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BUSHES HOST MAESTRO ROSTROPOVICH

President and Mrs. Bush celebrated a glimmer of glasnost Wednesday in welcoming maestro Rostropovich back from a nostalgic return to the Soviet homeland from which he was banished 16 years ago.

Rostropovich, 62...was honored at a White House reception after conducting the National Symphony Orchestra last week at concerts in Moscow and Leningrad.

Before an audience of invited guests that included artists and patrons of the arts, industrialist Armand Hammer and Soviet Ambassador Dubinin, Bush bid Rostropovich a "warm welcome home" from a trip that dramatized the new era of East-West relations.

"The orchestra's long-awaited trip to the Soviet Union reflects the drama of our changing world," Bush said. "None of us here could have imagined the recent events there or the changes in the lives of you and your wife, Galina, after so many years of waiting and hoping." (UPI)

MITCHELL AIDE VISITED CHINA IN DECEMBER

Senator Sharply Criticized Bush
Over Similar Trip By Scowcroft

Last December, Sen. Mitchell attacked President Bush's decision to send National Security Advisor Scowcroft to China for talks with the leadership that crushed pro-democracy demonstrators in June in Tiananmen Square.

He accused the President then of an "embarrassing kowtowing" to Beijing that made a "mockery" of American concerns for human rights. Mitchell repeated his criticism of the Administration's China policy Wednesday in response to a State Department report detailing a continuing crackdown on dissent there. "The Administration's deeds are contrary to its words," he said.

Mitchell didn't mention that one of his aides was part of a congressional staff trip to China in December, the same time as the Scowcroft visit.

Sarah Sewall, a staff member of the Senate Democratic Policy Committee that Mitchell heads, visited China Dec. 9-20. The trip was paid for by the Chinese People's Institute of Foreign Affairs, a group funded by the Chinese government, according to a State Department official...

Mitchell spokeswoman Diane Dewhirst said the senator had approved Sewall's trip, and argued that the staff visit was different from the Scowcroft trip Mitchell criticized.

Scowcroft was a key Administration policy-maker "whereas the congressional group was not engaged in making policy," Dewhirst said. "It was engaged in fact-finding for legislative purposes and there's a big difference between the two." ...

Others who made the trip were staff aides to Democratic Sens. Cranston, Dodd, Baucus, as well as an aid to Rep. Herger (R.-Calif.) and staffers from the House Foreign Affairs and Agriculture committees, she said.

(Charles Block, Washington Post, A4)

HEAD OF LEADING LAW SCHOOL IN CHINA FORCED TO RESIGN

BEIJING -- The president of China's leading law school has been ousted because he supported student demands for democratic change during last year's protests, academic sources said Wednesday.

University officials confirmed that Jiang Ping, president of China Politics and Law University and one of China's most prestigious legal scholars, was removed from his post recently. However, they refused to comment on the reason....

A Western legal expert said Jiang's ouster reflects a shift in a more conservative direction in China's legal system.

(Daniel Southerland, Washington Post, A25)

SUSPECTED COMMUNIST REBELS KILL AMERICAN IN PHILIPPINE AMBUSH

MANILA -- An American geologist, his Philippine wife and father-in-law were shot dead in an ambush in the central Philippines by suspected communist guerrillas, the military said Thursday....

The ambush coincided with growing tension between Washington and Manila over U.S. aid cuts and demands from some Manila lawmakers for the removal of the bases when the U.S. lease on the facilities expires in 1991....

In Manila, police for the second time in a week Thursday retrieved an unexploded time bomb in the Makati financial district.

(Nerilyn Tenorio, Reuter)

U.S. MILITARY NEEDED IN REGION, SAYS SINGAPORE

SINGAPORE -- Any significant cut in U.S. military forces in Southeast Asia, where a U.S. presence has muted clashes over disputed island groups, could destabilize the region, a senior Singapore cabinet minister said Thursday.

Territorial disputes over the Spratlys and Parcels islands in the South China Sea have been "muted by the U.S. presence in the region, including their military bases in the Philippines, Japan and South Korea," said Lee Hsien Loong, trade and industry minister and second minister for defense.

A significant cutback in U.S. military forces in the region could be destabilizing, he told parliament.

In Tokyo, U.S. defense officials said Thursday that Defense Secretary Cheney will assure Asian and Pacific allies in a policy speech that America will not weaken its military strength in the region despite budget cuts.

(Reuter)

REPORT: CHENEY PROPOSES TROOP REDUCTIONS IN JAPAN

TOKYO -- Defense Secretary Cheney told Japanese officials Thursday that the U.S. plans to withdraw 10 percent to 12 percent of its 120,000 forces from the Asia-Pacific region over the next three years, Kyodo News Service reports.

The planned reduction includes 5,000 to 6,000 personnel out of 50,000 U.S. troops in Japan, the report said.

Cheney disclosed the plan Thursday in a meeting with Juro Matsumoto, director general of the Defense Agency, Kyodo said.

"At a strong request from the U.S. side, the number of American troops being withdrawn from Japan cannot be disclosed," a spokesman for the Defense Agency said.

(Mark Kuramitsu, UPI)

Seeking a New Balance in Asia

Gorbachev's trip challenges Washington to rethink its policy in the region

BY HENRY A. KISSINGER

Just as Gorbachev was beginning to show interest in a rapprochement with China about a year and a half ago, I had a conversation with a leading official in Beijing. I observed that China was probably doing less with Moscow than some Americans feared—but more than Beijing was letting on. My interlocutor replied: "In any event, we will stop well short of the world's record, which is held by Shultz and Shevardnadze." In other words, China did not propose to be the last combatant on Cold War barricades that had been abandoned by the original warriors.

That remark sums up why the United States should not be unduly alarmed by Gorbachev's visit to Beijing. Had a Soviet leader undertaken such a journey a decade ago, it would have seemed like a diplomatic earthquake—possibly even the beginning of a new Sino-Soviet alliance. We were still in the midst of the delicate process of restoring relations that began with my secret journey to Beijing in 1971. That process involved years of intensive political dialogue with Chairman Mao Zedong and Premier Zhou Enlai, then with Deng Xiaoping. When in 1979 the Carter administration established formal diplomatic relations, one of its senior officials referred to it as playing the China card.

Today we know that the Soviet Union is too preoccupied with its domestic affairs—and Beijing too wary of Soviet intentions—for such a reversal of relationships to be realistic. Gorbachev's visit to Beijing should provoke not a sense of crisis but a realization that the pieces on the diplomatic chessboard have been essentially rearranged:

- The political world is no longer bipolar. The United States and the Soviet Union remain military superpowers, but other centers of power have emerged in Asia and in Europe.

- In this new world the United States and China continue to have a mutual interest in keeping the Soviet Union or any other country from dominating the Eurasian landmass. But our policy must now become more flexible and more sensitive to shifts in the political and economic balance in Asia.

- The American interest requires careful orchestration of an emerging three-cornered diplomacy that will involve China, Japan and the U.S.S.R.

- These changes may create new opportunities—but also new risks—in old trouble spots such as Korea and Southeast Asia, especially Indochina.

China: In the '70s, the seemingly ineradicable hostility between Moscow and Beijing cre-

ated a classic diplomatic opportunity for the United States. All Washington had to do was position itself so that it was closer to each of the two communist giants than they were to one another (with a tilt toward China, since it was the weaker, more vulnerable and less expansionist of the two). That period of almost mechanical simplicity has ended. Beijing no longer fears an imminent Soviet attack. It calculates that the Soviet Union is too preoccupied with domestic difficulties and with the aftermath of the Afghanistan war to risk unpredictable adventures. Moscow is overcoming its nightmare—which was never realistic—of a Sino-U.S. alliance aimed at the Soviet Union.

