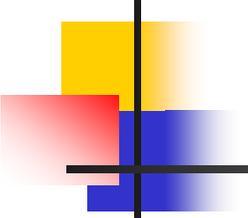


US and Japan Relations

Lecturer: Dr. Masayo Goto



Major issues

Japan-US economic relations

- Trade disputes past and present
- Present and future economic relations

Japan-US political and security issues

- US-Japan Security Alliance
- US bases in Japan (Case study: Okinawa)
- Realignment of U.S. forces in Japan
- Japan's security option



US-Japan Economic relations

US-Japan economic relations in 1980s

US pressured Japan to

- open the domestic market to US products
- make structural changes
- promote the liberalization and deregulation of the Japanese economy

Japan was cited for unfair trading practices



Japan Bashing

1988 Omnibus Trade and Competitiveness Act
Super 301

US-Japan economic relations (1990s)



1989-1990 Structural Impediments Initiative (SII) by Bush Administration

1993 US-Japan Framework Talks on Bilateral Trade by Clinton Administration

1994 Clinton revived Super 301

End of 1990s – relaxed to push Japan to open its market

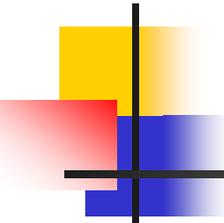
⇒ **End of Japan bashing?**

US-Japan trade disputes Automobile and auto-parts (1970s – 1990s)



Two-thirds of Japan's trade surplus resulted from the auto-related trade

- 1st phase (1980): open the door for the importation of US automobiles and parts in Japan - agreeing numerical target
- 2nd phase (1984): voluntary restriction on the export of Japanese cars to 1.68 million
- Threat Japan through punitive sanctions

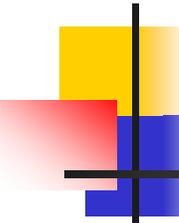


US-Japan trade disputes

Semi-conductor disputes (1980s)

Super 301 of the 1974 Omnibus Trade Act - led to the signing of the US-Japan Semi-conductor Accord in 1986

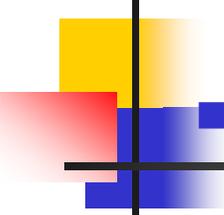
- Expand US access to the Japanese market and to forestall dumping Japanese semi-conductors overseas
- US introduced retaliatory measures against Japan by imposing a 100% tariff on personal computers (1987)



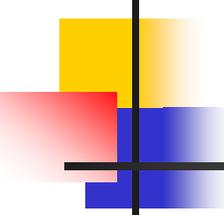
Current economic issues – US beef

- For US, Japan was the largest beef market prior to the ban, generating sales of about \$1.7 billion prior to 2003
- Japan placed the ban on U.S. beef in 2003 after one U.S. cow tested positive for mad cow disease
- Japan is urging the US to test all cattle or take equivalent measures that Japan is taking to ensure they are free of BSE

Current economic issues – US beef (Cont')

- 
- The US has called on Japan to lift the import ban ⇒ may impose economic sanctions worth some \$100 million a month on Japan for continuing its ban on U.S. beef imports due to mad cow disease
 - Japan agreed to waive tests for cattle under 21 months because risk of infection is low among young cows ⇒ That waiver did not include U.S. beef imports

Remain divided over Japan's 17-month-old import ban on American beef

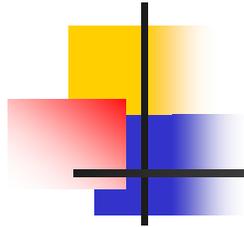


Japan-US economic relations in future

Japan and US appear to have good economic relations except for agricultural product

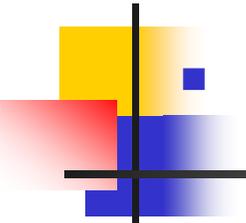


Is Free Trade Agreement possible between the US and Japan?

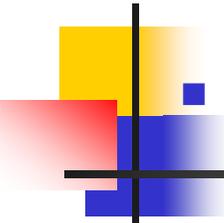


US-Japan Security relations

US-Japan Security Treaty

- 
- 1951 Treaty of Mutual Cooperation and Security (Japan-US Security Treaty)
 - US redeployed its military in Japan not to defend Japan, but keep Japan out of military build up
 - 1960 Renewed the US-Japan Security Treaty
 - US was granted the use of bases and related facilities for the purpose of contributing to the security of Japan and Far East
 - 1978 Guidelines for US-Japan Joint Declaration on Security
 - Called for joint studies of operation issues

