CHAPTER - III
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Japan - Middle East Relations After The Oil Crisis - From Tour Diplomacy To Resource Diplomacy

The 1973 Oil Crisis clearly demonstrated how the Arab oil could be used as a political weapon. The Arab countries linked the supply of oil with their political demands and selectively used it against the oil dependent industrialized countries to force them to support their on-going struggle against Israel. Although the oil weapon was not sharp enough to compel the targeted countries to accept all the demands of the Arab countries, it created an energy crisis world-wide. With the lifting of oil embargo on the United States in March 1974, the oil crisis came to an end, but its economic impact severely affected even the Western industrialized countries and Japan. An almost four-fold price hike effected during the crisis and in the year 1974\(^1\) created balance of payments-problems, aggravated inflation and hampered the industrial growth of these countries. According to an OECD (Organization for Economic Co-Operation and Development) Report, the rate of economic growth in real terms of its member countries—the U.S, Britain, France, Germany, Italy, Canada and Japan — as a whole in 1974 was minus 0.1 percent. The Consumer Price Index rose about 14 percent and that deficit in the Current Account of these countries

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\(^1\) The average price of imported oil in Japan increased from $ 3.31 per barrel in September 1973 to $ 5.119 during the crisis in October 1973. In 1974, the price further increased to $ 11.47 per barrel. Source: *Energy in Japan-Facts and Figures*, MITI and Agency of Natural Resources and Energy 1998. p.10.
totaled $34000 million\textsuperscript{2}. Besides this, the oil scarcity which could make adverse effect on their industrial development in future really tempted many countries to review their policies towards the Middle East region.

Further, the oil crisis invited the world attention to the Middle East region and its decades-old political issues as well as its economic potentialities. Since the region's problems were mostly the creation of the major world powers, much depended on the developed countries for their settlement. Since the Arab oil was indispensable for the economic development of many countries, and the oil became a weapon in the hands of its producers to settle the Middle East issue, it was necessary for the world nations to find out an early solution to the problems. It was feared that the effectiveness of the oil weapon might tempt the Arab world to use it against the industrial world again if the issues remained unresolved. Such a step would be unaffordable to many countries as it could seriously affect their economic development.

Another fallout of the oil crisis was that it strengthened the producing countries' hold over the oil production and supply. With the crisis a situation was created that hence-forth neither the region's oil wealth could solely be exploited by the Western world nor could it be

obtained by their companies easily by paying a low and market manipulated price. This sudden development along with the economic impact of the oil shortage, affected many countries, and particularly alarmed the oil-dependent countries like Japan which was largely depending on these Western oil companies. The oil dependent countries became aware of these new realities that they were going to face in the coming years. The increasing clout of the Organization of Arab Petroleum Exporting Countries (OAPEC) in controlling the oil production and regulating the oil prices became more evident. It indicated that from now on, it was the oil producing countries, and not the Western oil companies which would control the world oil market. The unity and solidarity displayed in using the oil as a weapon and maintaining its effectiveness by selective applications also brought out that the Arab world was more united than ever. It also showed that they became more conscious about the economic value of the oil and their right to decide the price of their precious commodity. It also became clear that with their new political unity and economic strength, the Arab world emerged as a more effective regional political bloc and an economic force to be reckoned with. Hence, the role of the Arab countries in the shaping of the world economy and international relations would be more visible and their voice more decisive.

Although the political storm created by the oil crisis began to subside by the convening of the Geneva Conference on 21 December
1973\(^3\) and the economic chaos resulted from the crisis slowed down with the lifting of the oil cut, the actual political problem plaguing the region remained alive. The economic instability created by the oil price hike also continued to disturb the economies of many countries. Soon the industrial world realized that it could no longer treat the Middle East region as a mere oil reservoir. It also became aware that the region's political problems could not be ignored or be dismissed as local issues. This realisation changed their perception of the Middle East and particularly of the Arab World. This changed outlook and the need for satisfactory political solutions to the Middle East issue to ensure the undisrupted supply of oil to the outside world tempted more and more countries to review their Middle East policies. This invariably resulted in a change of attitude towards the Palestine question and to the occupation of Arab territories by Israel. This in turn created a pro-Arab shift in the foreign policies of many countries, at least for the time being.

For Japan, the oil crisis was a traumatic event in its post-war history. Unlike many other industrialized countries, the crisis affected its economy very seriously. Japan had to take immediate remedial measures including a new energy management policy. Since Japan was heavily dependent on the imported energy source and 80% of its

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3 The Peace initiative was started by the U.S. Secretary of State, Henry Kissinger with his six-point cease-fire agreement between Egypt and Israel. After the Geneva Conference, the first disengagement agreement between the two countries was signed in January 1974, and between Jordan and Israel in August 1975. Source - Henry Kissinger- *Years of Upheaval*, New Delhi, 1981.
oil import was from the Middle East, friendly relations with the oil-rich Arab World became more necessary and urgent than in the case of other industrialized countries. The economic hardship caused by the oil crisis already exposed the hollowness of its low-profile relations with the Arab World. As the Arab oil now got mixed up with their political demands, Japan's policy of separation of politics from business (Seikei bunri) also became irrelevant and non-workable, particularly in the case of the Middle East. The American inability to save Japan from the oil crisis exposed the limitations of the U.S.-Japan alliance and the fruitlessness of blindly following all U.S. policies in the Middle East. Besides, the political leadership had to face the domestic criticism that Japan was lacking an independent foreign policy and that the oil shortage was caused by its short-sighted policy towards the region. All these factors compelled the Japanese policy makers to think seriously of the need for a review of Tokyo's policy towards the Middle East region as well as its own energy policy. But a comprehensive review of its Middle East Policy was not easy, as it involved several delicate factors like the contentious Palestine issue and involvement of the super powers, the progress of the peace process, etc. Above all, “the U.S. alliance impose(d) serious constraints on (Japan’s) independent action in the Middle East”\(^4\).

As it was already proved that friendship with the Arab world was essential to ensure its oil supplies, Japan's immediate concern was how to establish that friendship without intervening in the Middle East issues politically. Luckily, for Japan the time was more opportune. Soon Japan laid the framework for establishing better and closer economic relations with the Arab world. After the crisis the Arab world was trying to expand its influence by ensuring friendship with as many countries as possible. The internal situation was also encouraging as the anti-Arab and pro-U.S. – Israeli lobby in the Foreign Ministry was under attack from various quarters. The pro-Arab lobby headed by the Minister of International Trade and Industry (MITI) Yasuhiro Nakasone and the powerful business lobby were exerting pressure on the policy making bodies for a pro-Arab shift. They wanted to keep up the success of the Miki mission and to lay the foundation for a new phase of friendship with the Arab World. The November 22, Statement by the Chief Cabinet Secretary and the tour diplomacy undertaken by the Deputy Prime Minister, Takeo Miki were primarily aimed at getting Japan exempted from the on-going oil cut. But the doubts they could clear about Japan's attitude towards the Middle East issues and the economic assistance offered to both the oil rich and economically weak Arab countries were able to give a picture of a policy change in favour of the Arabs. Hence, the pro-shift lobby

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See, Appendix-D, Nikkaido Statement.
wanted to make use of the opportunity by inscribing the picture of the policy change so legibly and deeply in the Arab mind. They argued that a simple friendship was not sufficient enough to guarantee the undisrupted supply of Arab oil to Japan. A stronger relation with the pro-shift image would ensure its oil interest as well as its other economic interests in the Middle East.

Meanwhile, a further steep hike in oil prices announced by the OAPEC came into effect. The new reality that, henceforth Japan had to spend a very large amount of foreign exchange to obtain oil, not from the Western oil companies, but directly from the oil producing Arab countries was making the Arab friendship inevitable for Japan’s economic survival.

All these factors convinced the Japanese leadership and policy planners of the need to evolve a new Middle East Policy, without annoying the U.S. much and as far as possible within the parameters of the U.S. – Japan alliance. Accordingly, Japan visualized a new post-crisis policy towards the Middle East with special focus on the Arab world. It was centered around the question of how to ensure active and friendly relations with the Arab World to safeguard its oil interest. The main ingredient of the new policy was to maintain the impression of the policy change in favour of the Arab World, by engaging them with high level diplomatic activities with the offer of economic and technical co-operation. The Japanese policy makers believed that such
a policy would eventually help it to develop wide and deep economic relations. Since the Arab economies were expanding at a high speed due to their new found oil wealth, more and more economic and technical co-operation would open up a variety of economic activities that could benefit Japan. This could automatically ensure Japan’s vital role in the economic development of the Arab World and the inflow of Arab Capital to Japan.

The other feature of this policy was to attract many of the economically weak Arab countries by offering them financial assistance in their development activities. This policy could enlist the support of these countries to Japan in the Arab World should another crisis occur.