In journeying to Beijing, Gorbachev is seeking to apply in Asia the strategy that has worked so well in Europe. He is trying to break up American coalitions by removing the impression of Soviet bellicosity. Yet he is doing little—indeed, he can do little—to alter an underlying strategic relationship based on the long Soviet border with China and Moscow's large armed forces. No doubt the visit to China will be followed soon by overtures to Japan.

None of this need be of fundamental concern so long as the United States analyzes the new relationships properly. For in Asia, Gorbachev's flair for dramatic gestures will have far less impact than in Europe. The Asian nations are less haunted by the two world wars and face less domestic pressure to respond to Gorbachev's bent for the spectacular. Arms control is not an opiate for them. In Asia, Gorbachev cannot ask for concessions to his personality; he must offer concrete concessions aimed at establishing a realistic equilibrium.

The reality in Asia is that none of the major nations will run the risk of separating itself from the United States in order to gain the good will of Moscow. Nor will any of them challenge the Soviet Union simply to curry favor with the United States. These conditions limit the options for both U.S. and Soviet foreign policy in Asia.

No doubt Beijing's immediate fear of Soviet invasion has receded. China therefore sees less need for a rigid anti-Soviet stance than it did a decade ago. Gorbachev has also met most of Beijing's conditions for an improvement in relations: withdrawal from Afghanistan, a thinning out of Soviet troops in Mongolia, withdrawal of Vietnamese forces from Cambodia.

But while China's short-term fears may have eased, its strategic concerns remain. Beijing cannot forget the history of Russian expansion across Siberia and into the maritime provinces throughout the 19th century. It knows that advance was well on the way to engulfing Manchuria and Korea when it was stopped by imperial Japan, which seized those



PICTORIAL PARADE

'A delicate process': Meeting with Prime Minister Zhou Enlai during the secret trip to China in 1971

prizes for itself. China will not risk being left alone in Asia with the Soviet Union and Japan. It will seek to use the United States as a counterweight—as long as it sees that Washington has the commitment and ability to maintain a balance of power in Asia.

For these reasons, Gorbachev's freedom of maneuver in Beijing will be circumscribed. China will try to settle issues that threaten its security—especially Vietnam's presence in Cambodia. At the same time, Beijing will do its utmost to avoid weakening ties with America. Indeed, if America keeps its composure, the aftermath of Gorbachev's journey could well be that Beijing will seek to improve its long-term relations with the United States by increasing economic ties and fostering a political dialogue.

The most interesting conversations between Gorbachev and Deng may deal less with foreign policy than with their respective experiences with modernization. Both seem to agree that it is not possible to undertake political and economic reform of a communist system simultaneously. Yet they have begun the process from opposite directions.

China has stressed economic reform and has made significant progress. That revival has benefited from several factors: a homogenous culture; the experience of Hong Kong, Singapore and Taiwan; the entrepreneurial zeal of so much of the population. In fact, Beijing's most immediate economic problem is an overheated economy and the dilemma of what to do about prices that have been fixed and subsidized for decades. The first attempt to bring about realistic prices last year led to major inflation and popular discontent. It has since been suspended.

Where China is experiencing the political consequences of economic success, living conditions in the Soviet Union are probably worse than they were at the beginning of the Gorbachev period. Since only 51 percent of the population is Russian, economic decentralization increases the pressures for nationalist autonomy. Gorbachev has obviously decided that economic change is too dangerous until he centralizes political decision making in his own hands—a process likely to take the better part of this year. Only then will it become clear how Gorbachev proposes to carry out the economic policy of perestroika.

The difference in priorities has had an ironic effect on Western perceptions. Gorbachev has received extraordinary credit for political changes which have done little to improve the standard of living of most of the Soviet population. China, on the other hand, is faulted for not responding to growing pressures for political change—pressures that have increased precisely because economic progress has been so rapid. Were Gorbachev and Deng to have a discussion about modernization, it would be fascinating to know whether they could agree on the appropriate mix of political and economic reform—or on whether such a mix is achievable in a communist society.

Whatever the domestic evolution, the geopolitical basis of Sino-U.S. relations remains firm. China continues to be a key component of the balance of power in Asia and, for the foreseeable future, the weakest of Asia's major powers. Hence, it continues to deserve major American support, including help in its efforts to modernize. But American policy can no longer be one-dimensional. Its position in Asia ultimately depends on its ability to identify fundamental long-term strategic and political inter-

ests in the interplay between China, the U.S.S.R. and Japan.

The idea of maintaining a balance of power in distant parts of the world has traditionally been anathema to U.S. intellectual and political figures alike. Americans have tried to preserve the peace by asserting the moral superiority of U.S. policy, and have rejected the relativism that is seemingly required to maintain a constantly shifting equilibrium. Yet no other role is possible in Asia. Its ancient societies would find America's claim to moral superiority unacceptable. And they have seen too much change over the millenniums to rely on legalistic foundations for stability.

In many ways, maintaining the equilibrium is easier in Asia than in Europe. None of the major Asian nations looks to the United States as a first line of defense. All are prepared to undertake significant defense efforts; even Japan is augmenting its defenses, if in characteristically low-profile fashion. Each is jealously protective of its national sovereignty. But for the equilibrium to work, the

United States must play the role of the balancer—much as Britain did in Europe for four centuries. It must also seek to overcome doubts about U.S. credibility raised by the collapse in Vietnam, the fate of America's friends in Iran, the ineffectual intervention in Lebanon and America's lagging economic performance.

Japan: Of all the nations involved in the current balance, the most dynamic at this moment is Japan. In that remarkable and unique country, resemblances to the West are deceptive. Its elections do not establish a claim to power. They confirm the reign of a ruling party that is actually governed by four or five feudally organized factions. Its prime ministers can be predicted a decade ahead (with only an occasional scandal upsetting the

schedule). Its culture produces negotiators who make significant utterances only in their opening statements. Afterward, they are unable to modify their positions in any concrete way without seeking a new consensus at home. Negotiations with Japan are protracted and frequently interrupted; their pace is determined by a consensus beyond the control of the non-Japanese negotiator.

In the past, that consensus has been extraordinarily responsive to changes in the balance of power. Japan reacted to Commodore Perry's forced opening of the country by moving swiftly from feudalism to centralized authoritarianism. It moved just as quickly from centralized authoritarianism to its current species of democracy under the impact of defeat in World War II. In each case, the transition was accomplished with remarkable discipline—and purely in response to external forces. At no time has Japan lost its cultural uniqueness or been tempted by conversion to foreign ideologies or abstract concepts.

In the next decade the role Japan plays in the world will depend less on American exhortations than on Tokyo's assessment of political, military and economic trends. As Japan emerges as a financial center of the world, its investment decisions will influence the distribution of global technology. Its own technology increasingly dominates world markets, and its military establishment is growing. Japan's traditional sensitivity to balances of power cause it to emerge as an increasingly assertive force—although it will probably do so gradually and without needlessly calling attention to itself. America's challenge is not to push a leading r



'A classic opportunity': Khrushchev and Mao in 1959, before the formal Sino-Soviet split

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Japan but to contribute to conditions that will make such a role compatible with the aspirations of other nations.

The U.S. relationship with Japan has become extremely complex. As Japan's ally, we are committed to responding to threats to its security (though that role will diminish with the growth of Japanese military power). Yet most other Asian nations see the United States as a counterweight to Japan in the economic field. Whether we can continue to serve that role will depend on our ability to take measures outside the realm of formal foreign policy: to make American industry competitive; to focus our economic ingenuity on the creation of productive capacity rather than financial manipulation; to control our trade and budget deficits.

The first step should be to accept that unfair Japanese practices are not the sole—or perhaps even primary—reason for America's relative economic decline. Japan's economy is extremely disciplined, and its trade policies occasionally discriminatory. But the root of Japan's growing economic power is its superior competitiveness. By the same token, the key to America's future in Asia is to improve our domestic performance.

