but has otherwise lost interest. Similarly, the Japanese have promised sizable loans to the Indonesia and South Korea but have found it inconvenient for one reason or another, to put all the committed funds on the table when the Koreans or Indonesians asked for them.

Economic costs also count heavily in Japanese thinking on military defence. The United States has provided for the major portion of Japanese security since 1952. This has been indirectly a large contribution to Japanese prosperity. Japanese investment has gone into factories, railroads, golf courses, and ski resorts instead of guns and aircraft. Japan has spent only about 1.3 per cent of its gross national product and only about 7 per cent of the national budget on defence each year compared with about 10 per cent of gross national product and over 50 per cent of the national budget in the United States. Japanese defence spending has risen in absolute amounts, but not much relative to its overall economic capacity. The Establishment and their economists are well aware of this and are loath to give it up.

Among the more important considerations in the Japanese outlook on foreign policy is trade. The first question that comes into the mind of the Establishment when it is confronted with a question of foreign policy is what effect it will have on trade. Most nations, even the smallest, are customers or suppliers, or both. Since any international quarrel is likely to involve two or more trading partners, the immediate Japanese reaction is to look for a position that can offend no one. If that cannot be found, the Japanese prefer to take no position at all and to issue a platitudinous statement hoping that a peaceful and fair solution can be

reached. Japan has taken no position on either side of conflicts between India and China, India and Pakistan, Malaysia and Indonesia, Russia and Czechoslovakia, Israel and the Arab nation, South Africa and black African nations, the United States and Cuba—all of which are trading partners. Sometimes, nothing stands in the way of trade. Scores of Japanese businessmen attending trade fairs or negotiating sessions in China during the Cultural Revolution submitted to Chinese political indoctrination just to get export orders.

These are all powerful restraints that militate against, taking a foreign policy stance that requires action, leadership, money, and risk. Yet in recent years, there have appeared other forces, some perhaps equally powerful, that urge Japan to assert itself and to exert that power in Asia of which it is capable.

Foremost among these is the resurgence of nationalism. Renewed national pride is coming through every segment of Japanese society and may well be the strongest force in determination of foreign policy in the coming decade. The Japanese are becoming more self-confident through an awareness of their economic accomplishments and their political stability. They have become tougher and more demanding in external negotiations on trade and investment and the nuclear non-proliferation treaty, where they sought relentlessly to insure that Japan's views were incorporated in the final version of the treaty and its implementation. More and more Japanese leaders and intellectuals are speaking out to demand that Japan assume, and the world recognise what they consider to be their nation's rightful place in the sun. The simple pride that a Japanese has in being Japanese has become more evident with each passing month.

This in turn, is leading to a rising desire for international prestige. In Japanese life, prestige and position are more important than money and comfort. This is equally true in the international arena. It is important to all Japanese that other people think well of them, recognize their achievements, and accord them the respect they believe is their due. Although the Japanese have shown no desire to take international responsibility, they have worked assiduously to make sure that they are included in the leading international organisations along with advanced industrial nations. The Japanese have recently been quietly lobbying for a change in the United Nations Charter that would give them a permanent seat on the Security Council along with the United States, the Soviet Union and other major powers. The Japanese contend that the council should be restructured to reflect the changes in relative power that have come about since the end of World War-II.

Japan's foreign policy, like that of any nation, is directly a function of geography. The world, seen from Tokyo divides itself into five areas of major importance: nearby neighbours Korea and Taiwan, the Soviet Union China, Southeast Asia and Australia, and the United States. Beyond the Pacific Basin, Western and Eastern Europe are significant but secondary trading partners. The Middle East is a vital source of oil supply and a small market, but the Japanese are not otherwise interested in problems there. Latin America

and Africa are modest trading partners, but are considered marginal elements in the balance of world power.