Japan also visualized a new political approach to solve the Palestine issue to safeguard its larger political interest, without offending the U.S., because, a tension-free Middle East was not only conducive for the expansion of its economic relations in the region; it was also necessary for Japan’s overall economic development as well as the country’s defence. Japan realized that the present UN-sponsored cease-fire was no guarantee for peace and security in the area and hence the undisrupted supply of oil. Since the movement of oil tankers from the region was more necessary for Japan than any other industrialized nations, it was also Japan’s obligation to ensure a peaceful atmospheres in the region. Japan noted that the Arab resolve
to use oil as a political and economic weapon and their growing economic strength and political unity might result in the large-scale militarization of the region. Since the U.S. was committed to the survival of Israel, a large-scale conflict would invite U.S. intervention in the region. In the prevailing cold-war conditions, the communist bloc might also come to the help of its Arab allies leading to a conflict between the two Super Powers.

Japan knew that such a scenario would not be in its own interest. Being a non-military power and not an arms exporter, the militarization of the region was not going to help Japan economically. Since Japan was not in a position to provide arms to these countries, the Arabs were likely to approach the European countries as well as the communist bloc and their relations would become closer.

Japan also realized that the involvement of the super powers and the increasing tension in the region would change the nature of the cold war and pose a serious threat to the security of Japan. Since Japan was under the U.S. security umbrella, any reduction or shifting of U.S. forces from the East Asian region to West Asia would put Japan's security interest in danger. Further it could push Japan more to the U.S. fold for security cover. In such a contingency Japan's allegiance to the United State would get further strengthened and harm its efforts to build up close and friendly relations with the Arab World.
Japan felt that as its policy of separation of politics from economics was no longer applicable in the changed international conditions, it would not be wise to remain a passive spectator and to allow tension to build up in the region which would go ultimately against its own interest. Hence, as a peace-loving nation, it was also Japan's duty to prevent any further large-scale tension in the Middle East and contribute to world peace and security.

But, at the moment, Japan's ability to politically intervene in the Middle East issue was very limited. The Arabs wanted Japan's diplomatic and military assistance to solve the Palestine issue and to regain the lost territories from Israel. As Japan was constitutionally barred from extending military help to any countries, the question of military assistance did not arise at all. Considering the larger political issues involved and the role of its closest ally, the US, in the area, Japan was very much constrained to initiate any diplomatic move in favour of the Arab demands for the cessation of relations with Israel. Since the commencement of the crisis, the U.S. and Israel had been mounting heavy pressure on Japan not to succumb to any political demands of the Arabs for the sake of oil. Japan's special relationship with the United states and its business contacts with the influential Jewish community thus prevented it from taking any unilateral action

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6 Discussed in Chapter II.
to appease the Arab World. In fact, the traditionally pro-American bureaucracy in the Foreign Ministry was also working against Japan moving closer to the Arab World.

Thus Japan's options were limited. It did not have much to offer politically except to reiterate its support to the UN Security Council Resolutions 242 and put pressure on Israel and the U.S. for its early implementation. Japan knew that these resolutions and statements alone would not solve the problem and bring both the parties to the negotiating table. Its international political stature and clout were very limited despite its economic strength. Moreover, in the prevailing conditions it was not easy to prepare a political stage and bring the warring parties to the negotiating table as the legitimacy of the Palestine representation was not established. It was true that since the oil crisis exposed the utility of the U.S. – Japan alliance a strong public opinion was emerging in Japan against blindly supporting all U.S. policies in the Middle East. But Japan was bound to act within the general framework of its special relationship with the United States. Hence, even if Japan acquired a political role, it was to be linked with the U.S. policy.

Japan's post-crisis policy in its early stage was thus limited only to high level economic relations and diplomatic visits. The modus operandi of this policy was based on the experience of Miki mission. The success of that mission convinced the Japanese leaders that
economic and technical cooperation with oil rich Arab countries (also Iran) and financial aid to economically weak Arab nations could influence the Arab leaders and the people alike. Along with this, the promotion of high level political and diplomatic visits would help to maintain the present posture of pro-Arab policy. This finally led the policy planners “to promote relations of friendship and co-operation with those (Arab) countries through cultural interchange and economic and technical co-operation”7. This co-operations was sought to be promoted without affecting the US interest in the Middle East. The Japanese leaders also hoped that once the diplomatic and economic relations improved, Japan’s image in the Arab world would also gradually improve. Thus Japan’s role as a friendly country in the Middle East peace process would be accepted by the concerned parties and the international community. Over a period of time, Japan would emerge as an important player in the peace making process without any opposition from the Arabs or Israelis.

Japan also planned to review its existing energy policy along with other oil-dependent countries. Since the imported oil was neither cheap nor easily available, the new energy policy was aimed at evolving a strategy that would reduce the dependence on imported petroleum products. The important parts of this policy were to

minimise the domestic energy consumption, find out alternative energy sources both internal and external, and adopt a collective strategy in cooperation with other oil dependent countries to deal with such oil crisis in the future.

However, the new energy policy which aimed at large-scale reduction of imported petroleum products and diversification of energy sources did not succeed much. As most of the Japanese industries were oil-based and were fast expanding on a large-scale, any substantial cut in oil consumption would affect the industrial production and its economic development. There was no alternative energy source available except the once discarded coal. Nuclear energy was another important source which was discussed vigorously. But the public allergy to the development of nuclear energy even for peaceful purpose stood in the way. It was uneconomical and practically impossible to revert back to coal as an energy source and to make it suitable for industrial use. Japan’s search for oil other than in the Middle East region, especially in the South East Asian

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region was delayed\footnote{Japan signed an agreement with Indonesia for the Supply of 7.5 million tons of LNG a year from 1977. But the project got delayed due to the allegation of bribe to the officials of Indonesian Govt. LNG Importers worried over Report’ Japan Times Weekly 4 September 1976, p. 10.} and the other available sources like Soviet Union was not dependable for a long period\footnote{An agreement was signed in 1975 with the Soviet Union for the exploration of natural gas and oil from Sakhalin’ Japan USSR LNG from Sakhalin’ Japan Times Weekly, 4 September 1976, p. 9. But considering Japan’s relations with the Soviet Union over the Northern Islands issue and in the context of the prevailing cold war politics, this source was not dependable.}. A New World energy policy was emerging under the initiative of the United States. As the U.S. strategy was intended more to tame the OAPEC than to find out a workable solution to the growing energy needs, Japan was not optimistic about its outcome. Since the oil crisis had already shown Japan the effectiveness of the Arab weapon, it was not interested in any confrontation with the OAPEC. The bitter experience of the crisis made Japan very reluctant to become a party to any action against the Arab world.

In short, Japan’s position was so critical that it had no other options, but to depend upon the Arab countries. Hence, its post-crisis policy towards the Middle East region had to rest on more cordial and active relationship with the Arab world. Since the Palestine issue and the Arab-Israeli conflict created tension in the region and its ally the U.S. was actively involved in them, it was quite challenging a task for Japan to work on such a relationship.
3.1 The Tour Diplomacy

Japan's Middle East Policy immediately after the crisis, was focussed on high level economic relations with the Arab world supported by an active tour diplomacy. As a follow-up of the Miki mission, Yasuhiro Nakasone visited Iran and Iraq in early January 1974. The speaker of the Lower House, Shigesaburo Maeo and 3 Diet Members made a visit to Egypt and Kuwait from January 10, 1974, and signed economic cooperation agreement with them. Iran promised to supply 160 million tons of oil over the next ten years in exchange for a loan of $1 billion. Japan also pledged $1.5 billion credit to Iraq, which also agreed to supply Japan crude oil products and LPG. Then a former Foreign Minister Zentaro Kosaka visited eight more Arab countries—Morocco, Algeria, Tunisia, Libya, Lebanon, Jordan, Sudan and Yemen as a special envoy of the government, which were not covered by Miki. In October, Education Minister Okuno visited Morocco. In November Foreign Minister Toshio Kimura visited Egypt.

All these high level visits in quick succession covering almost the entire Arab world and Iran brought Japan closer to the Arabs. The huge financial aid and technical co-operation offered by these politicians further strengthened Japan's relations and provided a strong base for active and wide ranging economic relations. On the

political front, Japan expressed concern at the plight of the Palestinian people and offered financial help to ameliorate their hardship. It also showed serious concern about the Arab-Israeli dispute and expressed its willingness to work towards a peace settlement. These measures were a clear departure from its pre-crisis policy, when it left everything to its ally, the U.S. These measures could somewhat impress the Arab side. This was evident by the visits of Ahamed Yamani, the Minister of Petroleum and Mineral Resources of Saudi Arabia, and Belaid Abdessalam, Minister of Industry and Energy of Algeria to Japan in January 1974.\textsuperscript{14} The visit of the high profile and very influential oil minister of Saudi Arabia indeed helped consolidate the pro-Arab image and opened up a new era of friendship with the Arab countries. Japan signed with Saudi Arabia an economic cooperation agreement that included the establishment of Joint Ventures in the industrial sector\textsuperscript{15}.

