CHAPTER THIRTEEN

MAJOR FOREIGN POLICY ISSUES FROM 2004 TO 2009

1. Latter Part of the Koizumi Era

The United States: Better than Ever

Relations with the United States developed solidly. Trust and friendship between Koizumi and Bush counted, but it was not just their personal chemistry. It was also the policies implemented by Koizumi and his team that mattered. On the most important issue of national security, Koizumi and Bush’s policies converged as alliance partners.

In December 2004, a new NDPO was adopted. Taking into account the newly-emerging threat by terrorists and the possibility of rogue states handling WMD, the new NDPO emphasised the need for an effective response, not just effective deterrence. Making an international contribution was added as one of the basic missions of the SDF.

The ‘Two Plus Two’ meeting between the ministers of foreign affairs and defence produced successive important outcomes. In February 2005, they issued a joint statement indicating that a ‘peaceful resolution of the Taiwan Strait issues through dialogue’ is their common strategic objective. The Chinese government reacted harshly and two months later adopted a unification law, prescribing that moves toward overt secession would be countered by the use of force. But this did not deter further strengthening of the alliance. At the October 2005 ‘Two Plus Two’ meeting, they reached a key agreement on ‘The Transformation and Realignment for the Future,’ including the transfer of 8,000 marines from Okinawa to Guam and relocation of the Futenma Airport to Camp Schwab near Henoko. These basic decisions were formulated in the form of a ‘road map’ at the May 2006 ‘Two Plus Two.’

After the initial success of military operations in Iraq, occupation of the country proved to be difficult. However, the occupying forces transferred back sovereignty to the Iraqi Provisional Government in June 2004, a parliamentary election was held in January 2005, and a national referendum for a new constitution was held in October
2005. The occupying forces began to withdraw; Japan was no exception. Koizumi carefully assessed the situation in Iraq and only in June 2006 decided to withdraw the Ground Self-Defence Force (GSDF), while maintaining the activities of the Air Self-Defence Force (ASDF) engaged in logistical transportation.

With regards to economic matters, Koizumi even acted decisively on the question of BSE (Bovine Spongiform Encephalopathy or ‘mad cow disease’), which was the only economic issue having political consequences during his tenure. As soon as it was found in September 2001, the government introduced blanket testing as a precautionary step. The first U.S. case appeared in December 2003 and the Japanese government suspended the import of all U.S. beef. Tense negotiations proceeded between the two governments because the U.S. relied only on sample testing. Finally, in December 2005, the Japanese government decided to allow the import of cows younger than 20 months of age. However, in January 2006, the Japanese customs authority discovered cows which did not meet that criterion. Again transactions were suspended and it was only in June 2006 that the decision was made to resume imports of cows younger than 20 months.

With all these achievements behind him, Koizumi visited Washington on 29 June 2006 and had his final meeting with President Bush. As if to symbolise their friendship, on the following day, Bush accompanied Koizumi to Graceland, where Elvis Presley, whom Koizumi admired, had lived.

**China: Worst Since 1972**

In contrast to the success of his U.S. policy, Koizumi’s Asian policy was a failure in general. Particularly noteworthy was his China policy. Economic relations volume-wise increased dramatically during the Koizumi period. Japan’s imports from China, US$ 55 billion (14.5%, next to the U.S.) in 2000, reached US$ 118 billion (20.5%, top importing country) in 2006. Exports also expanded from US$ 30 billion (6.3%, fourth) to US$ 92 billion (14.3%, next to the U.S. in Japanese exports) during these six years.\(^1\) Investments also

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\(^1\) This trend continued even more sharply. In 2007 and 2008, Japan’s exports to China were US$ 109 billion (15.3%, second) and US$ 124 billion (16.0%, second); imports from China were US$ 127 billion (20.6%, first) and US$ 142 billion (18.8%, first) (JETRO statistics).