The Soviet Union will play a relatively subordinate role in Japan's future. I expect a Soviet overture to Tokyo, probably even a compromise on the four northern islands that the Soviets annexed at the end of the war. But the historic distrust between the two sides is too deep, and their mutual interests too few, for a fundamental change in relations. No conceivable shift in Soviet policy will keep Tokyo from marching to its own drummer.

The rest of Asia: The new international relationships will also be reflected on the Korean Peninsula. For a while, the Gorbachev visit may ease the competition between China and Moscow for influence in North Korea. But Beijing will cast a wary eye on any increased Soviet or Japanese role in Pyongyang. Of the major players in the region, the United States is probably the only one with no historic reasons for opposing the emergence of a strong, unified Korea. The others would just as soon preserve the status quo, provided it maintains their relative influence on the peninsula and does not lead to unwanted conflicts. For that reason, South Korea has increased contacts with the communist world, and Pyongyang has reached out to Japan and a few other capitalist countries. Relations between them are likely to remain in uneasy equilibrium and may even ease marginally. But that process will require careful management, lest jockeying outside powers and the volatile Korean temperament combine to produce an explosion.

Over the next decade this should produce a less intrusive role for American forces on the peninsula. The U.N. command could perhaps be abolished and moved out of Seoul, and there may even be some token U.S. troop reductions—largely in response to growing South Korean nationalism. And the United States should stand ready to improve relations with Pyongyang symmetrically with any moves by Beijing and Moscow to establish ties with Seoul.

Sino-Soviet rapprochement may well enhance America's role in Southeast Asia. Countries like Indonesia—and to a lesser extent Malaysia—have always been wary of China. That apprehension is likely to be enhanced if they judge that China has less to fear from the Soviet Union. The United States should improve its relations

with these countries, but take care to avoid the appearance of participating in an anti-Chinese cabal.

This process is bound to raise again the question that so tragically divided America in the '60s and '70s: what to do about Vietnam and the other countries of Indochina? Some countries in Southeast Asia would like to build up Vietnam as an obstacle to alleged Chinese designs on the rest of the region. Meanwhile, Soviet military bases in Vietnam serve as a reminder to Beijing that Moscow has options other than reconciliation—and a warning to Washington that it is still determined to project Soviet power onto distant oceans.

For the United States, there is no region in the world that is more difficult to view objectively. Too many groups are still driven by the passions of the war, even though they are largely irrelevant to the current problems of Southeast Asia. At a minimum, it is important for American policymakers to remember that China will always react neuralgically to the emergence of a major power

on its borders. The United States must tread warily in its relations with Vietnam, siding neither with those who would like to refight the battles of the past nor with those that seek expiation for sometimes imaginary transgressions. My own sense is that America should not move faster than China in improving relations with Hanoi—and that we would lose nothing by staying a step behind Beijing.

Cambodia remains America's biggest nightmare in Indochina. Each decade, with the best of intentions, we seem to contribute to deepening the dilemmas. For a decade, Washington has correctly opposed the Vietnamese occupation. But it has concentrated on legal, political and moral support for opposition forces. Both Democratic and Republican adminis-

trations have refrained from supplying arms to the democratic forces fighting for independence. The result is that as Vietnamese troops withdraw, the only well-armed forces in the field are communist: the army created by the Vietnamese and the murderous Khmer Rouge. The more democratically oriented military forces have received only humanitarian aid from the United States—an absurd evasion for which the price will now surely be paid.

Support is belatedly starting to grow for supplying military aid to the democratic resistance. But the proposed assistance is so timid—it would consist only of rifles—that the result would probably be another American embarrassment. In any event, it is too late now for a U.S. military role. Of course the United States should support a broad-based government and maximum U.N. supervision. But we should have no illusions; our actions have consigned us to the periphery of decision making.

It has become commonplace to argue that the center of gravity in world affairs is shifting to the Pacific. It is certainly true that the Pacific Basin will gain in importance. But America's role in this process will be crucially affected by intangibles: by our ability to define our national interest consistently; by our willingness to keep domestic political changes from dramatically altering our international role; by our ability to sustain an economy that can support our global responsibilities. In that sense, Gorbachev's visit to Beijing should be viewed not as a distant drama that has turned America into a passive spectator. Rather it should be seen as a challenge to rethink our own role in shaping Asia's future.



ANDY HERNANDEZ FOR NEWSWEEK
**'America's biggest nightmare in Indochina':
 Vietnamese troops withdrawing from Cambodia**

THE HERITAGE LECTURES

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**For the U.S.,
Continued
Commitment to
Asia**

By J. Danforth Quayle



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For the U.S., Continued Commitment to Asia

by J. Danforth Quayle

I am delighted to be here today to discuss U.S. policy toward Asia. Asia and the Pacific are very much in the news. With the tragic events unfolding in China, our attention is cast toward events in the east.

The Pacific region includes half of the world's people and two-thirds of the world's GNP, and it continues to be the fastest growing region in the world. Japan is now the world's second largest economic power, surpassing the declining Soviet Union.

President Bush understands the importance of Asia and its economic, political, and security relationship to the rest of the world. Indeed, the Bush Administration is the first Administration in history to have both the President and Vice President visit the region in the first 100 days of an Administration.

I would like to focus my remarks on the question of regional security in Asia and its relation to democratic and political development. In particular, I want to address one of the key issues I discussed with Asian leaders during my visit: the current situation in Cambodia. I am afraid that there is a great deal of misinformation floating about regarding our assistance to the Non-Communist Resistance and the Bush Administration's policy toward Cambodia. I want to set the record straight. But first let me briefly lay out some of the key principles underlying our Asia policy in general.

Vital Cooperation. Since World War II, the United States has been deeply engaged in Asia, helping to defend our allies while promoting peace and stability throughout the region. Formal bilateral security relationships with Japan, the Republic of Korea, Thailand, the Philippines, and Australia, along with informal cooperation with other free world nations, have made an immense contribution to the stability of the region, and have been a vital factor in our global deterrence posture.

One of the key themes I stressed in both my public and private remarks in Asia was the need for the United States and our Asian allies to maintain our commitment to collective security. As the Soviet Union takes its first faltering steps toward democracy, as it begins to be interested in contributing constructively to settling international disputes, there may be a tendency to neglect our common defense, and to ignore the need to nurture our alliance relationships.

I am firmly convinced that we must resist the temptation to dispense with our defense capabilities. Rather, we must prudently watch to see if Gorbachev's peace rhetoric in the Pacific is matched by deeds that lessen the Soviet threat. We must adopt a long-range perspective on the Soviets that is hopeful, yet cautious. Although there are encouraging signs of change in Soviet policies, these changes have not been uniform and, with the exception of the Sino-Soviet border, there has been no substantial reduction in the overall Soviet threat, especially in military capabilities in the Northwest Pacific. The Soviet Pacific

J. Danforth Quayle is Vice President of the United States of America.

He delivered the keynote address at the first annual Heritage Foundation Asian Studies Center conference, "U.S. Policy in Asia: The Challenge for 1990," on June 22, 1989.

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Ocean fleet still numbers 871 ships and craft. As long as this remains, so does the need for preparedness.

Appreciating the Soviet Threat. This message was well received and was supported by my Asian hosts. My basic impression was that the leaders of the Pacific Rim — men like Bob Hawke of Australia, Lee Kuan Yew of Singapore, and President Suharto of Indonesia — have a very shrewd and realistic appreciation of the Soviet threat. They are not about to be swept away by euphoria. They recognize that the Soviet Union is interested in sharing in Asia's economic boom and in increasing its access to the region, and has moderated its behavior accordingly. But they also recognize that the Soviets continue to modernize their force projection capabilities in Asia and the Pacific, where the largest of the Soviet fleets remains stationed. And they understand that the jury remains out on the question of the durability of the Gorbachev reform program and the extent of fundamental change in Soviet intentions.