However, the tempo created by these tours and aid diplomacy did not last long. The pro-U.S. forces in Japan started criticizing Japan's assistance as neither well planned nor co-ordinated. The Finance Ministry expressed its difficulties in disbursing the various financial commitments due to lack of sufficient foreign exchange reserves. The officials of the Foreign Ministry, the majority of whom

\textsuperscript{14} Diplomatic Blue Book 1974, p. 39.
\textsuperscript{15} Tetsuo Hamauzu , p.74.
were pro-U.S., exploited the Finance Ministry’s difficulties and tried to withdraw the aid commitments.  

Meanwhile the United States undertook some damage control activities. Even though the oil embargo did not affect it, the U.S. became very much concerned about these developments. The Arab unity expressed through the OAPEC oil cut and embargo was considered as a challenge to the American primacy in the Middle East. In the prevailing cold war atmosphere, the emergence of the Arab world as a single bloc with increasing radicalism and anti-U.S. feeling was considered inimical to the U.S. strategy to contain the influence of the communist bloc. The diminishing role of the Western oil companies and the growing assertiveness of the oil producing countries were also regarded as developments endangering its position as the principal world power.

Hence, the U.S. envisaged a new oil strategy that centered around how a similar oil shock could be avoided or its effect lessened on oil dependent countries in future. This strategy was not the result of any genuine concern for the ill-effects on the developing economies. On the contrary, it was a part of its long-term strategy to prevent the emergence of the Arab world as a regional political bloc and a powerful

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16 Kenneth I. Justner- Foreign Policy Making During the Oil Crisis : Japan Interpreter vol. 11. No.3, 1974, p. 308.
economic factor. It was also aimed at depriving the Arabs of the only weapon or to reduce its sharpness in the future action.

The United States, which had failed to enlist the support of Japan and West European countries except Britain, in its earlier attempt in May 1973\(^\text{17}\), now saw the present atmosphere more suitable due to the sufferings of the oil shock and the unprecedented price-hike of the oil. President Nixon called a conference of oil consuming countries in February 1974, to deal with the increasing oil price hike and the Arab threat of the oil cut. The pro-US elements in Japan's Foreign Ministry argued in favour of attending the conference, saying that it would help to improve Japan's relations with the U.S. which was unhappy with Tokyo for its direct dealings with the Arab countries. They also dismissed as negligible the pro-shift group's misgivings that the Japanese participation in the Conference would invite Arab displeasure and it might affect the recently improved relationship with them. Japan, however, took a very cautious approach while attending the Conference held in Washington on February 11 to 13, 1974. In his opening address, the Foreign Minister Massayoshi Ohira emphasized the dangers of confrontation with the oil producing Arab countries. At the same time he stressed the importance for acknowledging "the need of each country on the one

\(^{17}\) 'Japan opposes U.S. move for oil consumers cartel' – Hindustan Times (New Delhi), May 11, 1973.
hand and the maintenance of world economic order on the other, in
participation in oil transactions". The conference did not produce
any immediate solution to the energy problems. It only provided for
detailed negotiations and agreements between the oil depending
countries resulting in the formation of International Energy
Programme in October 1974. As a part of these negotiation and
agreements, the economic experts from the US Council for Economic
Advisers and the Japanese Economic Planning Agency met at Tokyo
on April 23, 1974, and agreed to pursue policies of stocking crude oil
and other natural resources to cope with the energy crisis.

For sometime Japan's participation in the Washington
Conference, gave an impression that Japan might once again be in
line with the US politics. The developments which followed since then
showed that both Japan and the Arab countries were very much
committed to improving their relations. Far from showing any anxiety
about Japan's participation in the Washington Conference the Arab
side continued its cordial relations. This was evident from the visit of
other Arab dignitaries to Japan. Abdul Kader Hatem, Deputy Prime
Minister of Egypt, visited Japan in February 1974. Then the Crown
Prince Hassan of Jordan visited in May. Habib Chatti, Foreign

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18 Foreign Minister Ohira's statement at the Washington Conference of Oil Consuming
Nations, on 11 Feb, 1974 (Quoted in Kenneth I Juster, Foreign Policy Making during
the oil crisis Japan Interpreter vol. 11. No. 3, 1976, p. 309.

19 'U.S.-Japan Accord on oil' Hindustan Times April, 24, 1974.

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Minister of Tunisia, visited Japan in July 1974. In August, Hikmat Al-Azzawi, Minister of Economy of Iraq, came to Japan and signed economic and technical cooperation agreements. Japan also signed agreements on yen credits with Egypt in July 1974 and Jordan and Algeria in December. Ahmed Laraki, the Foreign Minister of Morocco visited Japan in the same month. Then, the Minister of State of Bahrain, Hussein Al-Bahara and special adviser to the Sultan of Oman, also visited the country. After the visit of Prince Sharam, nephew of the Shah of Iran, in May, Japan concluded an agreement with Iran on visa exemptions which came into effect from October 1974. In the same year Japan added three diplomatic missions in the region in addition to the existing 15 missions in the Middle East. It opened Embassies in the Kingdom of Jordan, the United Arab Emirates and Qatar (with concurrent status). In Tokyo, two more Arab embassies — Kingdom of Jordan and the Peoples Democratic Republic of Yemen — were established. Besides the exchange of visits and economic and technical co-operation, the importance Japan attached to the Middle East region was reflected in the Foreign Ministry set up. The Foreign Ministry created a post of Special Assistant in the Middle East and African Bureau and put under his charge 11 countries including Iraq, out of the 22 countries handled by the Middle East Division. Thus, by the year 1974, Japan—Middle East relations became

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very vigorous and warm with various diplomatic and economic activities\textsuperscript{21}. For Japan, besides the oil, the region was becoming economically important. As the region’s political stability and peace were closely related to Japan’s economic development, the issues affecting the Middle East also became a factor in Japan’s policy formulation.

3.2 Political Relations

As the Palestine issue and the occupation of Arab territories by Israel were the main causes of the outbreak of the fourth Arab-Israeli conflict and the subsequent oil crisis, the political relations of most of the world nations with the region centered around these two issues. Japan was not an exception. Its policy towards these issues was mainly based on the U.N. Security Council resolution 242, and the November 22 statement of the Chief Cabinet Secretary\textsuperscript{22}.

Before the oil crisis, Japan had not taken any serious efforts to get the UN resolution implemented despite the fact that the resolution was initiated during its chairpersonship of the Security Council and that Japan was a supporter of the resolution. Because of political compulsions, especially from its ally, the United States, Japan was treating the Palestine issue, which had created the conflict between

\textsuperscript{21} Ibid, p. 40.

\textsuperscript{22} See Annexure –D Nikkido Statement of November 22, 1973.
the Arab and the Jews, as a local issue confined to the region only. Japan never bothered to address the root cause of the problem and to work for a permanent solution. Since it had not been directly involved in the creation of Israel, Japan was following a policy of non-interference. But Japan’s support to the U.S. policy in the region was indirectly helping Israel and its anti-Arab positions, as the US was a staunch supporter and the closest ally of the Jewish state.

The 1973 oil crisis dramatically changed the Middle East situation. The world community, which was turning a blind eye to the Palestine issue and the continued occupation of Arab territories by Israel suddenly woke up because of the oil scarcity. As a result, Japan had to chart out a new policy marginally deviating from its earlier pro-U.S.-Israel policy. Initially this tilt was effected not out of concern for the plight of Palestinians or the desire of a settlement in favour of the Arabs, but to ensure the Arab oil supply and was to safeguard its economic interest for the time being. But the favourable conditions created by this tilt in the Japan-Arab relations convinced Tokyo that if they were able to maintain this atmosphere, it would be advantageous for Japan. On the other hand, if Tokyo tried to continue its pro-U.S. and Israeli policies, it would once again keep the Arab World away from Japan and the newly emerged friendship would disappear. Japan also became aware that its present pro-Israel policy to please the U.S. would only strengthen the stubborn attitude of the
Jews and consequently it would lead to more Arab-Israeli conflicts. In such a situation, Japan would be the biggest sufferer.

Japan realized that mutual visits and offers of economic co-operation alone would not help to maintain the projected pro-Arab shift. It was also necessary to show some political interest in the region's affair. Since its attitude towards the Palestine question was the main reason for labeling Japan as a non-friendly country, it was all the more important to take some political measures to erase the unfriendly picture from the Arab mind. It also began to see that "the Middle East conflict was not a simple local conflict and that it was seriously affecting the peace and prosperity of the world". Japan understood that the struggle by the Palestine people for a homeland and the Israeli effort to deny them their legitimate right really constituted the basic problem behind the Middle East crisis.

Japan also realized that if the democratic world continued to neglect the Palestine issue, it would lead to frequent conflicts. This would provide more opportunities for the Soviets to penetrate this strategically important region. The Soviet could attract many Arab countries to their fold. Such a scenario would make the issues more complicated and difficult to solve. Therefore, it was also Japan's duty

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to avoid such a situation by helping a political solution to the core Middle East issues.

