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Fiscal Policy to maintain U.S. Military Bases and Okinawa's Right to Self-determination

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Introduction

Based on the Japan -U.S. Security Treaty, Japan allows the stationing of U.S. Forces in Japan (USFJ). As of March 2015, Japan offers 82 Facilities and 306.23 km² area (for exclusive use) to USFJ. Okinawa accounts only 0.6% of the total land area of Japan, but approximately 70.6 % of exclusive-use USFJ facilities are concentrated here. Many Okinawans understand this as blatant structural discrimination and have demanded a sharp reduction of U.S. Military bases.

Now both Japan-U.S. governments is going to force a new base construction irrespective of public opinion of Okinawa. Recently the Japanese Government adopted a new fiscal policy to implement this project and neutralize anti-base opinion. In this paper I 'd like to define the point at issue of this new policy from the viewpoint to support Okinawa's right to self-determination.

1. Stationing of U.S. Forces in Okinawa

1) Outline of Okinawa Prefecture

Okinawa is Japan's southwestern-most prefecture. It consists of 160 Islands, which are scattered over a wide area of ocean spanning 1,000 km from east to west and 400 km from north to south. Approximately 1.4 million people live on fifty of these islands.

From the prefectural capital of Naha city, it takes about two hours and 30 minutes to fly to Tokyo (approx 1,550 km), two hours to Seoul (approx 1,300 km), one hour and 30 minutes to Shanghai, (approx 820 km), and one hour to Taipei (approx 630 km).

Taking advantage of its geographic characteristics, the Ryukyu Kingdom, as

Okinawa was once known, opened trade routes in the 14th Century to China and other nations in East and Southeast Asia, thus establishing a prosperous period called the Era of Great Trade.

As the only Japanese prefecture located in a subtropical oceanic climate, Okinawa is blessed with a rich natural environment including emerald green seas and sandy white beaches. Okinawa's rich natural environment, and unique culture and history, along with its potential as an international resort destination, attract millions of tourists every year from places such as mainland Japan, Taiwan, Korea and so on.

2) History of U.S. Bases in Okinawa

As I pointed it out in the beginning, the island of Okinawa, comprising 0.6% of the nation's land area and 1% of its population, already bears 70.6 % of exclusive-use USFJ facilities in all of Japan. This burden represents close to 500 times that of the rest of the country. Furthermore, there are 20 air spaces and 27 water areas surrounding Okinawa, designated for the exclusive use of U.S. Forces for their training purposes. Various restrictions are placed for commercial fishing activities and commercial flights in these areas. What brought such an excessive concentration?

Despite Okinawa's natural beauty and distinctive culture, it was the site of massive ground battle that engulfed the local residents during the World War II . This one rich green island was reduced to ashes in a fierce barrage of bombs and artillery fire that became known as the "Typhoon of Steel." Over 230,000 people, including not only American and Japanese military personnel, but also civilian employees and local civilians, lost their precious lives during this battle.

After landing on Okinawa, the U.S. Forces began constructing new bases one after another as a foothold to invade mainland Japan. Even after the end of the World War II, however, the U.S. Forces continued to build new bases while forcibly appropriating land in response to the changes in the international situation, such as the outbreak of the Korean war.

The San Francisco Peace Treaty and the U.S.-Japan Security Treaty went into effect in April,1952. While for Japan, the Peace Treaty meant independence, for Okinawa, it meant continuation of occupation and exploitation. The Peace Treaty's Article 3 stipulated Okinawa's separation from Japan and placement under American

military administration which was held to mean that the U.S.-Japan Security Treaty was inapplicable to the island. As its sole governing body, the American military could build all the bases it wanted. As a result, vast bases were formed on Okinawa and they began to play a role as the “Keystone of the Pacific” for U.S.Forces.

At the 1972 reversion to Japan, the Diet adopted a resolution about realignment and reduction of the bases in Okinawa. What Okinawan people sincerely wished for at the time of the reversion was a reduction of bases at a rate at least comparable to that experienced on the mainland, together with the restoration of human rights and the establishment of home rule.