For these reasons, the United States must continue to maintain an active role and presence in the Pacific. The U.S. must remain a Pacific power, the fundamental guarantor of regional stability.

We must continue to work closely with our Asian friends and allies to support the structure of collective security that has developed in the post-war years. The linchpin of this collective security system is Japan. The health of the U.S.-Japanese relationship will remain vital for ensuring security and stability in the region. The U.S. will also continue to cultivate its security relationships with traditional friends such as Australia, Thailand, and the Philippines. And we will work hard to develop mutually beneficial relations in the security area with other friendly nations in the region.

Central U.S. Objective. We must never forget that security cannot be divorced from politics. Security relationships can only flourish where there are shared political values and institutions. Therefore, the fostering of long-term democratic development in Asia and the Pacific must be seen as a central objective of our approach to collective security.

In East Asia and the Pacific, we have witnessed a continuing evolution toward greater democracy and political openness. In the Philippines, Korea, Taiwan, and elsewhere, democracy continue to advance. Fiji is on the way to restoring constitutional democracy. In Burma, too, a desire for political renewal is evident, even though the forces of authoritarianism continue to rule. In short, there has been an encouraging expansion throughout Asia of values that we Americans share, values that serve to strengthen our partnership, and cement our friendship, with the nations of the region.

Of course, the great exception to this heartening regional and global trend is China. It is our duty to denounce the brutal suppression of popular and peaceful demonstrations in China. It is our obligation to condemn the Orwellian inversion of truth that is now being spread about the events around Tiananmen Square.

Chinese Patriots. The simple truth is that, by and large, the demonstrators in Tiananmen Square and throughout China were Chinese patriots. They advocated basic human rights, including freedom of expression, freedom of the press, and freedom of association. These are rights that we support around the world. As President Bush as stated: "Throughout the world, we stand with those who seek greater freedom and democracy. This is the strongly felt view of my Administration, of our Congress, and, most important, of the American people."

For this reason, the American people are shocked and outraged by the recent executions in China. We urge the government in China, in the strongest possible terms, to end these executions now. We further urge on the Chinese government to end the wave of violence and reprisals against those who have called for democracy.

We, of course, have major strategic interests at stake in China. We would not want to see a reversion to the situation of total hostility to the West of the 1950s, or to the 1960s, when China promoted "national liberation wars" and posed a threat to its neighbors. China's opening to the West has contributed to stability in the Pacific region and the world — and, indeed, to reform in China itself. We and the Chinese continue to share fundamental, strategic interests, and we each can only lose if this relationship continues to deteriorate.

Responding Appropriately. The recent events in China have caused deep concern among the American people and have disrupted our relationship based on this common strategic interest. The Chinese leadership must judge where its strategic and economic interests lie. We urge the Chinese leadership to consider the effects of what they have done and are doing. We would respond appropriately to such positive developments, and our common interest in global peace and stability will be served.

Now I would like to talk about Cambodia, and about the Administration's policy in support of peace and democratic development in Southeast Asia. As you know, Vietnam invaded and occupied Cambodia in late 1978. At the time, it seemed doubtful that the victorious Vietnamese could ever be induced to go home. Now, however, Vietnam has indicated that it will withdraw its forces from Cambodia by September 30. We continue to hope that progress can be made in negotiations among the Cambodian factions toward agreement on an interim coalition government under Prince Sihanouk which will lead to free elections and genuine stability in Cambodia, and prevent the return to the Khmer Rouge "killing fields."

Cambodia Coalition Government. In the past, the U.S. has worked closely with the ASEAN nations as well as with China to bring home to Vietnam the diplomatic and economic consequences of its domination of Cambodia. The ASEAN leaders agree with our position that the Vietnamese-installed Hun Sen regime cannot be allowed to monopolize power after Vietnamese forces have withdrawn. A one-sided settlement would make continued civil war almost inevitable. At the same time, the communist Khmer Rouge, who are responsible of the deaths of 20 percent of Cambodia's 1975 population — some million and a half persons — must not return to dominance. The only realistic and satisfactory alternative is a transitional coalition government headed by Prince Sihanouk, in which the Non-Communist Resistance — the groups headed by Sihanouk and Son Sann — would play a key role. This coalition would establish the framework of a new, non-communist state and organize elections that would offer the Cambodian people an opportunity to decide their own future.

To deal with the twin dilemmas of the Khmer Rouge and the Hun Sen regime, virtually every government supports an international presence under U.N. auspices to verify the Vietnamese withdrawal, police a ceasefire, and supervise elections in Cambodia. The only exceptions are Vietnam and its Cambodian client. Even Moscow at times has appeared willing to accept an international presence, with the caveat that it must be acceptable to Hanoi and Phnom Penh.

The U.S., ASEAN, China, and our allies in Europe and Japan welcome steps that will hasten a true, complete, and internationally verified withdrawal as a real contribution to a

comprehensive political settlement in Cambodia. U.S. policy towards Cambodia has consistently called for such a withdrawal, along with effective measures to prevent the return to power of the Khmer Rouge. And the U.S. looks forward to eventual normalization of relations with Vietnam in the context of a genuine withdrawal and an acceptable settlement in Cambodia. The pace and scope of the normalization process, of course, will be affected by Vietnam's cooperation with us on humanitarian issues, including the POW/MIA issue.

Helping the Non-Communist Resistance. The best opportunity for preventing a return to power by the Khmer Rouge is a comprehensive settlement that includes a Sihanouk-led interim coalition government and an international presence to monitor and supervise elections and keep the peace. No single element can do the job alone. Our policy is designed to create the full range of stabilizing and restraining elements needed for a comprehensive settlement. However, the most important single element is strengthening the Non-Communist Resistance in as many ways as possible. For this reason, the Administration has asked Congress to authorize additional aid to the Non-Communist Resistance. The purpose of such assistance is to increase the political strength of the Non-Communist Resistance in the peace process while simultaneously giving it the strength to hold its own in the event of a Khmer Rouge attempt to seize power.

Yet instead of endorsing greater assistance to the Non-Communist Resistance, some in Congress have opposed it. They have challenged the Administration to make the case for more assistance in a public forum. Well, this is a public forum, and I would like to lay out the case for strengthening the Non-Communist Resistance in Cambodia.

The basic rationale for such a policy is straightforward. At this moment, the forces of the murderous Khmer Rouge are heavily armed, thanks to China's assistance. The forces of the Hun Sen regime are even more heavily armed, thanks to Soviet and Vietnamese assistance. Under these circumstances, surely the non-communist forces deserve the assistance of the West. Surely we should act to prevent the Khmer Rouge from returning to power. Surely, as Americans, we have a compelling moral responsibility to do what we can, short of direct intervention, to provide the wherewithal for the Cambodian people to have a genuine choice in determining their future.

Political Settlement vs. Civil War. Bear in mind the political context in which this assistance would be undertaken. In about a month, important negotiations will take place that will shape the political future of Cambodia. We are committed to doing everything in our power to ensure that these negotiations do not result in a situation in which the Khmer Rouge will again be in a position to dominate Cambodia, whether politically or militarily. By strengthening the Non-Communist Resistance, we would be increasing the prospects for a successful political, negotiated, outcome; by doing nothing, we would increase the likelihood of continued civil war and the potential for a return to power by the murderous Khmer Rouge. Unless Sihanouk is strong enough militarily and politically, he will not be able to hold the center of the Cambodian political stage long enough to ensure a free and fair election.