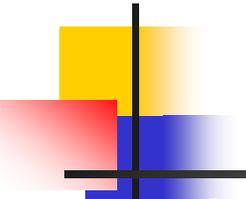
US-Japan Security Relations (1990s)



- 1996 US-Japan Joint Declaration on Security: Alliance for the 21st Century

- Bilateral efforts to strengthen the security alliance
 - Technology exchange
 - Ballistic Missile Defense (BMD) research
 - Military cooperation to deal with situations in areas surrounding Japan
-
- 1997-1999 Revision of the US-Japan Defense Guidelines
 - Japan's military support for the US in East Asia
 - Dispatch of the SDF to provide logistical support

Current US-Japan Security Relations (US perspective)

- 
- Threats exist in Asia (Russia, China, DPRK)
 - Japan requires strong US security presence in Japan because of economic significance in the East Asia Pacific area
 - US-Japan security alliance helps stabilize East Asia
 - Existing security relationship will keep Japan susceptible to US demands to concede on trade and economic issues???

Current US-Japan Security Relations

(Japan's perspective)

- US-Japan Security Treaty is **the centerpiece of Japan's foreign policy**
- US forces can stay in Japan under the treaty
- Threats exist in Asia (Russia, China, DPRK)
- Retain the nuclear shield provided by the US
- Abandon antimilitarist culture and remilitarization
- Use of force is prohibited by the Constitution

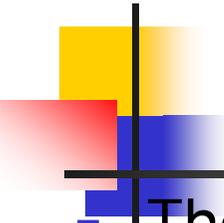


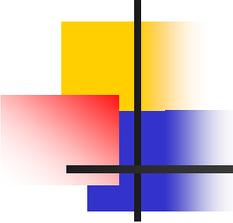
US military bases are necessary in Japan because of potential threats and Japan's limited self defense



However, there are many problems surrounding US bases in Japan

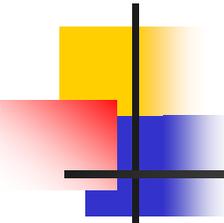
US Military Bases in Japan (Problems of Okinawa)

- 
- The majority of US bases and military personnel stay in Okinawa for 50 years
 - Noise pollution - Reduction of the number of takeoffs and landings
 - Crimes by US servicemen
 - Massive anti-base demonstrations
 - Safety issues



Interim report on the realignment of U.S. forces in Japan (agreed on Oct. 29 2005)

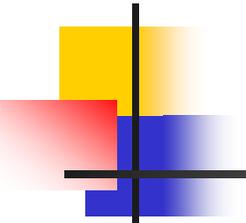
- The US will reduce the number of marines in Okinawa by 7,000; Japan will consider bearing the financial costs of relocating the marines to Guam
- A 1,800-meter-long airfield will be built on coastal land and refilled land off Camp Schwab in Nago to relocate the heliport functions of the Futenma Air Station in Ginowan
- The US will upgrade its army headquarters in Japan into a new command organization at Camp Zama in Kanagawa prefecture



Interim report on the realignment of U.S. forces in Japan (Cont')

- The Air Self-Defense Force will relocate the Air Defense Command to U.S. Yokota Air Base.
- The two sides will discuss integrating remaining U.S. Marine Corps operations in Okinawa to enable return of facilities to Japan in densely populated areas.
- The two sides will consider deploying a new U.S. X-band radar system in Japan
- Reduction of the burden on Okinawa hosting US forces

Japan's Security options



Option 1.

Remain aligned with the US
(Military dependence on the US)

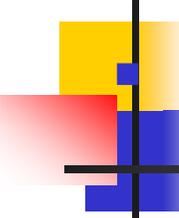
Option 2.

Remilitarization

Option 3.

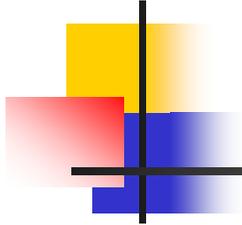
Alternative security paradigm?

Questions



Question 1: To protect the nation from possible threats, Japan needs security alliance with the US, and thus US military presence in Japan is crucial. However, various issues concerning US military basis in Japan and Japan's tendency to follow the US have posed a question of whether or not Japan should maintain the same US-Japan relations. Should the US-Japan Security Treaty be renewed and US bases in Japan be reduced to improve the bilateral relations?

- Question 2: Should Japan continue to relay on the US for military to defend the nation? What are Japan's security options?
- Question 3: Japan has made a number of FTAs with Asia-Pacific countries, however, has not made one with the US. What is a prospect of concluding a FTA with the US? What are major obstacles and issues?



End of lecture

(Japan-US relations)