However, today, 45 years after reversion, the condition of Okinawa has hardly changed. Today, just as before, the extensive bases packed with military functions remain. Incidents, accidents, and pollution on account of the bases keep appearing. This is a far cry from the meaning of reversion Okinawan people desired.

2 The focus of the issue

1) Two agreements to return

Three U.S. personnel raped a school girl in September 1995. At the October 1995 “Okinawa Prefectural People's Rally," 85,000 people protested against the rape incident. Facing the island-wide resentment against the U.S. Military presence, the American and Japanese government established a Special Action Committee on Facilities and Areas in Okinawa (SACO), which was charged with reducing the burden shouldered by the people of Okinawa. SACO's final report was issued in December 1996. The two governments agreed to return 11 facilities (5,002 ha of land), including highly disturbing Futenma Air Station (FAS).

However, American government didn't give unconditional consent to return. Most of those facilities must first be relocated to other military bases, or to other area within Okinawa. The municipalities where the facilities might be relocated are mounting strong resistance, and arguing that the “change” will lead to enforcement of military base functions and permanent placement of U.S.bases. Such as political gridlock and local resistance prevented significant progress on the agreement.

In May 2006 “U.S.-Japan Road map for Realignment Implementation” was issued. In this document, two governments agreed to the total or partial return of land

of the six facilities, which were located at land areas south of Kadena Air Base. However, also in this case, most of those facilities must first be relocated to other military bases, or to other area within Okinawa. Therefore nobody knows when those facilities will be returned.

2) Plan to construct new base

The most important issue in these two plans is the return of FAS. FAS is located in Ginowan City. Ginowan City is located in the central part and along west coast of Okinawa. The entire land area is 19.59 km². Approximately 96,000 people live there. Ginowan City is the third highest populated city in Okinawa. FAS is located in the midst of a densely populated area, which, with an aerial view, looks like a donut. It does not have established clear zones, which are necessary for safety in the areas near the runway. Schools, hospitals and other public facilities surround FAS, together with a great number of private homes. Therefore, anyone recognizes FAS as the most dangerous military facility in the world.

The Japanese Government said “the current plan to relocate the base to Henoko is the only realistic option to close FAS” “FAS will remain in Ginowan if resistance to its replacement facility at Henoko persists. "Henoko is a small seacoast hamlet surrounded by reef on the northeast coast of Nago City and the site of the Camp Schwab Marine base. Nago City is located in the northern part of main Okinawa Island. This plan is likely to cost at least ¥1 trillion (\$9 billion).

As part of the relocation of FAS, a major reclamation project is planned in Oura Bay, off the coast of Henoko. A new marine base and port will be built partly offshore. Okinawa prefecture is designated as “evaluation ranking one” in the national guidelines on conservation of the natural environment. Places with this designation require strict protection. In the case of the landfill work proceeding, the Okinawa prefectural government and conservation experts have been concerned about impacts on marine life including sea turtles, dugongs, coral, and marine plants. The effect of alien species invasion is also a concern.

Requesting to preserve the nature of Oura bay, numbers of statements have been issued by many domestic groups as, the Ramsar Network Japan, the Nature Conservation Society of Japan, the WWF Japan. Internationally also,

recommendations were made three times asking to keep the environment there, by the International Union for Conservation of Nature and Natural Resources (IUCN) which named Dugong as one of endangered species, and voices have become louder to demand to conserve the nature of the Oura bay.

2) Election results show opposition to Henoko base

As the Government of Japan began drilling surveying in 2014 with the sights set toward building an facility at Henoko, within Okinawa the plan to construct the new base became the issue at hand. Those candidates for Mayor of Nago City, governor of Okinawa Prefecture, and Okinawa representative members in the House of Representatives who opposed its plan were elected. Popular will opposing its plan has reached this high level, where citizens' votes clearly show that the intention of the people is in opposition to relocation within the prefecture.

