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Japan's Middle East Policy: Impact of the Oil Crises

Shuzo Kimura

Importance of the Middle East to Japan

One of the characteristics in the Japanese trade structure is that it depends a great deal upon the developing countries both for exports and imports. According to the customs clearance statistics by the Ministry of Finance, the amount of imports to Japan reached U.S. $131.9 billion in 1982, of which imports from the developing countries accounted for $76.1 billion or 57.7% of the total. Of the $138.8 billion of total exports, $62.4 billion were exports to the developing countries, comprising 45.0%. The OECD trade statistics for the same year show that other advanced industrialized countries rely to a far less extent on the developing countries: in the case of West Germany, for example, 21.9% of its imports come from the developing countries and 22.8% of its exports go to them; of Great Britain, 19.7% of its imports and 28.0% of its exports; and of France, 28.2% of its imports and 31.3% of its exports.\(^1\)

In a breakdown by region, the Middle East supplies about half of Japan's imports from all the developing countries or 49.6%, followed by 39.4% from Asia, 8.2% from Latin America and 4.5% from Africa. For exports, the comparable figures are 51.0% for Asia at the top of the list followed by 27.1% for the Middle East, 14.6% for Latin America and 9.3% for Africa. It is quite natural for the neighboring Asian countries to occupy a large share in Japan's trade, but it merits special attention for the Middle East to be the largest exporter to and second largest importer from Japan. Even when viewed in the overall trade volume of Japan, the Middle East is the largest region of Japan's imports occupying a 28.6% share of the total, and a 12.2% export share of the region equals to that of the total exports to the EC countries.

As the above figures illustrate, the Middle East is an important trading partner to Japan, especially for imports, and among the Middle East countries, the oil producing countries in the Gulf are of particular importance. Both in exports and imports, these countries account for nearly 80% of all Japan's trade with the Middle East. This relative

\(^1\) The sources of these figures are: Waga Gaiko No Kinkyo (Diplomatic Bluebook), 1984 Edition, The Ministry of Foreign Affairs and; Tsūshō Hakusho (White Paper on Foreign Trade), 1984 Edition, the Ministry of International Trade and Industry (MITI).
concentration of trade with the Gulf countries reflects another basic aspect of Japanese trade structure, that is, the need to import mineral fuel resources in great quantities. In 1982, the amount of imported mineral fuel was 46.6% of the total amount of Japan’s imports with the import of petroleum and petro-products alone reaching 36.2% of the total. These figures are much higher than comparable figures in other advanced industrialized countries and manifest the Japanese economy’s heavy reliance on imports for its energy resources. More specifically, Japan imports 99.8% of its necessary petroleum, of which 70% comes from the Middle East.

In the 1960s, Japan achieved miraculous economic growth with an 11% average annual growth rate by means of a rapid increase in the production of steel, petrochemicals, durable consumer goods such as automobiles and so on, but at the same time it consumed tremendous quantities of energy with a 14% average annual growth rate of energy consumption. In 1960, coal had the largest share, which was 41.5%, of Japan’s primary energy consumption surpassing 37.7% of petroleum, but in 1962 the situation reversed (46.1% for petroleum, 36.0% for coal), and then the share of petroleum increased rapidly. In 1970, that share exceeded 70%, and at the peak year in 1973, it reached 77.6%. In this way, the volume of Japan’s import of oil, which was 31 million kiloliters per year in 1960, increased tremendously reaching 169 million kiloliters in 1970, 287 million kiloliters in 1973 and continued thereafter to register over 270 million kiloliters per year through the 1970s. Following the second oil crisis, energy economizing and diversifying policies contributed to decreasing the volume somewhat, but it continues to be around 220 million kiloliters per year. (2)

We can say that the economic prosperity of Japan has been achieved through a cycle of importing natural resources and exporting manufactured goods. Petroleum imported from the Middle East was at the foundation of this cycle and any disruption in the supply from this region could severely threaten the health of the Japanese economy.

Detached historical development

The Middle East is a particularly important region for Japanese survival, but historically a rather remote and unfamiliar region. We can find some evidence which shows that there have been indirect contacts between Japan and the Middle East through the ancient “silk road”. Art pieces found in Shōsōin (the treasure house of the ancient emperor’s court) in Nara definitely indicate the linkage between the Middle East and

Japan, but only by way of Central Asia and China. The indirect contacts may have started as early as the sixth century when Buddhism was first introduced to Japan and continued on through the Tokugawa period. Up to the Meiji Restoration, however, there was literally no direct contact whatsoever, in complete contrast to the European nations which shared a long history of exchange and interaction with the Middle East. The Meiji Restoration opened up Japan’s doors to the outside world, and Japan’s attention at that time was focused on how to build a modern nation by learning from the West. In the rush to absorb Western civilization, many Japanese scholars, students, and government officials went abroad and passed by the Middle East en route, but their primary concern was glued to the West and few stopped to cultivate an interest in this intermediary region.

Hajji Omar Mitsutaro Yamaoka was probably the first Moslem of Japanese origin, and the first Japanese to make a pilgrimage to Mecca in 1909. His first book entitled Arabiya Odanki (Across the Arabia) was published in 1912 in Tokyo. Until the beginning of the Taisho era (1912–26), not only were there few contacts, but there was little knowledge of the history, cultures, religions and the societies of the Middle East among the majority of Japanese. Perhaps a passage taken from a school textbook published in the Meiji era represents the extent of the Japanese ignorance of the region: “In Jerusalem, there exists the grave of Muhammad, the founder of the Christian religion.”