Korea and Taiwan are important markets for Japanese exports, but the major concern is that the Korean peninsula and the island of Taiwan which sit on the military flanks of Japan, do not come under the control of a hostile power. The Japanese Establishment has been uneasy with North Korea under Communist domination but has felt that Japan is secure so long as American and South Korean forces prevent the North Koreans from taking over the entire country.

The Japanese have profound respect for historical China and for Chinese civilization. Some Japanese, who are very raceconscious, see in themselves a racial affinity with the Chinese. But the emotional ties about which these Japanese speak are a myth for the majority. There is little evidence that the Japanese feel any particular attachment for the Chinese or show any special understanding of modern China. Few Japanese study the Chinese language today, which worries the Foreign Ministry and the trading companies that someday they may need linguists to maintain diplomatic and trade relations. Some Japanese "China hands" from pre-war days say they have guilty feelings about the misery Japan caused China then. But this does not spill over into the rest of Japanese society. Curiously, these same Japanese profess no special guilt for Japanese aggression in Korea, the Phillipphines, or elsewhere. Japan's main concern with China today is to find a mode of peaceful coexistence with its giant and sometimes belligerent neighbour. Japanese businessmen are anxious to increase their exports to China, where they see an immense market of 750000000 people now and perhaps 1,000,000,000 by the turn of the next century. Trade between the two has been a good barometer of political relations, which exist even if diplomatic relations do not. When Sino-Japanese political relations improve, trade goes up. When they deteriorate, trade drops. The Japanese expound a policy of separation of economics and politics when dealing with the Chinese. This is another myth: no Communist government, and certainly not the Chinese government, separates economics from politics. But the Japanese policy serves to placate their American allies, who oppose Japan's trade with China.

Southeast Asia and Australia are major markets for Japanese exports and are suppliers of raw materials and food. Japanese trade and some investment has gone a long way to establishing an economic hegemony in Southeast Asia that Japanese soldiers failed to establish with the Greater East Asia Co-Prosperity Sphere. The Japanese worry about political stability in Southeast Asia primarily for economic reasons. But they also fear that a hostile power might dominate the region and control the Straits of Malacca between Singapore and Indonesia, and thus have a lock on the sea lanes between Japan and India, Africa, the Middle East and Europe. Japan and Australia have become major trading partners within the last few years and show promise of becoming even more closely tied. Japanese and Australian interests in Southeast Asian political stability are parallel and may lead to some form of political cooperation between them.

None of these areas is so important to Japan's interest as the United States. About 30 per cent of Japan's two-way trade is with America, Japan's financial resources are almost completely tied to the dollar. The United States is Japan's strongest base politically and the Japanese so far have depended on America for their defence. The focal point of Japan's relation with America in the immediate future lies in two interrelated issues, the continuation of the Treaty of Mutual Cooperation and Security and the reversion of Okinawa. The security treaty is the basis for the Japanese political and military alliance with the United States. Its two main articles provide that the United States will defend Japan in the event of an attack and that Japan permits the United States to station land sea and air forces in Japan for the defence of Japan and other nations in the Far East. The treaty also states that in 1970 either party may notify the other of its intention to terminate the treaty on one year's notice. Almost from the day it was ratified, in 1960 the Japanese have been debating over whether they should continue it in force, negotiate a revision or abrogate it when it become possible to do so,

As the Japanese sort out all of the factors that go into the making of foreign policy, they have several alternatives from which to choose. Some can be ruled out from the start: Japan will not go communist nor will it try to arrange a working alliance with the Chinese or Russians. The fundamentally conservative Japanese will not accept communism and neither the Japan Communist Party, nor the pro-Peking wing of the Japan Socialist Party have much chance of taking control of the Japanese government. In a practical sense, Japan's economic ties to the West are far more valuable than anything the Chinese and Russians can offer. Similarly, it is doubtful that Japan will turn to the unarmed neutrality that some Japanese leftists advocate; they are not likely to gain enough domestic power in the foreseeable future to lead Japan in that direction.

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