Once more I'd like to point out that the government of the U.S. and Japan take a non-humanitarian approach to maintaining the presence of the U.S. military in Okinawa.

At the end of World War II, U.S. military seized land for its bases while most residents were being encouraged to surrender and were then held in internment camp. In the 1950s, it deprived local people of their homes and farmland in order to expand their bases. Those actions violated Article 46 of the Hague Conventions, an international agreement forbidding the confiscation of private property by any occupying power. Now the government of the United States and Japan are trying to build their new installation in Henoko, Nago. That measure is being enforced against the clear will of people.

3 Traditional fiscal policy

No country matched Japan's generosity in encouraging U.S. forces to continue its prime real estate, allowing free use of roads and harbors, constructing for it barracks, officer housing, training facilities, schools, hospitals, sporting and leisure facilities, providing water, power, gas, and sewerage, and allowing live shell training over its highways. Kent E.Calder also said "No one is both as consistent and as generally supportive of American strategic purposes as is Japan." (Kent E.Calder,p

193) He called such fiscal policy 'compensation politics.' The object of the compensation is not only U.S. forces, but also various interests in the host nation that are adversely affected by U.S. forces activity. Beneficiaries of such payment include construction companies, base-worker labor unions, landlords renting facilities to the U.S. military, and local governments. Among them in this paper, I'd like to pay attention to local governments.

To placate the anti-bases power of Okinawan people, Japanese government has executed several kinds of fiscal expenditure. First is the rent for land occupied by military bases. At present, 77% of the land for U.S. military bases in Okinawa is owned by municipalities and private individuals — in mainland Japan some 87% is owned by national. At the 1972 reversion, quite a few municipalities and private individuals refused to sign lease agreements. At that time Japanese government raised land rent — that of 1972 was about four times as high as that of 1971. Since then, it kept increasing. In 1994 it exceeded the primary industry net product. In 2013, the land rent is 95,000 million yen, which is two times of primary industry net product.

Second is the base-related grants-in-aids. U.S. military personnel and their dependents are exempt from Inhabitant Tax, Fixed Assets tax, and several kinds of public charge which prefecture and municipalities levy. This aids are provided by the Ministry of Internal Affairs and Communications (MIAC) to make up the decrease of local tax revenue by these kinds of exemption.

Third is several kinds of aids to prevent nuisance, reduce the disturbance in the life and business, and so on (Table 1). They are provided by Ministry of Defense.

These three kinds of fiscal expenditures are generically called the base-related grants-in-aid. In quite a few municipalities where U.S. military bases locate, the base-related grants-in-aid has a high share of total revenue. For example, Onna village is 42.1%, Ginoza village 33.5%, Kin town 27.6%, Kadena town 23.7%, and so on (FY2014)

4 New fiscal policy

Since 1996, when SACO final report was issued, to placate the opposition to the relocation of FAS to Henoko, Japanese Government proposed economic stimulus plan

and spent large quantities of fund intensively in Nago City. The base-related grants-in-aid was 6.5 percent of the total revenue of Nago City in the fiscal 1996. The figure increased to 29.7% in the fiscal 2001. However, Japanese Government was not able to carry out the new base construction plan.

In order to smoothly implement the realignment of USFJ on the Road map 2006, the "Act on Special Measures on Smooth Implement of the Realignment of United States Forces in Japan (USFJ Realignment Special Measure Act)" was enacted in August 2007. A new Realignment grant was established based on the act.

During a period of time before and after the implement of realignment (10 years in principle), realignment grants will be awarded to help cover the expenses of projects which contribute to increasing the convenience of the lives of residents of local municipalities affected by the realignment, and to stimulate local industries. To this end, they will be awarded in accordance with progress made in the steps U.S. Forces realignment.

As of April 2016, 18 defense facilities in 43 municipalities are eligible to receive the grant. However, Nago City is not included in the 43 municipalities.