The contacts gradually evolved in the Taisho era with not a few Japanese beginning to visit the region. A noted geographer, Jhuko Shiga, published a book in 1926 upon returning from a visit of several countries in the region, which became the first book written by Japanese to introduce the political and economic situation of the region. The first consular relationship was established with the opening of the consulate in Port Said, Egypt in 1920. In 1925, the first embassy was opened in Turkey, followed by an establishment of a legation in Iran (then called Persia) in 1929. In the Arab world,

(3) Ryohei Murata, Chūtō To Iu Sekai (The World of Middle East), Tokyo, Sekai No Ugoki-sha, 1981, p. 337.
(7) It is said that in a passport issued from the Foreign Ministry immediately after World War I, Port Said of Egypt was mentioned as a “territory of Italy.” See Hideji Tamura, Arabu Gōtō Gojihūgonen (Fifty-five Years in Arabian Service), Vol. I, 1983, Tokyo, Keiso Shobo; p. 23.
the first Japanese legation was not opened until 1936 in Egypt and from that point up to World War II, there were only two more legations established in the Middle East, in Afghanistan and Iraq, and three consultates, in Beirut, Alexandria and Casablanca. The Japanese interest in opening consulate offices were mainly to establish a port call for its trading vessels. The vessels stopping at these port cities in the 1920s imported raw materials such as cotton and exported cotton goods and sundries. The amount of trade, however, was not so significant as to merit consideration of the Japanese government to form political and cultural relations with the Middle East countries.

Early in the twentieth century, people of the Middle East were also concerned with modernization and nation building. It is in this regard that the victory of Japan over Czarist Russia in the Russo-Japanese war (1904–5) was probably the most impressive event in the eyes of aspiring Asian nationalists, including those of the Middle East. To them, the war was between the Europeans and the Asians, and, for the first time in modern history, the Asian nation won over the European power. There was a period in which not a few new-born children in Turkey were named Togo or Nogi after the names of Japanese heroes in the war, and this may have symbolically reflected one side of the sentiments of Asian people at that time. But unfortunately, Japan could not understand such sentiments and was solely concerned to become a strong imperial power at the sacrifice of Asian people. After the Russo-Japanese war, Japan began to import petroleum, the volume of which increased rapidly throughout the 1920s and the 1930s. However, as Japan imported petroleum from American and European oil companies, no attention was given to the oil-producing areas in the Middle East. It was only when relations with the United States and the United Kingdom deteriorated that Japan ventured to negotiate with the Arab countries to secure oil interests of its own. The first attempt was made in 1939 when Masayuki Yokoyama, the Japanese Minister to Egypt, visited Saudi Arabia and became the first Japanese to be granted an audience with King Ibn Saud Abdul Aziz. The negotiation did not succeed, however, and Japan was rushed into World War II without securing a petroleum supply. (8)

As for the teaching of Arabic, Persian, Turkish and Hebrew languages, the Ministry of Foreign Affairs first started its teaching of Turkish toward the end of the Meiji era. The practice to send young officials abroad to study Arabic and Persian started in 1926, but their number was extremely limited. The ministry trained eleven Arabic, eight Turkish, and five Persian language specialists in total since the Meiji era up to World War II. There was no Hebrew specialist at all in the Ministry. (9) Arabic language teaching

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at the college level started in 1925 at the Osaka Foreign Language College, where Japan's first department of Arabic studies was established in 1939. Although some of the graduates of the College and the Foreign Ministry specialists produced great achievements in the study of the Middle East, for the majority of pre-war Japanese the region meant a world of Arabian Nights or a world of deserts and camels.

**Absence of concrete policy**

With the outbreak of World War II, Japan's diplomatic relations with the Middle East countries were severed, but for Afghanistan, and continued to be severed after the war during the Occupation period between August 1945 and April 1952. Meanwhile many a country such as Lebanon, Syria, Jordan, Israel and Libya became independent and the tide of nationalism was sweeping high throughout the region. Moreover, the resolution on the partition of Palestine adopted by the U.N. General Assembly in November 1947 and Israel's declaration of independence in May 1948 added fuel to the Arab-Israeli conflict. At the same time, the withdrawal of Great Britain, a long established imperial power, from the Middle East ignited the cold war between the U.S. and the U.S.S.R. in the region. Japan under Occupation had no say in the issues revolving around the Middle East, nor was it able to worry about a remote region, being too busy trying to feed its war-devastated, famished population. Thus, postwar Japan continued to show very little interest in the Middle East.

After the San Francisco peace treaty, which went into effect in April 1952, Japan revived diplomatic relations with the countries of the Middle East. However, Japanese interest was limited mainly to economic fields and no political or cultural exchange took place for several years. Three reasons may be pointed out for this apparent lack of interest:

1) Historically and geographically the Middle East was considered too remote for Japan;

2) Japan's priority in the immediate postwar years was first and foremost the economic reconstruction of the country in which trade was to play a vital role. All the country's energy was poured into expanding its trade; and

3) Japan was anxious to be admitted to the United Nations and join the community of Western advanced nations. Therefore, Japan thought it wise at that time to stay away from political issues in the international arena and avoid making any enemies.\(^{10}\)

\(^{10}\) Such a posture of Japan was described as “an economic diplomacy.” See, for example, Mitsuru
Of the embassies Japan opened in the Middle East after the war, the embassy in Egypt was the first, opened in December 1952, followed by others in Turkey, Iran and a few other countries where ties existed before the war. However, new embassies took longer to be established. The Japanese embassy in Saudi Arabia, for example, was not set up until 1960. Most embassy offices were thus required to cover more than one country and were poorly manned to handle the job properly. Within the Foreign Ministry in Tokyo, it was not until 1961 that the Middle East-Africa Section was created and not until 1965 did it become the Middle East-Africa Bureau. No Prime Minister or Foreign Minister of Japan visited the Middle East countries until the 1970s.