Meanwhile, the Seventh Arab Summit Conference held in Rabbat from 26 to 29 October 1974 "affirmed the right of the Palestinian people to return to its home land and to define its self determination". It also affirmed "the right of the Palestinian people to establish an independent national authority under the leadership of the Palestine Liberation Organization as the sole legitimate representative of the Palestine people in all liberated Palestine territory. The Arab states will support this authority upon its establishment in all respects and degrees. 24"

Since the P.L.O was recognised as the sole representative of the Palestine people by the Arab countries, Japan began to see the PLO as the main organization representing the Palestine people 25. In its view, the PLO stood at the center of the Palestine issue and possessed a leading role in settling the problem. It also considered PLO as the main player from the Arab side in the Middle East dispute. Since Palestine was emotionally and politically connected with the Arabs, Tokyo felt that a link with PLO could bring Japan closer to the Arab world politically. It could also help Tokyo play a role in the settlement

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24 Keesinger Contemporary Archives, vol. 20, November 18-24, 1974, p.26813A.
25 "Japan recognizes the Palestine Liberation Organization (PLO) as representing the Palestines and considers it appropriate to recognize the participation of the PLO in peace negotiations as a party to the Middle East conflict and especially the Palestine question", Diplomatic Blue Book 1976, p. 57.
of the Middle East issue. But Japan’s relations with the PLO could complicate its relations with Israel and the U.S. Therefore, Tokyo was very cautious in its dealings. It tried to strike a balance with the two warring parties whenever a contentious issue cropped up.

Meanwhile the international concern for the Palestine people continued to increase and was generating pressure for an early solution. With the recognition of the PLO as the “sole and legitimate” representative of the Palestine people, its importance as one of the parties in the Arab Israeli dispute also increased. During the 29th session of the U.N. General Assembly, the Arab countries introduced two resolutions concerning Palestine. One resolution was in support of the right of self-determination for the Palestine people26. The other Resolution was a proposal for observer status for the PLO at the UN27. Initially, Japan did not see any problem in supporting these two resolutions, because it had already recognized the Palestine rights in its Middle East policy. Moreover, Japan hoped that the PLO’s presence in the U.N. would facilitate a informal dialogue with Israel and might

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26 General Assembly Resolution 3236 (xxix) on self-determination to the Palestinian people, 22 November 1974. The resolution was carried by 89 in favour, 8 against with 37 abstentions (including Japan)
27 General assembly resolution 3237 (xxix) Observer Status to the Palestine Liberation Organization, 22 November 1974. The Resolution was adopted by 95 for 17 against (including Israel, the US, Canada, and some west European and Latin American countries) with 19 abstentions including Japan.
open discussion among the parties most concerned over the Arab Israeli dispute\textsuperscript{28}.

But when the resolutions were put to vote, Japan abstained from voting in both cases. The last minute abstention was a real surprise for many countries as Japan had already supported the main subjects of the Resolutions. Japan's justification for this shift was that it wanted to maintain a balance between Israel and the Arab world. According to the then Foreign Minister, Toshio Kimura, the first Resolution was void of any reference to the right of Israel to exist. The other explanation was that, "we always abstain if a resolution does not give sufficient regard to the positions of Israel or is (otherwise) one sided"\textsuperscript{29}. This was the first major political issue where the Arabs got a chance to test Japan's faithfulness to its new 'Arab policy'. Hence, Japan came out with more and more explanations to justify its actions. Japan's Ambassador to the United Nations, Shizuo Saito's explanation was that "even though Tokyo was in full agreement with the principle and spirit of the Resolution, it had failed to reaffirm the UN resolution 242, which stipulated the right of Israel and other principles basic to a peaceful solution of the Middle East problems"\textsuperscript{30}.


\textsuperscript{29} Quoted in Michael Yoshitsu, p. 14.

\textsuperscript{30} Asahi Shimbun (Tokyo) November 11, 1974, p.1.
Japan's reservation with regard to the second resolution, was that it offered more than the observer status to PLO. Here, Japan suspected that the Arab countries introduced the resolution in a way that would treat PLO as a country instead of a non-governmental organization. Therefore, a 'yes' vote from Japan would have meant formal relations with the PLO.

Notwithstanding the Japanese explanations, its decision to keep away from voting was considered as a manifestation of U.S. influence over its Middle East Policy. Despite the Japanese justification for its sudden change, the Arab countries viewed its action seriously. They once again began to see Japan as toeing a pro-Israeli line. Since Japan had not fully recovered from the oil shock and was in the process of opening up new relations with the Arabs, it wanted to erase this pro-Israel label at the earliest. Incidentally, the internal political developments during this period helped the pro-Arab faction to work for necessary damage-control steps and bring back the relations with the Arabs on the friendly track.

3.3 Japan and the PLO

On 26 November 1974, Prime Minister Tanaka resigned his post following a prolonged domestic controversy arising out of the Lockheed pay off scandal. This unexpected political development culminated in the elevation of Miki as the Prime Minister on 9
December 1974, Miki had been the Foreign Minister when the UN resolution 242 was adopted. He had also been instrumental in shaping Japan's pro-Arab shift during the oil crisis. Hence, when Miki became the Prime Minister he naturally advocated a pro-Arab policy and spoke of the need to achieve a lasting peace in the Middle East. In the opening remarks of his policy speech at the 75th Ordinary Session of the Diet in January 1975 itself, Miki referred to the Middle East problem and Japan's deep interest in finding a solution to this problem. He clearly understood the role of the PLO in the Middle East peace process. On 5 February, Miki expressed in the Diet, Japan's willingness to entertain a request from the PLO to establish an office in Tokyo in the light of the UN recognition to grant the Organization an Observer status. His offer of an office in Tokyo was based on his belief that the PLO represented the Palestinian people and that a direct contact with PLO would help Japan to establish friendship with the Palestinian people, whose fate was linked with the Arab world. Miki also believed that a permanent peace in the Middle East could be achieved only with the active participation of the United States to work out an agreement between Israel, Egypt, Syria, Jordan and the PLO on a Palestinian homeland. In such an event, a PLO office in Tokyo would enable Japan to contribute to the prospects of the Palestinian homeland with necessary financial aid.

However, Miki was not ready to accept the PLO as a nation. Although it represented a population, it was without a recognized territory or basic set of laws which required for the international recognition as a state. Further, Japan feared that such a recognition of PLO was untimely and would lead to strained relations with the United States. Hence, Miki wanted to effect a delicate change that would not offend the US. According to Miki, “we would not have to bring up the matter of the PLO office in Tokyo in our talks with Washington, as long as we did not establish diplomatic relations with the PLO”\textsuperscript{32}. Another reason Japan put forward in support of its refusal to accord the diplomatic status to the PLO was that, the Foreign Ministry was not sure whether it was the only organization that represented the Palestinian people. According to Koichi Tsutsumi, former deputy director of the Middle East and South West Asia Bureau, “The Japanese government is not in a position to decide what particular group of Palestinians is the only representative of the whole people ...... because we do not know this. There may be some other representatives. We know for a fact that the PLO is the most influential and largest body representing the Palestinian people. This is for certain. But we do not know whether they are the only representatives. .... It is a political stand”\textsuperscript{33}.

\textsuperscript{32} Personal Interview with Miki by Yoshitsu—Quoted in Michael Yoshitsu – p. 17.
Hence, in the early days of his prime ministership, Miki favoured informal relations with the PLO, because he believed that such a 'political stand' could keep Japan's special relations with the United States, intact. Further it could also improve Japan's image in the Arab world as a friendly country and a contributor to Middle East peace.

For the PLO, even an informal recognition by Japan was a welcome step. Since the early 70s, the Palestinians had been trying to use various Arab embassies as their information centres. Hence, Japan's offer of an office in Tokyo was a great help for the PLO to establish contacts with other non-Arab states for canvassing necessary support for its political cause. Above all, Japan could act as an economic model for their own future state. Japan's model of development and economic system was neither fully Western nor Eastern (Soviet bloc). According to the PLO visionaries, the U.S.-supported Iran or the Soviet-supported East European countries were not the ones which they wanted as a model state for the PLO. The PLO's perception about Japan as a successful non-Western economy and a possible donor of aid also tempted the PLO to get Japan's friendship. Although, the PLO leaders including its chairman were happy with the permission for opening PLO office in Tokyo, they continued their effort to get diplomatic recognition by Japan. But Japan showed no enthusiasm despite heavy pressure from friendly
Arab countries Miki did not even accept PLO's request for a formal invitation to its representative to Tokyo, as it would imply recognition of the PLO. Instead, the Prime Minister used his party, to invite the PLO for talks about an office^34.