In recent months we have seen many reports portraying Hanoi's invasion-installed PRK regime as beneficent, reforming, and popular. If Hun Sen — a former Khmer Rouge commander — is as popular as his press reviews claim, he has nothing to fear from going to the polls and substituting ballots for bullets in an internationally supervised, properly prepared election. If the PRK is as strong as it claims, an election victory will give it the legitimacy it so visibly lacks and badly needs.

Let there be no mistake about this crucial point: it is the absence of a negotiated agreement, not our assistance to the Non-Communist Resistance, that increases the prospects of civil war. By aiding Prince Sihanouk and the Non-Communist Resistance, we will be encouraging a political process that will bring Cambodia's civil war to an end. By withholding aid, we will only make continued civil war more likely.

Congressional Critics. But our congressional critics accuse the Administration of seeking to promote "instability" in Cambodia. They forget that the best guarantee of stability is a negotiated settlement, and that aid to the Non-Communist Resistance will help bring about such a settlement. They claim that by aiding Prince Sihanouk and the Non-Communist Resistance forces, we become indirect accomplices of his Khmer Rouge partners. They forget that our assistance to Prince Sihanouk is designed to make it possible for him to be independent of the Khmer Rouge without becoming a prisoner of the Vietnamese-sponsored puppet government. Prince Sihanouk's children were murdered by the Khmer Rouge. Does anyone seriously think that he needs instruction on how dangerous and odious these people are?

Critics claim that anything given to the Non-Communist Resistance will fall into the hands of the Khmer Rouge. In a single instance in the past, when the Non-Communist Resistance was dreadfully weak, a larger Khmer Rouge unit surrounded and disarmed a woefully outnumbered Non-Communist unit. However, this no longer happens — not because the Khmer Rouge have suddenly become genteel but because the Non-Communist units are now large enough and well armed enough to defend themselves in most cases while operating inside Cambodia.

Critics warn that by strengthening the Non-Communist Resistance we are headed down a "slippery slope." They forget that we have in fact been providing substantial amounts of assistance to the Non-Communist Resistance for years. This assistance has not led us back into direct involvement in Indochina. It has contributed to a policy of seeking a comprehensive, political settlement for Cambodia. Further assistance is a means to bringing about such a political settlement.

Open Debate. Finally, critics claim that the Administration is trying to avoid congressional scrutiny. How much more openly debated can the policy become? When members of the House of Representatives vote on H.R. 1655, The International Cooperation Act of 1989, they will be voting on a section entitled "Assistance for the Cambodian People," which specifically authorizes a variety of forms of assistance to the Non-Communist Resistance forces. Virtually identical language has passed both houses of Congress since 1985, but given the debate in the newspapers and elsewhere, the vote this year will provide an opportunity for individual members to stand up and be counted before the bar of history. Will members of either party in either house vote down the concept of meaningful assistance to the non-communists and thereby risk a return to power of Pol Pot's genocidal regime?

But, in fact, what underlies all these criticisms of our policy and the Non-Communist Resistance is a deeper fear — the fear of "another Vietnam." The unacknowledged but all too tangible presence in the debate over Cambodia is the ghost of Vietnam. But, my friends, it is now time to lay this ghost to rest. President Bush noted in his Inaugural Address: "No great nation can long afford to be sundered by a memory." Similarly, no great nation can long afford to be paralyzed by a memory. We must not permit the Non-Communist Resistance in Cambodia to become the last casualty of the Vietnam War.

The situation in Southeast Asia today is very different from that of the late 1960s or the early 1970s. We have learned many things since 1975, the year Saigon fell to the armies of the North Vietnamese communists. We have learned that the coming of "peace" to Southeast Asia did not bring an end to suffering and injustice for the people of that region. Few of the critics of American involvement in the Vietnam War later found the time to pay much attention to the horrors inflicted on the peoples of Indochina by the communist regimes in Hanoi and Phnom Penh. Few had the courage to admit they may have been wrong in their assessment of the moral calculus of the situation in Southeast Asia.

At the same time, we have learned that there are limits to America's ability to assist others achieve and defend free government. We have learned that America cannot fight others' battles for them.

Remaining Committed. But we have learned that we have every reason to be confident in the ultimate triumph of freedom. The Vietnam experience damaged our confidence in American values and institutions. But over the last eight years, our confidence has been restored. And indeed, as we look at Asia and the world today, it is clearer than ever before that the future does not lie with Soviet communism or its Asian variants. To a degree that would have seemed astonishing even a decade ago, democratic ideals are on the march in Asia.

Let me conclude these remarks by reaffirming this Administration's determination to remain engaged in Asia -- engaged for peace, for freedom, and for democracy. Our role in Asia's attainment of these goals remains vital. And that is why it must continue.

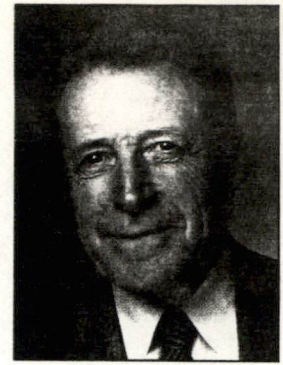


Commentary

on Events at Home and Abroad

By Caspar W. Weinberger, Publisher

Jack
Sin
Mark Davis
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HANDLE WITH CARE

The first thing anyone writing about China should do is acknowledge that no one really knows what has been happening within the government. That is why so many can write so authoritatively about what caused the tragedy in Tiananmen Square. Given that fact, I will nevertheless attempt to comment on these matters based on several trips I have made to China and my friendship with many of the Chinese leaders, past and present.

First, we should recall that there has been substantial progress by China in achieving a much freer market system of economics, replacing the strict central planning Soviet model, which had the same disastrous results in China that it has brought to the Soviet Union and, indeed, to every other country that has tried it.

In China hundreds of thousands of farmers were experiencing the great benefits of the novel (to them) concept that, if you worked harder and were more productive, you could keep more of the profits for your own consumption. One of the most striking scenes I saw on my first trip to China in 1983 was a very old farmer pushing an even older cart. But on the cart were cartons containing a Sony television set and a washing machine.

Second, there is substantial opposition within the Chinese government to this move toward a free market.

The Specter of Anarchy

A *third* fact is that Zhao Ziyang and, particularly, Deng Xiaoping and others who favored the new economics were very familiar from bitter personal experience with the extraordinary anarchistic Cultural Revolution, under which mobs of rioting youth quite literally cost China a whole generation of growth. They punished, in the most degrading and demeaning way, everyone with leadership qualities, intellectual abilities or academic distinction. Deng Xiaoping told me that he had been forced to scrub hospital floors, and that he was imprisoned at least twice during the mad period. His son was thrown from a window by the Red Guard and paralyzed for life.

Again and again it was emphasized to me by the Chinese leadership that the insanity of the Cultural Revolution would never be repeated, and that stability (stressed and

repeated many times) would be assured in the future under any and all circumstances.

What follows now is admittedly conjecture, but I believe the reason the Chinese government concluded it had to react against the very large student demonstrations was that the leadership feared revival of the Cultural Revolution and determined to prevent it. It is easy for us to distinguish between student demonstrators of 1989 crying for "more democracy," and the hordes turned loose on the streets by direct order of Mao with specific instructions to destroy everything they saw. But to men who were the victims of that earlier madness, such distinctions were not easy to make. Ordering troops to fire into crowds of unarmed people is a horrendous crime and a major blunder.

It seems likely that Deng and Zhao, aligned on economic reform, parted when stability seemed threatened, with Zhao probably holding out against the use of force too long for his own political survival.

As we properly condemn the atrocities in Tiananmen Square, we should bear in mind how vital it is for us and the Pacific, and indeed for the world, that China not be driven by our condemnation into isolation or again into the arms of the Soviets. This will require extraordinarily skilled diplomacy on our part, and President Bush appears to be taking precisely the right tack thus far in opposing the normal clamor for more and more punishment of China. In the long run, that would punish us far more.