At 2008 when USFJ Realignment Special Measure Act took effect, Nago city was also awarded this grant. At the 2010 election of Nago Mayor, challenger Inamine Susumu, defeated incumbent Shimabukuro Yoshikazu. Inamine's main election pledge is to stop the new base construction. Since then Japanese Government has excluded Nago City from the object of the grant. Such act of Japanese Government was based on Article 5 of USFJ Realignment Special Measure Act. Prior to the grant of the subsidy, Defense Minister designates the specified defense facilities and neighboring municipalities affected by realignment. According to Article 5 of the Act, the precondition of its designation is that Defense Minister recognizes that awarding the realignment grant is useful in smoothly implementing the realignment of the U.S. Forces. Based on this Article 5, Defense Minister did not designate Nago City, because Nago City Mayor opposed the new base construction.

The intention of Japanese government was to drive Nago City into fiscal crisis. Actually, Nago City lost ¥600 million. But Nago City did not submit to the unfair treatment. By tapping other sources of revenue he has maintained a sound budget. At 2014 election Inamine Susumu was reelected the mayor.

Conclusion

Do you know NIMBY? It is the abbreviated designation for “not in my backyard ” It shows people's feeling — I recognize a necessity of the facility, but I hate to be in my backyard. Typical cases are a nuclear power plant, a waste disposal site, and U.S. military bases.

Over NIMBY Michael Sandel's opinion is very thought-provoking. He said “ Relying solely on cash payments to induce residents to accept a nuclear waste facility is not only expensive: it is also corrupting. It bypasses persuasion and the kind of consent that arises from deliberating about the risks the facilities poses and the larger community's need for it ”(Michael J. Sandel,p120) If we replace nuclear waste facility with USFJ, we can say the same thing. Japanese government has also neglected the effort to persuade Okinawan people to consent, by relying solely in cash payments.

The respect of the political opinion is one of main principles in the democratic nation. The constitution of Japan, article 19 says “freedom of thought and conscience shall not be violated.”Needless to say, the government ought to observe it on the occasion of the distribution of public funds. But the Japanese Government excluded Nago City from the object of the realignment grant by the reason of a political disagreement as to new base construction. I think Japanese government has violated the constitution.

For 20 years Japanese Government has tried to push forward decentralization and expand the rights to self-determination as one of the most important issues in the domestic administration. However, in Okinawa they moved to curtail the autonomy of local government by forcing Okinawa to construct the new base. It means a huge injustice and a negation of Okinawa's right to self-determination.

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Table 1 The measures for harmony between defense facilities and surrounding area

Purpose	Measures	Description of Measures
Preventing Noise Problems	Subsidies to finance sound insulation work	○ Educational facilities such as elementary schools, junior high schools, and kindergartens ; medical facilities such as hospitals and clinics ; and welfare facilities such as nursery centers, day-service centers for the elderly, special nursing homes for the elderly ○ Housing.
	Compensation for relocation	○ Compensation for relocating building ○ Land.procurement ○ Improvement of public facilities Such as roads, water-supply systems, and sewage facilities in the area where housing, etc., is to be relocated
	Improving green belts	○ Planting trees, installig grass fields
Preventing Nuisances Besides Noise	Subsidies to finance trouble prevention work	○ Canals,reservoirs,roads, river improvement, television broadcast community reception facilities
Reducing Troubles Related to Living and Business	Subsidies for building facilities meant to stabilize people's lives	○ Roads,radio broadcast facilities,nursing homes, fire departments, parks, waste disposal facilities, welfare centers for the elderly, public facilities for learning,etc. ○ Agricultural facilities, fishing facilities
Reducing Impact on Surroundig Areas	Provision of Special defense facilities environs improvement adjustment gtants	○ Improving public facilities such as traffic facilities, recreation centers, and welfare facilities ○ Medical expenses, operationg costs of community buses, assessment fees for earthquake resistance