On August 14, the PLO's representative, Shafiq Hout met the ruling party's Secretary General, Yasuhiro Nakasone, Foreign Minister, Kiichi Miyazawa and important officials of the Middle East Bureau of the Japanese Foreign Ministry. Their discussions were mainly centered around the diplomatic privilege attached to the PLO office. The Japanese officials headed by the Bureau chief Teruhiko Nakamura found themselves in a dilemma. For political reasons, the PLO office could not be given the diplomatic status. But again for political reasons, they could not allow the PLO office to function outside the purview of the customary rules and diplomatic behavior. The Japanese Government was concerned about a possible link between the Japanese Red Army and some of the radical group of the PLO. Hence, as a precautionary measure, Japan wanted the PLO to denounce terrorist activities of all kinds and give a promise that the PLO personnel stationed in Tokyo would not meet the members of the Red Army or any other ultra radical groups in Japan.

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^34 Interview with source 'A' by Michael Yoshitsu.
The official apprehension was that if the PLO remained outside the diplomatic behaviour, it might feel free to criticise the Japanese policy. This would spoil the relationship with the PLO as well as with the PLO supported Arab countries. Hence Japan wanted that the PLO should refrain from airing criticism of Japanese foreign policy even if PLO office would have to remain without the embassy status. The other problem related to PLO's terrorist link.

While dealing with these political and diplomatic issues connected with the opening of the PLO office in Tokyo, Japan put forward one very important and sensitive demand. It wanted mutual recognition between the PLO and Israel. To press for this demand, Japan tried to impress the PLO leadership that all Palestinians could not live in peace until the PLO and the Israel recognized each other. In fact, this recognition was the price Japan wanted from the PLO to allow it to operate in Japan. With this demand Japan wanted to demonstrate that it was neither an Israeli supporter nor a PLO sympathizer. It was just trying to bring both parties closer to ease tension in the Middle East by permitting the PLO office in Tokyo. Japan also hoped that such a posture would ward off any criticism from the United States and other pro-Israeli groups that Japan was moving towards the Arabs and entertaining the PLO at the cost of Israel.
Japan was not sure as to how the PLO would react to this demand. The Middle East Bureau Director then met the PLO officials with more concessions for its representative in Tokyo. Japan offered the representative 'the right to come to the foreign ministry and talk to the Japanese officials just like any other embassy person'\textsuperscript{35}, even though the representative could not claim any diplomatic privilege. Tokyo also conceded two more demands by the PLO regarding the guarantee on entry and exit, police protection and other facilities to their representative to work effectively in Japan. The other additional demand was that the Japanese government should issue an official statement on international support for the Palestinian cause. In return, the PLO was ready to recognize the right of Israel to exist within its "recognized territories". But the PLO was not ready to announce the recognition officially as it feared that the radical groups within the organization would oppose such a move and criticise its chairman, Yasir Arafat and other moderate leaders. Convinced of the threat perception and the possibility of taking over the Organization by the hard liners, Japan did not press for a public statement. On the other hand, Tokyo readily agreed to the demand for the office if the PLO reciprocated by accepting the demand for denouncing international terrorism and keeping away from any criticism of Japan's foreign policy.

\textsuperscript{35} Quoted in Michael Yoshitsu, p-20.
As regards the PLO's demand for the public statement for international recognition, a lot of confusion prevailed on both sides. According to Tokyo, Japan was ready to support "the legitimate right of self-determination for the Palestine people". For Japan the word 'legitimate' meant the Palestine's right to have an independent state. But, for the PLO, the right of self-determination meant the Japanese support to get back their home land from where they had been evicted, which meant not only the territories occupied by Israel in the 1967 war but the original territories earmarked for Palestine in the UN partition plan of 1948. Again, in Tokyo's view, "legitimate" also included mutual agreement to live in peace, which implied the PLO's recognition of Israel's right to exist. For tactical reasons, the PLO welcomed the first part of this mutual agreement to live in peace. But it was silent on the second part relating to the recognition of Israel. The discussion went on for months, and finally, Tokyo agreed to accept the major demands of the PLO. It was a gesture towards the PLO and a signal to the Arabs that the Japanese were sincere in their effort to work for a solution to the Middle East conflict. They also found out an indirect way to fulfill the PLO demand for an official invitation to its political division head, Farouk al Kadoumi to visit Tokyo. As he was to meet the Prime Minister and the Foreign Minister to discuss the subject on Tokyo office, the invitation amounted to an
official recognition to the PLO. Japan used the ruling party’s label to invite him to avoid such an eventuality.

Kaddoumi, came to Japan as a guest of the President of the Liberal Democratic Party. On April 21, 1976 he called on the Foreign Minister Kiichi Miyazawa. He accepted the suggestion of the new Middle East Bureau director, Hideo Kagami, that the PLO could promote friendship between the Japanese and the Palestinians by cutting its links with terrorist organizations engaged in hijacking and other international criminal activities. In his reply to this suggestion, he tried to distance the PLO from these organizations by saying that the PLO had no relations with any such incidents. He assured Tokyo that the PLO favoured diplomatic means to solve the problems. At the same time, he ignored Miyazawa’s suggestion for a direct dialogue between PLO and Israel to ensure a lasting peace in the region. He also called on Prime Minister Miki and got support for Palestine’s self-determination and Israel’s withdrawal from the occupied territories.

Even though the opening of the Tokyo office was opposed by the U.S. and Israel, negotiations between Japan and the PLO continued and finally the PLO got an office space in Tokyo. The office was opened on December 9, 1976. This event made a deep impact on the Arab world about Japan and paved the way for more political and economic

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interactions. From then on, the PLO-Japan relations came to be focussed on (a) how to get a home land for Palestine and (b) how to establish permanent peace in the Middle East by getting back the Israeli occupied Arab territories. Despite internal squabbles between the moderates and the radicals regarding the means to be adopted to achieve its goals, the Carter administration’s peace initiative gave a new hope to the PLO. The appointment of Cyrus Vance as Secretary of State in place of Henry Kissinger also improved PLO’s standing with the U.S. administration. But the success of the rightwing Likud party under Menachem Begin in the Israeli general election aroused some doubts. Begin was an advocate of Eretz Israel. Begin and his party pursued a hardline on the issue of vacating the occupied territories. According to Begin there was no Arab occupied territory, but it was only a liberated territory.

However, President Jimmy Carter’s diplomatic skill and influence over Israel created a meeting ground between Israel and Egypt, one of the key players in the Middle East and a loser in the 1967 war. This led to the Camp David agreement on September 17, 1978. Though this agreement was between Israel and Egypt as main parties, Japan saw this as the beginning of a change in the rigid attitude of Israel. Hence, Japan wanted other Arab states and the PLO to support the initiative. But the Arab League Summit convened in the first week of November 1978 in Baghdad opposed the Agreement.
According to the Summit, the agreements 'had taken place outside the framework of collective Arab responsibility and harmed the Palestinian cause violating the resolution of the Algiers, and Rabbit summit conferences\textsuperscript{37}. The Arab league meeting in March 1979, decided to punish Egypt for this bilateral agreement. It suspended Cairo from the Membership of the League and boycotted the Egyptian companies doing business with Israel\textsuperscript{38}.

But this was overshadowed by another development in Iran. The unexpected fall of the Shah of Iran diminished the chances of success of the Camp David Agreement and the peace process. On the one hand, the U.S. lost one of its trusted friends in the region and in that place an anti-U.S. fundamentalist regime was installed. The fear of the Iranian Revolution with anti-U.S. sentiments spreading to other parts of the Middle East forced many Arab rulers to harden their attitude towards the US and Israel. Thus, the hope of the Carter Administration that the pro-U.S.-Saudi and Jordanian Kings could be influenced to lessen the Arab opposition to the Camp David Agreement faded. Japan viewed this development as very unfortunate. For Tokyo, Camp David could have been more successful without the revolution in Iran.


\textsuperscript{38} Ibid.
Meanwhile, despite the promise in the Camp David Agreement in September that Israel would forge ahead on the issue of Palestine autonomy, on June 1979 Prime Minister Begin's government decided to establish a new Jewish settlement near the West Bank City of Nablus. This raised doubts about Begin's earlier promise to return the Palestine land. The Japanese worried that such actions by Israel would delegitimise the peace process and that the Arab opposition to the Camp David Agreements would be strengthened.

As the Camp David Agreement was opposed by the Arabs and the Israeli government began resettlement plan in the occupied territories, the Middle East peace plan once again moved towards another uncertain phase. Concerned with these prospects Japan wanted its relationship with the PLO to improve further, so that it could exert more pressure on the Organization and moderate factions headed by Yasir Arafat. Japan had a chance for this when the PLO Chairman, Yassar Arafat expressed a desire to visit Japan through his representative. Japan quickly responded though it was not in a position to extend an official invitation to Arafat. Here also Tokyo found out a way through the Japan Palestine Friendship Commission. The Commission was headed by a former Foreign Minister Toshio Kimura, and consisted of a group of Diet members who had close contacts with the PLO and the Arab states. Kimura was also sharing Japan's disenchantment with the Camp David Agreement without the
involvement of the Palestinians. According to him “you cannot achieve real peace in the Middle East unless you solve the Palestine issue”. He was also critical of the U.S. policy. Kimura felt that the U.S. policy only helped Israel in the short run and alienated the PLO moderates from the peace process in the long run. According to him this policy would only reduce the U.S. influence in the Middle East and its peace efforts. Therefore, he felt, “Japan should build an independent network of ties that would independently protect Japan’s interests in the Gulf area”\(^{39}\). For him the invitation to Arafat would be an integral part of that strategy. Hence by entrusting the task to Kimura, Tokyo opened up the way for Arafat’s visit to Tokyo, unofficially.