As for the Arab-Israeli conflict, Japan really did not know the complicated nature of the conflict. Historically, the Japanese had had no close relationship with either the Arabs or the Jews, and very few of them, if any, resided in Japan to influence public opinion. At the same time, the Japanese had never developed any serious movements against the Jews or the Moslems, as had many Western nations. In the Japanese Army, there was an idea of strategically utilizing the Jews in Manchuria and other parts of China against the Americans before World War II, but among the general public of Japan there has never been any discrimination toward Jews as opposed to other Gaijin (foreigners) because most Japanese cannot distinguish the former from the latter. Although Japan was an ally of Nazi Germany, imperial Japan refused to cooperate with the Nazi regime in handing over Jewish refugees who left Europe. On the contrary, one Japanese diplomat in East Europe was known to have helped many Jews escape persecution by giving visas to them.\(^{(11)}\) In addition, as Japan was not a member of the United Nations until December 1956, it did not have to take sides in the U.N. resolution on the partition of Palestine or be involved in the first and second Arab-Israeli wars. Japan recognized Israel as early as in May 1952, but did not open its legation in Tel Aviv until 1955.

After being admitted to the U.N., the then Prime Minister Nobusuke Kishi announced the three principles of Japan's foreign policy: 1) attaching importance to the U.N.; 2) adhering to the Western camp; and 3) cooperating with Asian countries as a nation of Asian region.\(^{(12)}\) However, these principles were very abstract and did not specify how they were to be applied and in what order of priority when handling actual issues. The only clear point was that Japan would go along with the United States in

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\(^{(11)}\) In 1940, a Japanese consular agent in Lithuania, Chiune Sugihara, issued visas to more than five thousand Jewish refugees to save their lives.

controversial issues between the West and the East, but otherwise maintain a neutral position and follow the majority rule in the United Nations.

The development of the Japanese economy surpassed its pre-war level in the late 1950s and it was rushed into the era of high growth in the 1960s. Accordingly, the import of oil increased tremendously: 8.55 million kiloliters of annual import in 1955 expanded to 31.12 million kiloliters in 1960, 83.23 million kiloliters in 1965, and 168.83 million kiloliters in 1970. However, until the end of the 1960s most of the oil supply was under the control of the major oil companies, and Japan showed no serious concern for the Arab-Israeli conflict itself. At the time of the third Middle East war (the Six Day War), Takeo Miki, then Foreign Minister, declared Japan's strict adherence to neutrality, which was considered the best policy, for it offended no one, and Nobuhiko Ushiba, then Vice Minister of Foreign Affairs, remarked: "As long as Japan maintains neutrality it will be unlikely for the Arab nations to cut the oil supply to Japan". (13)

Neutrality, in this case, implied keeping clear of making moral decisions and not expressing strong criticism of either side.

As the demand for oil rose and both imports and exports became more active with the Middle East, the Arab nations compared to Israel naturally gained greater importance to Japan, and the need for oil led such businessmen as Taro Yamashita to look for oil interests in the Gulf region as early as in the mid-1950s. He was successful in achieving his objective of gaining concessions from Saudi Arabia in 1957 and Kuwait in 1958. This marked the beginning of Japanese oil exploration in the Gulf. Japan's effort thus turned toward resource development to join the ranks of the majors, changing gears from the downstream to the upstream of oil, but until the end of the 1960s, most of the necessary oil for Japan continued to be supplied via the majors. The Japanese government did not admit the legitimacy of the Arab boycott of Israel on the one hand, but it also made clear that it would not intervene in individual decisions made by Japanese enterprises on the other. In view of economic rationality, most Japanese companies in the private sector gave higher priority to Arab nations over Israel as a market for exports and imports. The market potential of the Middle East increased rapidly in the 1960s, but remained minor compared to the markets in North America and Asia. For example, the total exports of Japan in 1970 were $19.3 billion, of which only $0.6 billion or 3% was exported to the Middle East. The comparable figure for Israel registered only $20 million or 0.1%. Oil import continued to expand rapidly as mentioned above, but the price of oil was extremely low. In the latter half of the 1950s, the price of crude oil was 3 dollars

(13) *Asahi Shinbun*, June 6, 1967.
and some odd cents per barrel, which dropped to $2.30 per barrel in 1960, to $1.90 in 1965, and $1.80 in 1970.

Thus, prior to the October War in 1973, Japan was only vaguely aware of the importance of the Middle East as an oil-producing region, but the awareness was accompanied by the assumption that crude oil was available in unlimited quantities and at very low prices. The Japanese policy toward the Middle East was thus governed solely by economic interests, or interest to secure oil to say it more frankly, and did not touch upon political dimensions. Cultural and person-to-person interactions lagged even farther behind. In 1967, former Foreign Minister, Suburo Okita, before becoming minister, cautioned in an article in a well-read magazine: “Japan will suffer a great setback if it continues its present course of importing tremendous volumes of natural resources, ignoring political considerations and the importance of cultural exchanges” (14). However, few paid serious attention to his caution.

The Impact of the first oil crisis

The outbreak of war in the Middle East on October 6, 1973 was followed by an announcement on October 17 by the Organization of Arab Petroleum Exporting Countries (OAPEC) of its intention to curb crude oil production and to stop the export of oil to any country siding with or sympathetic to Israel. On the other hand, OAPEC was to continue supplying oil to countries which were “friendly” to the Arab nations. These statements caused serious apprehension in Japan as its previous lack of concrete policy toward the region made it unclear whether it would be considered among the so-called “friendly” nations by OAPEC. In addition, the Organization of Petroleum Exporting Countries (OPEC) decided to hike the price of crude oil sharply. The OAPEC and OPEC decisions triggered a world-wide crisis which the Japanese referred to as the “oil shock”. The impact was especially hard felt by Japan which relied heavily on the Middle East oil for its economic activities. In the face of this crisis, the government of Japan was at quite a loss as to what policy it should take. The then Prime Minister, Kakuei Tanaka, evidently not knowing what to do, cried, “This is horrendous, this is horrendous” (15).