Finally, it is odd that, in the current fascination by so many with the Soviet Union, we are willing to overlook the highly repressive measures the Soviets took earlier this spring against crowds who wanted more democracy in Georgia, Armenia and elsewhere. No one has yet demanded economic sanctions and other punishments for the Soviet Union.

China is far too important to the U.S., and the U.S. to China, for us to think only of new penalties. We should concentrate instead on trying to convince the Chinese that they need to make major changes that can enable Western democracies to return to the path we had so successfully followed since 1981. That had brought the U.S. so much closer to the relationship we need with a country that is central to the future of the Pacific.

Winston Lord

Misguided Mission

Since the June massacre in Beijing, Americans have hoisted two banners. One proclaims "sustain indignation"; the other, "preserve bilateral relations."

These principles are not mutually exclusive. Indeed the United States had struck the right balance between condemnation and connection until Gen. Scowcroft's pilgrimage. That mission both erased any pretense of official indignation and weakened the true foundations of Sino-American relations.

The administration's justifications are not persuasive:

■ **Don't isolate the Chinese leaders.** It is they, fearing their own people, who have isolated themselves. Their fixation is with power. Censure may not budge them—although the sharp world reaction to executions may have limited the numbers. But international acquiescence surely reinforces their view that crushing their populace elicits only fleeting outcries, no lasting repercussions.

■ **Directly convey American outrage.** In the Middle Kingdom, dispatching a high-level delegation speaks much louder than any words. Furthermore Scowcroft's public toast expressed as much outrage for the administration's critics as for the perpetrators of the massacre. Judging by the official backgrounding, his private remarks blamed Congress for all the furor. Whatever mild reproaches he may have transmitted were screened out by their media; the Chinese people were treated only to friendly smiles and exchanges.

■ **Maintain contact on international issues.** Senior officials gain access and carry weight. The Chinese reaffirmation that they won't ship intermediate missiles to volatile areas, though recycled, is important; so too is dialogue on Cambodia and Korea. But there are alternative channels unburdened by the awful symbolism of the Scowcroft voyage, such as our ambassadors and high-level meetings in international forums. In any event the Chinese pursue a hard-headed, independent foreign policy based on national interests, not spite over levels of contact.

■ **Weigh the Soviet factor.** While the geopolitical dimension of Sino-American ties remains important, it has evolved from a de facto alliance against the Soviets to the more nuanced realm of multipolar balance. Beijing needs to worry more about fast-moving U.S.-Soviet relations than Washington does about Sino-Soviet relations. Today on top of abiding historical, geopolitical and economic limits to Sino-Soviet rapprochement, add Gorbachev's heresies at home and in Eastern Europe. Their contagion poses a much greater threat to China's leaders than Western "bourgeois liberalization."

The administration forfeited moral reproof to seek improved bilateral ties. But even on its own terms the Scowcroft mission was severely misguided for the long run. Consider each of the key audiences.

■ The only group pleased by the visit, the predominant hard-liners in Beijing, will be gone in a few years. They have reinforced their power with images of business as usual. They take satisfaction that once again the foreigner pays tribute. Gratitude is not esteem.

■ The closet moderates in and out of government will form the core of leadership with whom we will

"One does not shore up the long-term foundations for Sino-American relations by appearing weak to China's leaders."

deal in the future. Far from strengthening their hand, the administration has robbed them of the argument that Chinese repression and xenophobia entail costs. Japan, Europe and others will feel free to follow the Scowcroft trail.

■ The despair, disillusionment and anger of other Chinese is widespread. Only the tiny percentage in Western countries understand that the administration's posture does not reflect the American mainstream. The rest must conclude that the blood around Tiananmen Square has truly been scrubbed away.

■ The trek to Beijing has shattered the broad consensus in America. For 20 years five presidents of both parties had pursued a balanced policy which garnered overwhelming bipartisan support. Now this secure base is rudely shaken by passionate debate. A backlash may well produce heavier sanctions than those the administration already opposes.

"Are we to believe that Chinese are not like Europeans, that they never had freedom and cannot afford it now because China would be ungovernable...?"

One does not shore up the long-term foundations for Sino-American relations by appearing weak to China's leaders and callous to the Chinese and American people. One does not earn respect abroad by reversing field within months and practicing double standards. One cannot maintain a balanced approach at home by submerging our values and disdaining congressional and public opinion.

The damage done by the mission was compounded by its egregious style. Clanking glasses on worldwide television, Gen. Scowcroft lined up the administration with the Beijing regime against the Chinese and American people. "In both our societies there are voices of those who seek to redirect or frustrate our cooperation. We both must take bold measures to overcome these negative forces."

Two days later, in Berlin, Secretary of State James Baker pronounced: "In their peaceful urgent multitude the peoples of Eastern Europe have held up a mirror to the West and have reflected the enduring power of our own best values... true stability requires governments with legitimacy, governments that are based on the consent of the governed."

Let us hope that the administration would hold to these eloquent sentiments longer than six months if there were slaughters in the Tiananmen Squares of Eastern Europe or the Soviet Republics. The Scowcroft mission sends precisely the wrong signals to Gorbachev. Both the Chinese and Eastern European demonstrations have been massive, broadly based and entirely nonviolent. The main difference is that the Chinese people made very modest demands for dialogue with their leadership, while the Eastern Europeans have made very radical demands for the overthrow of theirs.

To be sure, the administration would react strongly over a sustained period to any massacre of

innocents in Europe—and Gorbachev probably knows this. That is precisely the point. What we have here is not just a double standard but cultural, if not racial, bias—however unintentional and unconscious. Are we to believe that Chinese are not like Europeans, that they never had freedom and cannot afford it now because China would be ungovernable and "stability" is crucial to economic reform?

For years critics complained of a double standard in human rights, one for the Soviet Union, another for China. But there were two legitimate reasons for a more muted approach toward Beijing. First, Chinese society, with glaring exceptions, was generally moving in the right direction while the pre-Gorbachev Soviet Union was not. Second, China posed no threat to the United States and proved helpful on many international issues while the Soviet Union was expanding its arsenals and engaging in adventurism.

With many of these premises now overturned, it is time to shelve the double standard.

The president knew the trip would unleash a huge domestic storm, but acted boldly to stem a downward spiral in Sino-American relations. He is gambling that Beijing will make major concessions before Congress reconvenes. We can anticipate some positive moves, but we should not let Beijing or Washington inflate the significance of cosmetic gestures.

- Instead Beijing should:
- Acknowledge that last spring was a tragedy for patriots, not only for soldiers;
- Grant amnesty to demonstrators, not conduct witchhunts;
- Free countless dissidents in jail, not just two in an embassy;
- Remove fears, not just martial law;
- Let in VOA broadcasts, not just an additional broadcaster;
- Welcome without onerous conditions journalists, scholars and Peace Corps volunteers, not just computers and cash;
- Cease intimidation of foreigners and invective against America.

This agenda is not utopian. It merely calls for the status quo ante June.

The regime is unlikely to move significantly on such fronts. If it does, I, for one, would be delighted to modify my verdict on the Scowcroft mission.