Kimura acted very swiftly and he soon sent an invitation to Arafat on behalf of the Japan Palestine Friendship Commission. He did not forget to inform the PLO that the diplomatic recognition could not be claimed or inferred from this invitation, as it was purely a non-governmental offer. Though Arafat agreed to this initially, he put some conditions later. The main reason for this change of mind was the French President, Valery Giscard d’Estaing’s visit to the Middle East. During his 11-day visit to the region, in March 1980 the French President declared his support for Palestine rights and the PLO participation in the peace process. He also indicated his interest in

\(^{39}\) Michael Yoshitsu – “Personal interview with Toshio Kimura, President of the Japan-Palestine Friendship Commission, July 28, 1981.
inviting the Palestinian chief to Paris as an unofficial guest without any diplomatic status.\textsuperscript{40} Thus, the PLO also insisted that the invitation from Japan should be initiated by the Japanese Prime Minister. But Kimura rejected the condition and the invitation was put in cold storage.

The outbreak of a sudden armed conflict between Iran and Iraq in September 1980 affected the Arab unity and it shifted the focus from the Palestine issue and Arab-Israeli conflict to Iran-Iraq war. The PLO feared that the Palestine issue would be submerged in the crossfire between the two Muslim countries. The conflict was threatening to affect both Iran's and Iraq's oil fields and refineries. The world attention was thus suddenly diverted to the oil production and its transportation through the Straits of Hormuz. Further, the war divided the Arab world. While Jordan sided with Iraq, Libya wanted Saudi Arabia to lend support to Iran.\textsuperscript{41} In an\textsuperscript{11} earlier occasion on the issue of Iranian seizure of the US embassy in Tehran led to friction between the two countries and finally it led to the breaking of the relation between Tripoli and Riyadh.\textsuperscript{42} These developments pushed the PLO into the background. Therefore, Arafat wanted to take out the

\textsuperscript{40} Michael Yoshistu – p. 25.
\textsuperscript{41} Asahi Shimbun November 19, 1980.
\textsuperscript{42} This also affected the unity of OAPEC - 'Oil minister Sheikh Zaki Ahamed Yamani walked out of the OAPEC meeting on 4 December 1979 in protest against the Libyan and Syrian resolution supporty Iran in its dispute with the US.
Tokyo invitation from the cold storage to attract the world attention to the PLO.

Then, the PLO Tokyo office representative Fathi Abdul Hamid started the negotiations with Kimura. Hamid tried to bring Japan closer to the PLO by requesting Kimura to attend the Palestine National Council meetings in Damascus to be held in December as a guest discussant. Hamid also pressed indirectly for diplomatic recognition for Arafat’s visit by saying that Tokyo’s support for the UN Resolution 242 was not enough. But Tokyo refused to heed the indirect demand for the recognition of the PLO. However, the Japanese Government gave the permission to Kimura to attend the Palestine National Council meeting in Damascus.

Meanwhile, seeing the need for peace and security in the area for the undisrupted flow of oil, Japan wanted an amicable settlement of the Palestine issue. As the Camp David Agreement (CDA) had already made a beginning for such a solution, Japan wanted to widen the scope of the CDA beyond the bilateral arrangements between Israel and Egypt. On October 6, Foreign Minister Masayoshi Ito told the U.S. Secretary of State Cyrus Vance of the need for an Israeli-PLO agreement on co-existence, to avoid the conflicts between the two. But the political uncertainty created by the incoming US presidential

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43 Quoted in M. Yoshitsu.
election in November and later the Israeli election blocked the chance of any initiative on the peace process. Still Japan continued its efforts. Foreign Minister Ito, Cabinet Secretary Kichii Miyazawa and the Middle East Bureau officials felt that Japan should take initiative to keep the peace process alive by contacting influential groups. Japan also tried to put pressure on Israel and the U.S. for necessary change in their attitudes towards the issue to enable the peace process to move further. Japan's plan was to build up necessary pressure through informal understandings. Japan was lucky enough to get a lead in this direction from the European Economic Community (EEC). The EEC at its meeting in Vienna on 13 June, 1980, issued an eleven point statement on "a framework for a comprehensive settlement in the Middle East". The statement called for "the recognition of the rights of the Palestine people" and termed the PLO as a party "which will have to be associated with the negotiations". Japan did not see any problem in supporting the EEC as the European Community was already committed to the security of Israel. Both the EEC and Japan felt the need for a broad based solution to the Palestine rights by widening the scope of the Camp David Agreement. They apprehended that any other measures without the participation of the PLO would only strengthen the Arab radicals and make a settlement difficult and create difficulties for Israel. The foreign ministry, thus, felt that a

Japan-EEC understanding in this regard would persuade the U.S. and Israel on the need for a comprehensive settlement. According to Koichi Tsutsumi, former deputy director of the Middle East and South West Asia Bureau, "the Europeans and Japanese feel that they (the U.S. and Israel) can not keep ignoring the PLO. It is more constructive to invite them to join the talks...."45.

This Japanese initiative was carried further, when the Foreign Minister Ito met the EEC heads of states in December 1980. During his meeting with them, Ito reiterated Tokyo's interest in working together in facing the challenges to world peace. However, the uncertainty in the new U.S. President Ronald Regan's Middle East policy and the election in Israel created a lull in the EEC-Tokyo initiatives.

Japan was thus trying to get a role in the Middle East Peace process by advocating a due place for the Palestinian people and the PLO. By doing so Japan expected to raise its diplomatic role in general and cultivate the friendship of the Arabs in particular, so that it would be able to maintain the pro-Arab shift in its Middle East policy and thereby promote its economic activities in the Arab world.

While it was trying to cultivate the Arab friendship through supporting the PLO, Japan also turned towards Egypt. With the

45 Quoted in M. Yoshitsu, p. 28.
signing of the Camp David Agreement, Egypt became a very important player in the Middle East peace process. The active support of the United States also helped Egypt to increase its international standing in the non-Arab world, as a peace loving country. Besides, Japan was having large-scale technical co-operation with Egypt and was one of the major aid recipients of Japan. Hence Japan was planning to send a minister to strengthen its relationship with Cairo. But the Arab League's boycott of Egypt worried Japan that such ventures would not be welcome to other Arab states. But the rift in the Arab world following the Iran-Iraq war came as a blessing in disguise as far as Japan’s plan to strengthen its relations with Egypt was concerned. It hoped that in the present situation, such a visit would not make much damage in its relationship with the Arab world. Finally, Japan found out an occasion for a high level ministerial visit. Foreign Minister Masayoshi Ito visited Cairo on December 17, to commemorate the first phase of the Japan-aided Suez Canal renovation work at the Ismailia sector. He visited the Egyptian President Anwar Sadat. During the talks, they discussed the progress of the Middle East peace process as envisaged in the Camp David Agreement. Sadat appreciated Japan-EEC initiative to influence the United States and thereby Israel to convince the need for the

46 After the signing of Egypt – Israeli Peace Treaty, on 26 March 1979, the Arab League, on 27 March recommended “Severance of Political and diplomatic relations” with Egypt for deviating from the Arab ranks “to stand by the side of Zionist enemy” Bansidhar Pradhan – “From confrontation to hostile intimacy: PLO and the US” – Sahyog Prakashan, New Delhi, 1994. P- 159-160.
extension of the peace processes. The Japanese Foreign Minister indirectly put Japan's view that the success of the Camp David Agreement would depend upon the mutual recognition of Israel and PLO and Palestine self-determination.