On October 19, 1973, Arab ambassadors in Tokyo visited the Foreign Ministry to urge Japan to positively support the Arab position in the Arab-Israeli conflict. On October 26, the Foreign Ministry handed the Saudi ambassador, the dean of the Arab

(14) Saburo Okita, “Shigenyunyukoku Nippon 0 Jikaku Seyo” (Be Aware of Being a Resources Importing Nation), Chuo Koron, Dec. 1967.
(15) Michael M. Yoshitsu, Caught in the Middle East, 1984, Lexington, Massachusetts, p. 3.
diplomatic corps in Tokyo, a note-verbale entitled "A Statement of Japan's Position on the Fourth Middle East War." This document, dated October 25, stipulated that, inter alia, 1) Japan was absolutely against the acquisition of any territory by use of force, 2) therefore Japan would never recognize the annexation by Israel of territories occupied in the 1967 war, and 3) any settlement of the conflict must respect the legitimate rights of the Palestinians. But, Arab countries, especially Saudi Arabia, were not satisfied with this note-verbale. Following the November 4 OAPEC decision to raise cut-backs to 25%, the Saudi government told Hideji Tamura, former ambassador to Riyadh who had been sent by the Japanese government to sound Saudi position, and Sohei Mizuno, president of the Arabian Oil Company of Japan, that Japan had to show a clear indication of a change of relations with Israel if Israel were to continue to occupy the Arab territories and violate the legitimate rights of the Palestinian people.

Meanwhile, the EC countries except Holland issued a communique calling for withdrawal of Israeli troops from occupied territories to curry favor with the Arabs on November 6. As a result, the EC countries except Holland were accepted as "friendly" nations by OAPEC on November 18. The Japanese government, after much heated debate in the cabinet, announced its position in the form of statement by Susumu Nikaido, the Chief Cabinet Secretary, on November 22.

1. The government of Japan has consistently hoped that a just and lasting peace in the Middle East will be achieved through the prompt and complete implementation of Security Council Resolution 242, and has continued to request the efforts of the parties and countries concerned. It has been prompt in supporting the United Nations General Assembly Resolution concerning the rights of the Palestinian people for self-determination.

2. The government of Japan is of the view that the following principles should be adhered to in achieving a peace settlement.
   (1) The inadmissibility of acquisition and occupation of any territory by use of force;
   (2) The withdrawal of Israeli forces from all the territories occupied in the 1967 war;
   (3) The respect for the integrity and security of the territories of all countries in the area and the need of guarantees to that end; and
   (4) The recognition of and respect for the legitimate rights of the Palestinian people.

(16) The Note-Verbale addressed to Arab Ambassadors in Tokyo, dated October 25, 1973, the Ministry of Foreign Affairs, (Mimeograph).
people in accordance with the Charter of the United Nations in bringing about a just and lasting peace in the Middle East.

3. The government of Japan urges that every possible effort be made to achieve a just and lasting peace in the Middle East in compliance with the above-mentioned principles. Needless to say, it is the intention of the government of Japan to make as much contribution as possible toward that end.

The government of Japan, deploring Israel's continued occupation of Arab territories, urges Israel to comply with those principles. The government of Japan will continue to observe the situation in the Middle East with grave concern and, depending on future developments, may have to reconsider its policy toward Israel.(18)

This statement reflected a desperate attempt by the Japanese government to end the oil embargo, but at the same time was epoch-making for a country which had lacked any concrete policy toward the Middle East. The call for "withdrawal of Israeli forces from all the territories occupied in the 1967 war" and the suggestion to "reconsider its policy toward Israel" apparently implied a Japanese decision to side with the Arabs in the Arab-Israeli conflict. The statement also showed that Japan would take a different policy toward the Middle East from that of the United States. The government hoped that international publicity given to the statement release would suggest the policy break that Saudi Arabia wanted, but it was not sure if this was sufficient for OAPEC to look upon Japan as a "friendly" nation and lift the oil embargo. Therefore, Masayoshi Ohira, then Foreign Minister, considered sending a special envoy from the government to the Middle East. The envoy was to try to secure an oil supply to Japan by speaking with Arab leaders face to face and persuading them that Japan was a friend, not a foe. Prime Minister Tanaka jumped at this idea and decided to send Takeo Miki, then Vice-Prime Minister, as a special envoy.

From December 10 to 28, Vice-Premier Miki visited eight countries of the Middle East: the United Arab Emirates, Saudi Arabia, Egypt, Kuwait, Qatar, Syria, Iran and Iraq. He explained Japan's new stance at great length. Some Arab leaders asked him what the last part of the statement given by the Japanese government on November 22 really meant, and demanded him to carry out a cessation or suspension of economic relations with Israel as soon as possible. Miki said that any re-examination of policy toward Israel could occur only after his return to Tokyo and a discussion of the matter with Prime Minister Tanaka, thus he managed to evade the matter. At the same time,

(18) Chūtō Chōsakai, "Nihon No Chūtō Seisaku No Kihon Bunsho" (Basic Documents on Japan's Middle East Policy), Chūtō Tsūho (Journal of Middle East), Vol. 267, Nov. 1979, p. 66.
the special envoy used another bargaining chip, that is, a promise to extend massive development assistance to the Arab countries which had actually fought against Israel in the October War. Thus Miki made a promise to extend ¥38 billion in government credits to Egypt in support of the project to widen the Suez Canal, and ¥27.7 billion in government credits and ¥20.2 billion in private loans to Syria in support of the project to build oil refineries.\(^{(19)}\)

After all these desperate efforts, the Japanese government got what it wanted most. On December 25, the OAPEC members, meeting in Kuwait, decided to consider Japan as a "friendly" nation. But at the same time, the OAPEC members, in their declaration, demanded Japan to continue its pro-Arab policy consistently. In order to keep the favorable stance with them, the Japanese government decided to send another special envoy to the Middle East countries where Vice-Premier Miki did not visit. Thus Zentaro Kosaka, former Foreign Minister, made a tour to Morocco, Algeria, Tunisia, Libya, Lebanon, Jordan, Sudan and North Yemen from January 16 to 31, 1974, and explained the Japanese policy to the leaders of these countries. He also promised to extend credits of ¥12 billion to Algeria and ¥30 billion each to Jordan, Morocco and Sudan in support of telecommunication development projects. Meanwhile, Yasuhiro Nakasone, then Minister of International Trade and Industry, also visited Iran and Iraq from January 8 to 17, and expressed Japan's intention to supply a credit of ¥74.5 billion to Iraq for construction of fertilizer and other plants, and a mixed loan to Iran equaling U.S. $1 billion in support of an oil refinery plants project.\(^{(20)}\) Of course Iran was not an OAPEC member, but Japan's concern at that time was only to secure an oil supply by any means.