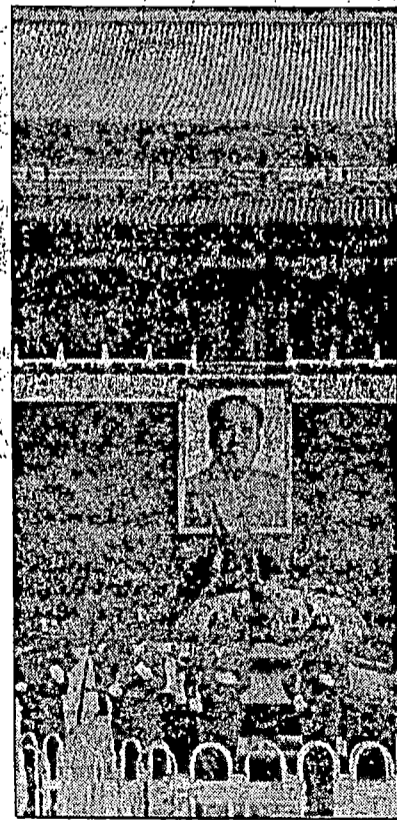
In foreign policy there is frequent tension between the imperatives of strategy and morality, between preserving peace and promoting human rights. Happily for the policy-maker these pursuits are often mutually reinforcing, with no difficult tradeoffs. What better example than the glorious panorama of Eastern Europe. Could there possibly be a more profound contribution to peace on the European continent than the realizing of long-suppressed aspirations? In a few short months, enemy armies have dissolved, warning times have multiplied, and a formidable buffer zone has emerged.

The new agenda for American diplomacy thus features the encouragement of freedom in societies moving toward post-Communism. This pursuit dramatically strengthens the prospects for peace as well. Meanwhile the octogenarians in the Forbidden City are in a time warp, finding common cause with the likes of Honecker and Ceausescu, Castro and Kim, while the Chinese people hunger for rights being grasped by peoples on the other side of the globe.

The administration, which strives skillfully to keep up with the times in Europe, was trapped in its own time warp when it launched Gen. Scowcroft. We can hope that Chinese actions in coming weeks will ease the sufferings of the people and thereby Washington's plight. But realistically it will take new leaders for China to catch up with history.

Until that time when we can fully resume cooperation with China, we should restore a measured approach. The choice is not solely between isolation and approbation. Let us conduct necessary business with the Beijing authorities in workmanlike fashion, not with fawning emissaries. Let us calibrate our actions with theirs. Let us maintain productive links where possible with progressive Chinese forces. Above all, to serve American interests as well as values, let us align ourselves with China's future.

The writer was United States ambassador to China from 1985 to 1989. He was special assistant to Henry Kissinger when the latter, as national security adviser, first visited China in 1971, and made many subsequent trips to China with Mr. Kissinger and Presidents Nixon and Ford.



AGENCE FRANCE-PRESSE

Civil War Era

WASHINGTON
Undemocratic regimes everywhere are facing the prospect of civil war.

In China, the massacre of students was the death knell of the regime. The demonstrators' goal was not to wring a few trappings of democracy from the corrupt gerontocracy, but to instill the dangerous spirit of freedom in a billion Chinese. The purpose of the original hunger strike was to create a handful of martyrs around which to rally a movement.

When Deng's regime was unable to get local army units to move against the demonstrators, it appeared that the Communist leadership's mild reaction was not so much indecisive as it was cunning: the young demonstrators, allowed to stew in their own juices, would be defeated by boredom. They would go home in dribs and drabs, denied martyrdom.

Deng's delayed reaction, however, was not dictated by shrewdness but by the need to organize brutality. He slipped out of Beijing, met with the seven army commanders and out-Mao'd Mao by winning the agreement of six to teach the students a bloody lesson: that Communist power comes out of the barrel of a gun.

The Tienanmen massacre established order, all right, but also established a national underground determined to overthrow that order. Idealism alone is repressible, but idealism alloyed with a passion for vengeance creates a gun barrel all its own.

Counterrevolution — civil war — is under way, and may take years or Deng's death to prevail, but today's student-killers will one day be replaced by today's heroes. That is why the thousands of bloodied students are the victors of the massacre; this day will be the next democratic government's national holiday.

Civil war is also possible in Iran, after the death of the old man who turned back the clock by a millennium.

We do not know the dynamics of Persian dissent. Perhaps the world will see a falling-out between the Ayatollah's most fanatic followers and the long-vaunted moderate mullahs; or perhaps the defeated military and the repressed secular middle class will conspire with exiles to move against the fundamentalists.

However the split occurs, the likelihood of a peaceful and parliamentary resolution of differences is remote. A great fault line runs through Iranian society; now that the transfixation with a charismatic is past, it's only a question of time before the earthquake.

That brings us to the threat of civil strife in a third country: the war that may or may not break out in and around the Soviet Union. The political

struggle is already under way, and has so far been peaceful.

When repression does turn violent, as in the gassing of Georgian nationalists in Tblisi, it is disavowed by Moscow. When republics conflict and old nationalist hatreds appear — as happened last weekend when Uzbeks rioted against Meskhetians in Uzbekistan — trouble is put down bloodily but out of camera range.

The civil struggle has been to transfer power from an inefficient party to an anti-ideological leader. Its success lies in the genius of Mikhail Gorbachev to subject himself to criticism as he makes subjects of his critics.

But how will the new above-party power structure manage the intensified yearning for independence in its European satellites? How will it handle demands for sovereignty in the

Massacre heard 'round the world.

illegally annexed Baltic States? And how will it later respond to anti-Russian demonstrations sure to come in the vital Ukraine, which would be the beginning of the Soviet disunion?

What we have seen in China this week, and what we are likely to see in Teheran before long, suggests that the Russian leader will probably revert to totalitarian type: in the end, he — or the man hastily put in to replace him — will call out the army to teach the demonstrators a brutal lesson, as Deng has just done, as the czars used to do.

We can hope that Mr. Gorbachev uses his burgeoning power to set free the nations whose people want freedom, and then returns his own power to his own people. Maybe — for the first time — freedom will gently evolve.

But history teaches that empires do not break up voluntarily; dictators never dictate freedom; totalitarian states do not overthrow themselves. On occasion — the Shah of Iran, Marcos of the Philippines — the strongman cannot bring himself to order troops to kill the people, but few dictators are so squeamish.

No outsider wants to sound incendiary, but the sad truth is that the tree of liberty is indeed nourished by patriot blood. The thousands of brave young Chinese who were killed this weekend did not, in Lincoln's phrase, die in vain; their sacrifice will lead their people out of Communist bondage. □

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The Myth of Convergence

Acknowledging Differences between Japan and the United States

James M. Fallows

Washington Editor, the Atlantic Magazine

Delivered at the Hotel Okura's Executive Service Salon Monthly Luncheon Meeting, Tokyo, June 20, 1989.

I would like to propose some ideas here today that you may or may not find convincing but which, in any case, I hope will get your interest. These are partly related to things I have written recently in the *Atlantic* and partly not. My overall proposition is that relationships between Japan and the rest of the world, including relations between Japan and the United States, are about to move into a surprisingly more hopeful stage.

The reason I say "surprisingly" is that the passage to this new stage will be attended by many things we are used to thinking of as bad news—disagreements, arguments, changes of mind and things of that sort. But I think that the outcome is going to be much easier for everybody involved, particularly the United States and Japan. I think the result of this change in attitude will be to allow Japan and the United States to concentrate on the real shared interests that they have without constantly quarreling and beating each other over the head.

Let me start out by saying that the existing paradigm, especially in the U.S. attitude toward Japan, has contained several elements. (I will concentrate initially on the U.S. attitude because I think it changes in a more volatile way than the Japanese attitude does.) One of the old ingredients in the U.S. outlook is a residual group of anti-Japanese people in America—this is a small, but very real, political force. Over the years, however, there has been a much larger group made up of those who have had good relations with Japan; this includes people in the military, diplomats, academics and of course, members of the business community. By far, though, the largest group of Americans is made up of those with no direct interest in Japan, or in Mexico or anywhere else; they are concerned mainly with the United States and have just let affairs drift on.

In this existing model, which has lasted for most of the postwar period, but especially the last 20

years or so in which Japan has been a mature economic power, there have been some not-so-clearly-stated assumptions on the U.S. side. And perhaps the most important of those has been the assumption of convergence—that is, that Japan and the United States were getting to be more like each other, or to put it less politely in the American version, that Japan was becoming more like the United States.