Ito returned from Cairo without inviting any serious criticism from the Arab States. This encouraged the foreign ministry to enlarge its role in the peace process. As permitted by the ministry, Kimura attended the PNC convention as a 'guest discussant', on December 13, and met the PLO chairman. As a policy objective, Kimura appraised Arafat of the need to recognize the right of Israel to exist and to stop PLO's hostility towards the Jewish State. By replying that "he was thinking along those lines", Arafat assured Kimura that they had no intention to destroy Israel and that PLO's opinion about Israel had changed.47

Kimura then renewed his offer of invitation to Arafat to visit Japan. He cautioned Arafat that the PLO might be sidelined and the Palestine issue could go out of world attention in the wake of the rift in the Arab world due to the on-going Iran-Iraq war. By this hint, Kimura was telling Arafat to accept the invitation on Japanese terms, if he wanted world attention. Arafat without much hesitation accepted the invitation saying that "we are in a very difficult position

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and for that reason I would very much like to visit Japan. But, knowing well that a mere visit to Japan as a guest of the Japan-Palestine Friendship Commission, would not help the PLO much, he insisted on meeting the Prime Minister and the Foreign Minister, during his stay in Japan. Kimura assured him that he would take necessary steps for his visit after his return to Tokyo. Although some of the pro-U.S. officials in the Foreign Ministry were skeptical about Arafat’s stand on Israel saying that “he may have said what he said because he was talking to private citizen Kimura, not to Prime Minister Suzuki”. Once Prime Minister and the Foreign Minister gave the green signal to Kimura, he sent a letter to Arafat as President of the Japan-Palestine Friendship Commission. The letter was sent through the PLO office representative Hamid.

Though Arafat was scheduled to visit Japan in June 1981, he had to postpone it because of American pressure. The U.S. warned Tokyo of possible damage to their bilateral relations as Arafat’s visit might create adverse reaction in the U.S. Congress. Even though Japan was not ready to cancel the invitation, Tokyo sensed the U.S. feelings. As Prime Minister Suzuki’s U.S. visit was scheduled for May and the global economic conference in Ottawa was scheduled for July, Japan did not want to give any stick to the Japan-bashers in US through Arafat’s visit. Japan feared that the new Reagan

48 Ibid.
Administration also would use that occasion to criticize both Japan and the EEC for its Middle East policy. According to Kimura:

"I spoke to Prime Minister Suzuki, the chief cabinet secretary and foreign minister. We thought it would be inappropriate to have Arafat visit (in June) after Suzuki’s trip (in May) to North America.... Reagan would certainly criticize our Mideast policy, saying that he did not understand what in the world we were trying to do... We also decided to forgo it (a June visit) because it would occur before the economic conference in Ottawa (set for July). It might put Reagan at odds with Western Europe over its policy toward the Middle East.... Japan would of course be in the same position. We therefore felt it best to have Arafat come to Japan after things settled down. To have Arafat visit us before then would have been too traumatic for Reagan."\(^49\)

Since Japan wanted some time gap in order to stem the US criticism, the PLO suggested August for the visit. Again, Japan felt that the August might not be a good time because of the proposed

\(^{49}\) Michael Yoshitsu p.31 – authors Personal Interview with Kimura.
summit meeting of Reagan – Sadat, and Reagan – Begin. Subsequently, the Middle East scene became more tense because of the Israeli strikes on Iraqi nuclear installations in June and later Israeli attack on PLO office in the heavily populated part of Beirut.

The initial U.S. response seemed to encourage the Israeli action. Japan felt that such support was against the peace initiatives undertaken by the Carter Administration. Kimura and other influential politicians felt that such actions only inflamed the Arab suspicions of America and isolated them in the Arab world. Further, Reagan's policy of containing Soviet influence in the region by denying the Palestinian rights only would help the radical anti-Arafat faction. This would gradually push the moderate Arafat faction also to the Soviet camp. It could also help Iran to spread anti-American feelings in the Arab world. Consequently, the Soviet influence in the Middle East would grow and the region would be divided and escalate the East – West confrontation. In such circumstances, the prospects for a lasting peace in the region would vanish and Japan's role would be reduced as it was bound to support the U.S. in the prevailing cold war atmosphere.

Japan was also disturbed by another move by Israel to provoke the Arab world and make the peace move more difficult. Israel decided to annex East Jerusalem and make it a part of its defacto capital.
Japan viewed this as a continuation of Israel's aggressive policies. The Foreign Ministry feared that such action would give credence to the Arab claim that the Camp David Agreement was only a cover for Israel's expansionist policy and a ploy to keep the Palestine territories under its control. Despite Japan's hope for the return of the Labour Party in the Israeli general election held on July 6 and a more realistic approach to the Palestine problem, the election result made the matter more complicated. The Begin government had to seek the support of the right wing National Religious Party. *Agudat Yisrael* and Tzomet to get the required majority to form the government. It weakened Begin's government further and a necessary compromise for a settlement of the Palestine issue became difficult. In this condition, Japan felt that only a compromising initiative from the PLO could break the stalemate between Israel and the PLO. Hence, Japan became more interested in Arafat's visit as it would give a chance to Tokyo to convince him to the need for reconciliation with Israel. Japan felt that PLO's denouncement of its long held aim of extinguishing Israel would make a favourable public opinion in the United States. The PLO's recognition of Israel's existence would further strengthen the pro-PLO camp. In such an event Reagan will no longer be able to dismiss them as a group of terrorists.  

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50 The Reagan Administration regarded PLO as a band of terrorists receiving training in "terrorist tactics" by the Soviet-bloc nations and Libya—Public papers of the President of the United States, Ronal Reagan, 1984, (Cited by Bansidhar Pradhan, p.180).
But once again the Middle East scenario became tense. Japan was preparing for the Arafat visit in October and the visit of Egyptian President Sadat in November. As a prelude to Sadat's visit, his Deputy Prime Minister and Foreign Minister Ali visited Japan in September. Thus, Japan was looking for a role in the peace process. President Sadat, one of the main initiators of the Middle East peace plan and architects of the Camp David Agreement, was assassinated on October 6, 1981. It suddenly created a vacuum and bleak prospects for the peace plan. But the smooth elevation of the Vice-president, Hoshni Mubarak to the post of President and his proclamation that he would stand firmly behind the CDA reduced Japan's anxiety.

However, Arafat's statement glorifying Sadat's assassination created some problem for the Japanese officials to fix a convenient date for the Chairman's visit. Some ruling party Diet members who admired Sadat for his bold initiative in signing the CDA, questioned the wisdom of inviting Arafat. The foreign ministry tried to convince the LDP Diet members that the last minute cancellation of the proposed visit would have serious implications and remove Japan's role in the peace-process. But this time, Japan took enough care in informing the United States in advance. Tokyo took necessary precaution to see that no embarrassing situation was created by Arafat during his visit. Japan demanded from PLO that (I) during his visit,
Arafat should not demand any diplomatic status for his office in Tokyo, (ii) he should not criticize Sadat, (iii) he should refrain from making any propaganda speech after arriving in Tokyo and (iv) the PLO delegation should disarm itself while arriving at the Tokyo International Airport.

Arafat not only agreed to these preconditions, but praised Sadat as 'his close friend of the past 30 years'. Although Tokyo did not accord any diplomatic importance for his visit, as promised by Kimura the foreign Ministry made necessary arrangements for Arafat in meeting with the Foreign Minister and the Prime Minister. During his meeting with Prime Minister Suzuki on October 14, Arafat complained about the U.S. refusal to deal directly with him and wished for a dialogue with the U.S. and for diplomatic relations with Washington.

For Arafat, reconciliation with the U.S. was necessary as the re-election of Begin was slowing down the peace process. Even though the EEC recognized the Palestine rights, no official help was coming to the PLO. Hence, a visit to Japan though unofficially was giving some hope to open a dialogue with the U.S., through its ally, Japan.

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51 Michael Yoshitsu - p. 35.
During his visit in Tokyo, the PLO delegation also passed a message to the U.S. by supporting the Fahd Plan\textsuperscript{52}, which implicitly recognized Israel's right to exist. Arafat himself told Suzuki that "we are prepared to live in peace with Israel". But Arafat wanted Israel to reciprocate by recognizing the PLO and the right of the Palestine to self-determination. He also wanted the U.S. support for the PLO as an equal partner, to stay in peace with Israel. By putting this condition, Arafat left the message with Japan to be conveyed to the Reagan Administration that now it was up to Washington to take the initiative to involve Israel and PLO in a negotiated settlement.

With Yassar Arafat's visit to Japan, Tokyo was trying to involve the PLO in the peace process and thereby hoping for a respectable position in the Arab minds and a mediatory role in the Arab-Israeli conflict. But the Reagan Administration's approach towards the Middle East issue and particularly its attitude towards the PLO was very much discouraging. For the Reagan Administration, its first priority was the containment of the Soviet Union. They regarded the Arab-Israeli conflict as a regional reflection of the Super Power rivalry, which would automatically subside if the Soviet threat was taken care of. As a part of this policy, the U.S. started joint military exercises with forces from Egypt, Sudan and Oman. It also decided to sell, the

\textsuperscript{52} The 8 point Peace Proposal of Prince Fahd—August 7, 1981, See Appendix–E.
sophisticated AWACS (Airborne Warning and Control System) to Saudi Arabia, to protect it from any Soviet threat. The U.S. attitude thus encouraged Israel to challenge the growing political and military strength of the PLO. First it targeted the PLO supported countries like Iraq and Syria. Israel bombed the Iraqi nuclear installations in June 1981, and then in December, it extended Israel’s law and jurisdiction to the occupied Golan Heights, which amounted to annexation. This move was opposed strongly by the Arab countries and the western countries including Japan.\textsuperscript{53}

But encouraged by the Reagan Administration’s Middle East Policy, Israel continued its anti-Arab-Palestine posture. It extended its drive to Lebanon to provoke Syria, which resulted in the introduction of Syrian anti-aircraft missiles in the Bekka valley.