With the declaration of pro-Arab policy and promises of massive development assistance, Japan managed to tide over the "oil shock" at last, but this crisis brought many flaws of Japan's response into view. First, the statement by the Japanese government in reaction to the crisis left an impression of being a claptrap. The stance on the Palestinian question in itself have been received favorably by the general public and with little opposition in the Diet, but the manner of its presentation was thought rather opportunistic. Second, sending two special envoys and a cabinet minister at the same time to a region until then ignored and to which no official visits were made, and promising to extend yen credits in large amounts only uncovered the extent of panic felt by the Japanese and their desperate need of oil. And third, Japanese policy toward the Middle East remained basically economically oriented, or oil-oriented, to be more frank.

\(^{(19)}\) Shōichi Hori, *Nihon No Chūō Gaikō* (Japan's Diplomacy toward the Middle East), 1980, Tokyo, Kyōikusha, pp. 38–42.
The change of posture did not stem from any real interest in the society and the people of the Middle East or any desire to deepen cultural exchanges with the region, but it originated in the desire to secure a necessary oil supply for which any economic assistance would be offered in return.

It is true that interest in the Middle East seemed to surge forth throughout Japan, especially in business circles with the "oil shock", and organizations such as the Middle East Cooperation Center and the Middle East Economic Research Institute were established jointly sponsored by the government and business, but the basic ignorance of the Middle East by the Japanese seemed to be amended little. As a matter of fact, the Japanese reaction to the crisis only gave the Arab nations and Israel the impression that Japan had changed its posture only because of its desire to secure an oil supply.

Japan and the Palestinian Question

The Japanese mass media named 1973 "the first year of the Middle East" as it was the first time the Japanese realized the significance of the Middle East in their daily life and felt the need to establish a consistent policy toward the region. The desperate reaction of the Japanese to the oil crisis disclosed many problems and gave the impression of an oil-begging diplomacy to the outside world, but at the same time brought home to the Japanese the realization that the Palestinian question lay at the center of the Arab-Israeli conflict. Diet members of both the ruling and the opposition parties wanted the government to face the question more squarely. In particular, many Diet members of the opposition parties pressed for the government to make greater efforts to restore the right of Palestinian people to self-determination, including the right of establishing an independent state, in response to the call for international justice and to the demands of the Third World countries, and not act solely for Japan's economic interests. The Japan Socialist Party (JSP) and the Japan Communist Party (JCP) had long criticized the government for following U.S. policy lines at the expense of the Third World. According to them, Japan was driven into an oil-begging diplomacy because of this.

However, it should be noted that criticizing the government is the raison d'être of the opposition parties and in fact there was little difference of opinion among the political parties in supporting the recognition of the right of Palestinian people to self-determination, concurrently realizing the need to guarantee the survival and security of

(21) The Middle East Cooperation Center was established in October 1973 sponsored by MITI. Its first president was Chu Kobayashi and chairman of the board of directors was Sohei Nakayama. The Middle East Economic Research Institute was established in September 1974 sponsored by Agency of Economic Planning. Its chairman has been Kiyoshi Tsuchiya.
Israel. The difference lay in the process of how this position was explained to the outside world. The government and the Liberal Democratic Party (LDP) wanted to pay due consideration to Japan's relations with the U.S., whilst the opposition parties called for independence if not a break from U.S. policies toward the Middle East. This difference appeared in the treatment of the Palestine Liberation Organization (PLO), assessment of the Camp David Agreements and reaction to the illegal actions of Israel, as will be discussed later.

The Democratic Socialist Party (DSP) has been backed by the Domei (Japanese Confederation of Labour Unions) which has a long tradition of friendly ties with the Histadrut (Israeli Confederation of Labor Unions) and the DSP itself has been very close to the Labor Party of Israel through the Socialist International. However strong the DSP's affinity with Israel may be, its fundamental policy toward the Palestinian right to self-determination has not differed from that of the other parties. The fact that the Japan-Palestinian Parliamentarians' Friendship Association was formed in June 1979 reflected the general agreement on the Palestinian question in the Diet. The membership is open to Diet members of all political parties, and indeed all parties from conservative to communist including the DSP are represented in the Association.\(^{22}\)

The government and the Diet worked toward clarifying the Japanese position on the Middle East peace and the Palestinian question. Below are the basic policies pronounced.

1) **Basic position**

As stated by Chief Cabinet Secretary Nikaido, Japan has called for a peaceful coexistence of the Israeli and Palestinian people, recognizing and respecting the Palestinian right to self-determination as well as guaranteeing the existence and security of Israel. At the outset, Japan made reference to the U.N. Charter in calling for due recognition of the legitimate rights of the Palestinian people, but in a speech given by Masahiro Nishibori, Japanese Representative to the U.N., on November 27, 1979, the view of Japan was defined to include the right of establishing an independent state in the concept of the right of self-determination. This view was confirmed in a speech given by the late Prime Minister Ohira at the plenary session of the House of Councillors on December 1, 1979,\(^{23}\) and has been the official view of the Japanese government ever

\(^{22}\) More than one hundred Diet members belong to the Association. Its first chairman was Former Foreign Minister Toshio Kimura.

\(^{23}\) *Sangin Kaigiroku (Proceedings of Plenary Sessions of the House of Councillors)*, December 1, 1979, p. 41.
since. The view implies that Japan will support and recognize an independent Palestinian state if the Palestinians wish to establish it. This clarification was added as Japan thought that Resolution 242, although essential in achieving the just and lasting peace in the Middle East, dealt with Palestinian question solely in terms of refugee problem and was insufficient in itself.

2) Reaction to Israeli actions

Japan has demanded that Israel withdraw its forces from all the territories occupied in the 1967 war. In a joint communiqué issued on the occasion of the official visit of Prime Minister Takeo Fukuda to Saudi Arabia on September 12, 1978, the Japanese government reinforced its call for withdrawal of Israeli forces from all Arab territories, including the “Arab section of Jerusalem”, or East Jerusalem.\(^{24}\) Furthermore, Japan has maintained the position that the establishment of settlements by Israel in the occupied territories is illegal and cannot be recognized.

Meanwhile, starting with the establishment of settlements in occupied territories, Israel continued to take actions which Japan considered illegal: annexation of East Jerusalem and the Golan Heights by statutes of the Knesset (Israeli Parliament), bombardments of nuclear power plants in Iraq, military operations in Lebanon, etc. The Japanese government issued a statement at each incident voicing strong criticism of the illegality of Israel’s actions, but at the same time was careful to avoid completely antagonizing the Israelis. For example, in December 1981, three resolutions were passed at the emergency session of the United Nations, one calling for a nullification of the Israeli annexation of the Golan Heights, the second calling for stopping all aid to Israel, and the third calling for sanctions against Israel. Japan voted in favor of the first, abstained from the second, and voted against the third. In the Diet, the opposition party members strongly criticized the government for this inconsistent position, but the government insisted that its position continued to be critical of any illegal actions taken by Israel, but the Middle East conflict should be settled by the parties concerned and application of sanctions by third parties would not be appropriate to achieve this purpose.\(^{25}\) The government position was thus justified, but in truth, the government was forced to give due consideration to the strong position of the U.S. which was opposed to any sanctions against Israel.

\(^{24}\) Middle East-Africa Bureau, the Ministry of Foreign Affairs, \textit{Paresuchina Mondai To Nippon} (Palestinian Question and Japan), (mimeograph), April 1980, Annex, p. 14.

\(^{25}\) \textit{Sangin Gaimuininkai Kaigiroku} (Proceedings of Committee on Foreign Affairs, the House of Councillors), March 30, 1981, p. 16.
3) Treatment of the PLO

Japan considers the Palestine Liberation Organization (PLO) the representative of the Palestinian people and maintains that it should be allowed to participate in the deliberations of the Middle East conflict at the United Nations or in any other negotiations for peace as one of the concerned parties of the conflict. The opposition party members in the Diet have demanded that the government recognize it as the sole legitimate representative of the Palestinian people, but the government maintains that whether the PLO is the sole representative or not is a choice the Palestinians should make, and because it is neither an independent state nor a government, there is no need to debate on formal recognition of the PLO. However, in response to the repeated demands by the opposition party members, the government did admit that the PLO is an “important and influential” representative of the Palestinian people.(26)

In April 1976, Farouk Kaddoumi, Director of the Political Bureau of the PLO, visited Japan at the invitation of the Liberal Democratic Party and held meetings with Japanese leaders including Takeo Miki, then Prime Minister, and Kiichi Miyazawa, then Foreign Minister. On that occasion, it was agreed to establish a PLO office in Tokyo on the understanding that it will not be given diplomatic status. The opposition party members, here again, wanted the office to be given a diplomatic status, but their call in the Diet was not heeded and the office was opened in a private capacity in February 1977. Although the government refused the opposition request in principle, in fact the office has been given semi-diplomatic treatment. In February 1980, Ryohei Murata, Japanese ambassador to the United Arab Emirates, met twice with a representative of Yassir Arafat, Chairman of the PLO. During these sessions, Arafat’s man conveyed to Murata the chairman’s wish to be invited to Japan. The Japanese government hesitated to invite him officially, therefore it asked former Foreign Minister Toshio Kimura, Chairman of the Japan-Palestinian Parliamentarians’ Friendship Association, to invite Arafat to Japan. Accordingly, Kimura, on behalf of the Association, sent invitations to Arafat and Kaddoumi through Ambassador Murata. To be consistent with the government position, he informed them that diplomatic recognition could not be claimed or inferred from this invitation. In October 1981, Chairman Arafat and his party came to Japan and met with Zenko Suzuki, then Prime Minister, and Sunao Sonoda, then Foreign Minister. Thus the Japanese government has stayed away from recognizing the PLO or issuing official invitations to its leaders, but has continued to have governmental level contacts with the PLO.

(26) Sangin Yosaninkai Kaigiroku (Proceedings of Committee on Budget, the House of Councillors), December 4, 1979, p. 10.
4) Assessment of the Camp David agreements

Following the agreements reached at Camp David in September 1978, Egypt and Israel finally signed a peace treaty in March 1979. The Japanese reaction to this treaty was mixed because the majority of the Arab nations and the PLO strongly criticized the Egyptian move to have betrayed the Arab cause. The day after the signing of the treaty, Rokusuke Tanaka, then Chief Cabinet Secretary, issued a statement on behalf of the Japanese government in which he highly praised the efforts of U.S. President Jimmy Carter and of the leaders of both Egypt and Israel for their zeal in realizing the peace treaty, and hoped that it would mark a step toward achieving comprehensive peace in the Middle East. At the same time, he expressed the position of the Japanese government that Resolution 242 should be completely implemented and that a just and lasting peace should be brought about by recognizing and respecting the legitimate rights of the Palestinian people, including the right of self-determination. He apparently tried to maintain a balance between the U.S. and the Arab nations, rightfully praising the efforts of President Carter on the one hand, but refraining from commenting on the contents of the treaty on the other. Nevertheless, the Arab nations took this statement to be in support of the Egyptian-Israeli peace treaty and did not hide their displeasure.