In the meantime, the increasing tension in the region involving Israel, PLO, Syria, Iraq and Lebanon on the Palestine side and Iran-Iraq conflict on the intra-Muslim rivalry side prompted small Gulf states to protect themselves from the on-going struggles in the Middle East. The Gulf States – Kuwait, Baharien, Qatar, United Arab Emirates, Oman and Saudi Arabia joined together to form the Gulf Co-operation Council (G.C.C.) in September 1981.

\textsuperscript{53} Diplomatic Blue Book 1982 – p. 27.
Knowing well that Saudi Arabia and Gulf Countries were more worried about their own security against the Soviet threat rather than against Israel, Tel Aviv with a well planned operation, attacked the PLO bases in Southern Lebanon, on July 6, 1982 known as “Galilee Operations”. A cease-fire was agreed upon in late July by Israel and Palestine, in response to the United Nations Security Council Resolution 490 of July 21, and the mediation effort by the U.S. special envoy Philip Habib. Finally the Israeli operation on PLO headquarters forced Yassar Arafat to leave Lebanon in the end of August.

The cease-fire and the Israeli withdrawal from the Sinai Peninsula of Egypt in April 1982 and from Beirut in July 1983 reduced the tension in the Middle East though temporary. However, the Lebanon crises continued in one way or other involving Israel or Israel supported Christian militia, Syria, and PLO radicals. The Israeli bombing of PLO headquarters in Tunis in October 1, and the hijacking of an Italian passenger airline the Achille Lauro by Palestine Guerillas on 7 October, further vitiated the atmosphere and brought the peace process to a standstill.

During this period, Japan did not undertake any active diplomacy to diffuse the crisis situation as the Reagan Administration was fully behind the developments in the region. After the Soviet invasion in Afghanistan, Japan was in favour of strengthening the American presence there. Hence, Japan limited its role in the region
by calling all the concerned partners to reduce the tension. Its policy was to promote political dialogue with parties concerned and appealed to them for flexible and realistic approaches\textsuperscript{54}.

Japan, however, continued its mediatory efforts in the Iran-Iraq war. The war was not only creating tension in the Middle East region but was causing enormous loss for Japan as its investments both in Iraq and Iran were seriously affected. Japan had to withdraw from the huge petro-chemical projects in Iran mainly due to the war. Therefore, Japan took initiatives to bring both the parties to the negotiating table. The Japanese Foreign Minister, Todashi Kuranari visited Morocco and Iran in June 1987, and Iraq and Jordan in September 1987 as a part of its peace efforts. During this year, discussions on bilateral co-operation with Iraq and Egypt were also held through joint meetings\textsuperscript{55}. From the Jordanian side, its Foreign Minister Taher Al Masri visited Japan in December 1987 and Prince Hassan in April 1988. In 1987, another important visit was that of the Saudi Arabian Interior Minister Nayef Ibn Abdul Aziz. This was the first visit by an important member of Saudi Royal family to Japan after Saudi king Fazal’s visit in 1971.

\textsuperscript{54} Diplomatic Blue Book 1986. Ministry of Foreign Affairs Govt. of Japan, Tokyo, p. 46.

\textsuperscript{55} Diplomatic Blue Book, 1988, p. 244.
In the year 1988, Japan took the initiative to find out a truce between Iran and Iraq as well as to reduce the tension on the Israeli-Palestine front. Foreign Minister Sousake Uno, visited Syria, Jordan, Egypt and Israel from June 22 to 28. It was a part of Japan's policy to "co-operate for peace" which contained in the Takeshita cabinet's policy of "Japan contributing to a better world". Uno's Middle East trip was significant in many ways. First of all he was the first Foreign Minister to undertake a Middle East trip for the sole purpose of bringing the warring parties to a negotiating table. Second, he was the first cabinet Minister to visit Israel. As a result, Japan's relation with not only the Arab world, but with the Jewish state also entered into a new phase and Japan acquired a respectability as a mediator in both the Arab world and Israel. Moreover, his diplomatic efforts also helped to bring a cease-fire between Iran and Iraq in August 1988.

Another notable feature in Japan-Arab relations during 1987-88 was the Yemani Republic deputy Prime Minister and Foreign Minister Abudl Kareem Al Irayani's visit to Japan in October 1987. The visit was significant in the background of Yemen becoming an oil exporting country.

In addition to these diplomatic efforts to bring about peace in the Arab-Israeli front and along the Iran-Iraq border, Japan also

56 Diplomatic Blue Book 1988, p. 244.
opened up its purse to help the Palestine refugees. Japan provided financial support and food aid through the United Nations Relief and Works Agency for Palestine Refugees (UNRWA PR), to improve the living conditions of the refugees.

Further, as contribution to maintain world peace and security Japan extended financial support for the upkeepment of UN forces. In fiscal year 1988, Japan donated $1 million to the Multinational force and observers stationed on the Sinai Peninsula as a part of the peace treaty between Israel and Egypt. Japan also provided cash assistance to the tune of ¥246 million to the Japanese Development Fund for the socio-economic development of the West Bank and Gaza strip regions under UNDP.57

In the bilateral sphere, Japan improved its relation with Qatar, Tunisia and Egypt. On October 1988, a Japanese educational and cultural centre was opened in Cairo. In March and April 89, Japan held joint meetings with Qatar and Egypt. During this period Japan also improved its relations with the PLO. Its political department head, Farouck Kaddoumi's visit to Japan was an important event in the Japan–PLO relations after Yassir Arafat's visit to Japan.

On the PLO-Israeli front, the PLO resistance against Israel in the West Bank and Gaza strip, which began in 1987, got lessened

after the PLO took a realistic and moderate approach at the 19th Palestine National Council (PNC) held between 12 and 15 November 1988 in Algiers. The 19th PNC was a turning point in the history of the Palestine movement and the PLO Israeli relation. The PNC declared an independent Palestine state58.

The declaration of the Palestine State was in effect the recognition of the two-states solution formula contained in the UN partition resolution (181), of November 1947. In other words, it was an acceptance of the state of Israel, which they were opposing for a long time59. It was also an open acceptance of the UN resolution 242 of November 22, 196760 and 338 of October 22, 197361.

The declaration of the Palestine State was widely welcomed by most of the world nations, including the EEC and Japan. Israel Prime Minister Yitzhak Shamir dismissed the declaration as nothing new and the Foreign Minister Peres argued that the PLO acceptance of UN resolution 242 and 338 was still conditional. According to him, much of the world was “fooled by moderate sounding voices in Algiers62. (PNC Algiers declaration of November 15, 1988). But it made some

59 Appendix – PLO’s 10-point Political Programme.
60 See Appendix A UN Resolution (242).
61 See Appendix B UN Resolution (338).
impact on Israel moderates who were arguing for peace with the PLO. Although the U.S. government rejected the PLO declaration of statehood, the Reagan Administration saw some positive elements in the statement. It opened up a reapproachment between the PLO and the US, and led to the Stockholm statement on December 7, 1988\(^{63}\), which almost met the U.S., condition for recognizing the PLO. The statement also declared its rejection and condemnation of terrorism in all its forms including state terrorism. To satisfy the Reagan Administration, which rejected visa to Arafat to the US for attending the UN General assembly meeting on Palestinian, once again Arafat repeated his acceptance of Israel and denounced terrorism in a statement. He reaffirmed “the right to all parties concerned in the Middle East conflict to exist in peace and security including the state of Palestine, Israel and other neighbours according to the resolution 242, and 338. As for terrorism I announced its yesterday (at the 43\(^{rd}\) session of the UN General Assembly held at Geneva on 13 December 1988), in no uncertain terms and yet I repeat for the record that totally and absolutely denounce all terms of terrorism including individual, group, and state terrorism we want peace. We are committed to peace”\(^{64}\).

\(^{63}\) See Appendix, F. (Stockholm Statement).
\(^{64}\) New York Times, 15 December 1988, (in the UN Assembly meeting Arafat declared,” I, as chairman (of the PLO) hereby once more declare that I condemn terrorism in all its forms” – (cited in Pradhan – p. 276).
The Stockholm statement by Arafat satisfied the United States and President Reagan authorized the Secretary of State George P. Shultz, to enter into "a substantial dialogue with the PLO representatives". This development made a total change in the relations between the Western countries including Japan and the PLO. Now Japan felt comfortable with its policy towards the PLO. It extended substantial financial aid to Palestine to remove the suspicion created in the Arab mind after Uno's visit to Israel. In fiscal year 1989, Japan contributed $246 million to the Japan-Palestine Development Fund through UN Development Programme and Yen 1230 million to the UN Relief and Work Agency for Palestine refugees in the Near East65.