When the revolution erupted in Iran and the situation threatened to trigger another oil crisis, Japan was eager to dispel the Arab dissatisfaction, and Foreign Minister Sonoda invited the ambassadors of Arab states except Egypt in Tokyo to the Foreign Ministry on August 6, 1979, and handed them a statement entitled “Japan’s Middle East Policy”. In this statement, Sonoda said, “It is essential that peace in the Middle East should be just, lasting and comprehensive. Thus the peace treaty between Egypt and Israel should be a first step toward a comprehensive peace . . . . Japan has maintained the position that the withdrawal of Israel from all the territories occupied in 1967, including East Jerusalem, and the participation of the Palestine Liberation Organization in the process for peace, with Israel and PLO mutually recognizing each other’s position, are indispensable to the early realization of peace.” With this statement, the Japanese government hoped to convey the implication that unless the treaty were to contribute to the achievement of comprehensive peace in the region, Japan would not give a positive evaluation of the Camp David agreements.

Emphasizing the interdependence between Japan and the Middle East countries,

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(27) “Statement by the Chief Cabinet Secretary on the signing of a Peace Treaty between Egypt and Israel”, Chiūtō Chōsakai, op. cit., p. 67.
Sonoda continued on to say, "Japan has a special interest in the Middle East. With no political and ideological concern in that region, and having historically kept her political hands clean there, Japan's Middle Eastern policy naturally has an independent character of its own". However, this "independent character" of Japanese policy was to face a big dilemma when the relations between the U.S. and Iran turned to hostility.

Japan and the rapidly changing Middle East

Having been painfully reminded of the economy's vulnerability and the importance of the Middle East, Japan, in an attempt to secure an oil supply, set out pro-Arab policies reinforced by strengthened capital and technological cooperation with the Middle East countries, especially the oil-producing Gulf countries. In Iran, Saudi Arabia, Iraq and Kuwait, large-scale joint ventures were undertaken, of which the efforts of Mitsui to jointly develop a large-scale petrochemical complex in Iran, called the Iran-Japan Petrochemical Company (IJPC), was the largest. Rapid changes of great significance took place, however, in the process of carrying out these projects, namely, the fall of the Shah's regime and the Islamic Revolution in Iran, Soviet aggression in Afghanistan, deterioration of U.S.-Iranian relations following the hostage crisis, and the outbreak of the Iran-Iraq war. The Soviet aggression in Afghanistan strained relations between the U.S. and the Soviet Union and the confusion in Iran following the revolution had the world's attention focussed on the question of security in the Gulf region. In addition, the instability in Iran, coupled with the outbreak of the Iran-Iraq war added fuel to the fear of a second oil crisis. Japan reacted in various ways to these changes.

1) Revolution in Iran

The sudden fall of the Shah's regime in Iran was totally unexpected by the Japanese government and enterprises investing in Iran. The Iranian revolution came in the wake of the historic visit by Prime Minister Fukuda to four Middle East countries in September 1978. Like President Carter, Prime Minister Fukuda was unaware of the revolution which was in the making for some time. Therefore, when the unexpected turnover occurred in Iran, the Japanese government scrambled to secure its oil supply from Iran and somehow continue the IJPC project already under way. Prior to the revolution, Japan was importing close to 20% of its oil from Iran. The IJPC project constituted Japan's largest private overseas investment, committing nearly $2 billion in Japanese capital. Besides Mitsui, more than one hundred companies and twenty banks participated indirectly as

(29) Ibid.
shareholders and lenders.\(^{(30)}\) However, the rapid deterioration of U.S.-Iranian relations posed a great obstacle to securing a continued oil supply, and the domestic confusion in Iran together with the outbreak and protraction of the Iran-Iraq war made it very difficult to continue the IJPC project. Once again, Japan was made to realize its lack of knowledge and understanding of the Middle East situation and its weakness in information gathering capabilities.

When the Iranians took over the American Embassy in Tehran and took many Americans hostage, U.S.-Iranian relations turned to hostility. The initial reaction of Japan, as in so many cases, was an attempt to maintain neutrality, stating that Japan had an interdependent relationship with both the U.S. and Iran and would hope for immediate release of the hostages and revival of friendly relations between the U.S. and Iran.\(^{(31)}\) At first, the Japanese government did not think the hostage issue would drag on so long. As a matter of fact, it thought the Americans would be released soon, and therefore wanted to avoid blistering attacks that Iranians would remember long after the Americans returned home. Once again, the perspective of the Japanese government was too short-sighted.

Besides, Japanese companies had been hit hard by sharp decreases in petroleum imports. The major oil companies which supplied 66% of Japan's petroleum needs in 1978 imposed broad reductions after the Iranian revolution, cutting back 1979 shipments by one million barrels a day, which affected Japanese companies not affiliated with the majors most seriously.\(^{(32)}\) That is the reason why many Japanese companies tried to soak up Iranian oil which was poured onto the spot market following the U.S. decision to stop all imports from Iran. However, the large Japanese purchases of Iranian oil at high spot-market prices aroused indignation in the United States. On December 10, 1979, Secretary of State Cyrus Vance met Foreign Minister Saburo Okita in Paris and criticized Japan of being "insensitive".\(^{(33)}\) At the same time, the U.S. Congress brought to the floor a resolution indicating strong criticism of the Japanese action.

These U.S. reactions suddenly brought home to the Japanese the seriousness of the situation. The government immediately urged Japanese companies to stop purchasing Iranian oil at high spot-market prices, and simultaneously issued a communique criticizing the Iranian action as a violation of international law and a great challenge to international

\(^{(30)}\) Yoshitsu, *op. cit.*, pp. 41-42.

\(^{(31)}\) See, for example, a government reply to a opposition member's interpellation in the Diet. *Sangiin Yosaninkai Kaigioku* Proceedings of Committee on Budget, the House of Councillors, December 4, 1979, p. 8.

\(^{(32)}\) Yoshitsu, *op. cit.*, p. 42.

\(^{(33)}\) *Asahi Shinbun*, December 13, 1979.
order.\(^{(34)}\)

After failing in all efforts to release the hostages, the U.S. decided on April 7, 1980, to impose a general boycott and to break diplomatic relations with Iran. Furthermore, the U.S. requested its allies to impose collective sanctions against Iran. Japan agreed that some drastic measures were necessary to have the hostages released, but still hesitated to comply with the U.S. request for fear of falling out with Iran. The solution to the dilemma was to go along with whatever the EC countries decided to do. For the EC countries as well, the hostage crisis represented a tug-of-war between their allegiance to the U.S. and their interests in the Middle East, therefore they welcomed consultations with Japan. On April 22, Foreign Minister Okita visited Luxembourg where the meeting of EC foreign ministers was held, and consulted with his EC counterparts.

Although the EC countries disagreed with the U.S. on the matter of relations with Iran, they decided to “decrease the number of personnel at their respective embassies in Tehran, suspend the agreement on visa exemption, and stop new contracts on export and construction projects”. The Japanese government decided to follow suit. According to Okita, this decision was reached in order to make the Iranians realize the urgency of the situation and to prevent a further decline in relations with Washington, as well as preventing U.S. from resorting to force.\(^{(35)}\) Whatever the reasons, the hostage crisis made visible the vulnerability of Japan relying heavily on Middle East oil, and the dilemma of maintaining an independent policy governed solely by its interest in the Middle East and its position as an ally of the United States.

2) Soviet Aggression in Afghanistan

The Soviet aggression in Afghanistan was a turning point in the U.S.-Soviet détente and triggered strong anti-Soviet policies on the part of the United States. The event and the U.S. reaction inevitably had a major impact on Japanese policies, perhaps more on general foreign and defense policies than simply on its Middle East policies. With the LDP’s landslide victory in the double elections of both the House of Representatives and the House of Councillors in June 1980, the Japanese government struck a posture of assuming greater responsibility as a member of the Western alliance and faithfully responded to the U.S. call for increased defense efforts and sanctions against the

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\(^{(34)}\) *Gekkan Kokusaimondai Shiryo* (Monthly Documents on International Affairs), Bureau of Information and Culture, the Ministry of Foreign Affairs, January 1980, p. 74.

\(^{(35)}\) An answer of Foreign Minister Okita to a opposition member’s interpellation in the Diet, *Shūgiin Gaimuinkkai Kaigōroku* (Proceedings of Committee on Foreign Affairs, the House of Representatives), April 23, 1980, pp. 10–11.
U.S.S.R. In addition, Japan increased its aid to countries bordering the conflict zones, i.e., Pakistan, Thailand, and Turkey, considerably. These policies reflecting cold war politics caused much controversy within Japan and were severely criticized by the opposition parties in the Diet.

3) Iran-Iraq war

The outbreak of war between Iran and Iraq was another unexpected change in the Middle East. Hoping to maintain friendly relations with both Iran and Iraq, the Japanese government announced its keynote position of non-intervention and neutrality. The fundamental interest of Japan was to secure a continued supply of oil from the Gulf countries and minimize any threat to the Japanese citizens and enterprises in Iran and Iraq. Especially, as the Ministry of Finance and the Ministry of International Trade and Industry had a strong stake in the success of IJPC project, the Japanese government called for a solution to the conflict as early as possible through consultations in the U.N., through the mediation of non-aligned nations and the Islamic nations, but in fact, Japan was not in a position to bring about an end to the war.

At the outbreak, U.S. President Jimmy Carter suggested establishing a joint patrol by the Western allied nations of the Strait of Hormuz to ensure free navigation. A lively debate ensued in the Japanese Diet in reaction to this suggestion and the government declared that it was unconstitutional for Japan to participate in the joint patrol or send forces for collective defense, but there was a strong assertion in the Ministry of Foreign Affairs that the Constitution did not prohibit Japan from sharing the cost of holding such a multi-national patrol team.

Concluding Remarks

We have outlined Japan's relations with the Middle East, the impact of the oil crises on its policies and debates in the Diet concerning them. In concluding this paper, a few remarks should be added on the weak points of Japanese policies toward the region.

The first point is that, despite the enormous increase in the economic interaction between Japan and the Middle East, accurate knowledge or understanding of the region remains limited in Japan. Not to mention the widespread low profile of the region in the Japanese mind, there is yet insufficient study on the society, culture, and the political and religious climate of the region. The ability to amass and analyze information

(36) Gekkan Kokusaimondai Shiryo, November 1980, p. 89.
(37) Shiggin Anthoshō Tokubetsuinkai Kaigiroku (Proceedings of Special Committee on Security, the House of Representatives), October 21, 1980, p. 9.
concerning the region is not systematized. As a consequence, the Japanese tend to be surprised by sudden changes in the Middle East situation and have had to resort to patchwork policies.

The second point is that a large perception gap seems to exist between Japan and the Middle East. Whilst Japan tends to emphasize the difference between itself and the Middle East countries socially and culturally, the people of the Middle East tend to assume closer affinity and greater similarities as both are Oriental. In other words, the Japanese think of their relationship with the Middle East in terms of oil trade, while the people of Middle East consider Japan a major power in the same sphere of influence, the Asian region, and expect it to play a more active role in issues of mutual concern such as the Palestinian question. As this perception gap widens, there is always the danger of mounting dissatisfaction among the people of the Middle East leading to negative impact on Japan's policy toward the region. Already some leaders in the Middle East feel that since Japan is concerned only with short-term interests to secure an oil supply, it is very easy to apply pressure to and manipulate Japan.

The third point is the dilemma Japan faces to reconcile its desire to maintain an "independent" policy and to keep its position as an ally of the United States. The U.S. tends to consider the political upheaval in the Middle East in the context of East-West rivalry, and therefore emphasizes the Soviet "threat" to the region. It is important, however, to note that most of the turbulence in the Middle East occurs as a result of internal reasons and not at the instigation of the Soviet Union. In addition, the special connection of the U.S. with Israel does some times act as an obstacle to the just solution of the Middle East conflict. Recognizing this fact, Japan needs to make efforts to establish its own Middle East policy in a more long-term framework and make its standpoint more clear to the outside world.

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