When Americans first came here to Tokyo, they would see how modern the city was and how many international businesses there were, so they thought the natural course of economic evolution would be to take Japan to an economic system basically similar to the one the United States had and that European countries on the whole had.

The basic underlying tone of every discussion between the United States and Japan was that in spite of these temporary problems with the farmers, or the distribution system or the coal miners, we all know where we are going in the long run and we are basically converging. There was some recognition on both sides that while basic convergence was the end goal, some allowances had to be made for Japan's "special circumstances" along the way. Japan didn't have a military of its own—at America's insistence—so the United States needed a certain military role here; Japan couldn't shock its distribution system into change, and the rest of it.

Now, when this basic assumption of convergence has not become a reality, there has been a standard set of responses given. One of those is the need for patience. Things take a long time to work out, although their direction is certain, and so it may take a number of years to change the distribution system or the political system. However, it would be a mistake to be too hasty or impatient.

Another familiar response is that of the importance of effort: that if one puts forth enough effort, it is possible to establish a presence in Japan, so

to the extent this does not happen, it shows a lack of effort and determination. There is also, increasingly from the Japanese side but with a lot of recognition from the American side as well, an awareness that the United States has failed in many, many ways to carry its full burden of economic competition in the world.

This is what I am presenting as the “old model” and it leads to several unwholesome events for both Japan and the United States as our interactions over the past 10 years have shown. On the one hand, both countries know that they have a tremendous amount at stake in one another—militarily, with human contacts, business contacts, flows of money, flows of supplies—and that neither country could do very well without the other. But the day-by-day interactions between the governments and some businessmen are a series of small-scale arguments—a nightmare of negotiations that frays tempers on both sides and does not really make a lot of difference in the long run.

“... the United States has failed in many, many ways to carry its full burden of economic competition in the world.”

What I think is now under way in the United States is a shift toward a different model that may initially seem more threatening to Japan, but which I feel is much healthier in the long run. This shift is essentially accepting the Japanese argument that Japan is different. That is, not different because of intestines, or snow, or language or anything else, but different as a political and economic system. And the basic assumption of convergence and of the market working things out is beginning to be abandoned in the United States.

Let me expand on what I mean by this recognition of differences. I am speaking of political and

economic differences—acknowledging that Japan, which is structurally an impeccable liberal democracy, in practice functions very differently from other Western democracies. It is, in reality, a one-party system with the United States performing the normal opposition party function of shifting policy one way or another.

“... the Japanese economy... places more emphasis on having industries in addition to products.”

The recognition of difference in the economic system concerns the basic goal of an economy. For example, the goal of the American, British and, to some extent, European economies has been to raise the consumer standard of living. By that logic, whenever you can buy a product from somebody else more cheaply than you can produce it yourself, it is always better to buy it. That is the goal of an economy that would rather have products than industries.

There is a different goal of the Japanese economy that places more emphasis on having industries in addition to products. In the “old model” this Japanese emphasis might be called unfair, which I think is destructive and misleading. There is nothing unfair about it at all. The point is that it is different.

This is the recognition that I think is having some impact in the United States and I would like to mention several events or trends that I think have changed this impression of “differentness.”

One event that has influenced the thinking of Americans is, of course, the result of *endaka*. By any neoclassical economic model, it is almost impossible to imagine that after the price of a nation's currency had doubled, its trade surplus would be rising again. This is what has

happened since late last summer. The Japanese trade surplus declined by various measures as long as the yen value was actually rising, but for almost a year now, it has been rising by nearly all measures.

What is particularly significant here is that it shows the contrast between America's economic dealings with Japan and America's economic dealings with most of the rest of the world. Especially in relation to Europe, the very radical change in currency value that the United States went through had a fairly pronounced effect on the trade pattern. Consequently, the United States now enjoys a small trade surplus with the whole European Community. This is obviously not the result in Japan, so there is an anomaly here to be explained.

A second event that has had some influence is the result of Japanese overseas investment. In the United States and Europe, direct overseas investment has tended to replace exports. The evidence so far suggests the opposite for Japanese investment—on the whole, it has increased Japanese exports. The automobile transplants in the United States are an example. They have, to some degree, reduced exports of cars from Japan but greatly increased exports of car parts from Japan to the United States. So, this investment has had a very different effect from U.S. or European investment. This does not mean there is anything wrong with it; it is just indicative of a different economic phenomenon.

Let me mention two other statistics in relation to this investment topic that I believe are important. One involves the economic jargon term "intra-industry specialization rate." This concept means that in any given industrial sector—cars, refrigerators, televisions, agricultural products—a country both buys and sells, and that if this rate is very high, for example near 1.0, then the country buys exactly as much as it sells. If the rate is 0, then the country buys only certain things and sells only

certain other things. As it happens, the United States and other Western European nations, including Germany, have fairly high rates of about 0.8. Germany sells a lot of cars and buys a lot of cars; the U.S. exports a lot of food and imports even more food. There is a fairly active trade situation. Japan, as you will not be surprised to hear, has a very low rate, about 0.2, meaning that in the areas in which Japan exports, it virtually does not import. This can be overstated, but the point is there is a distinct difference in the performance of West Germany, France, Italy, the United States and Japan.

"In the United States and Europe, direct overseas investment has tended to replace exports. The evidence so far suggests the opposite for Japanese investment—on the whole it has increased Japanese exports."

Similarly, the difference between Japan and Germany in manufactured imports is also making its impact in the United States. In 1986, Germany imported 37 percent of all the manufactured goods it consumed and Japan imported 4 percent—so this kind of disparity is having some kind of effect.

The Maekawa Commission and its aftermath have also had some influence on the United States. In the spring of 1986, you may recall how much emphasis Prime Minister Nakasone placed on this report. Its basic premise was to accelerate the convergence of the Japanese and U.S. or European economies. There was too large a gap, the report contended, between Japan's actual living standard and its material wealth and it would be good to deliberately shift that and make the economy behave more like the economies of the United States or Western Europe. The modest effects of that report are being absorbed in the United States

as an illustration of some “stickiness” in the Japanese socioeconomic system that makes it difficult to shift the focus to an improved standard of living.

Let me mention also three other more recent political phenomena. The most obvious is the FSX controversy. I think the long-term impact will be very different from what the short-term impact was. I should say also that I think the United States was completely in the wrong to try to change the deal. I think, instead, the United States could have argued the issue from a strictly military point of view; Japan had everything to gain from simply buying the F-16s from the United States—they would be available almost immediately at roughly half or one-third the cost of a new plane. From a diplomatic point of view, Japan had much to gain by buying the airplane, since the United States is its military ally with whom it has a huge trade surplus. From an economic point of view, this is a product that the United States, for all of its failings, actually makes extremely well and cheaply—it’s a competitive product. And so the only logic on behalf of simply not buying the planes was a sort of mercantilist logic of saying “here is another industry in which we need to participate.” It is certainly Japan’s right to make that decision, but it is not what we think of as a “market imperative.”

“...just as men and women are happier knowing what each one is, so will Japan and the United States be happier knowing what each one is and not pretending that we are becoming more and more the same.”

Another political event that has had some effect is the difficult last few months of the Takeshita administration. Especially significant is the fact that the prime minister stayed on in office a full two months after his public opinion rating hit 3.9

percent in the polls. Now, by way of comparison, when Richard Nixon was forced out of office by public outrage, he still had 32 percent of the public’s approval—eight times as much as Takeshita had. There is a different kind of democracy at work here—one in which actual public opinion matters less than it does in other places. It has had a lot of effectiveness for Japan, but it is different.

Finally, and most delicately, let me mention one more thing I believe is having an impact on the United States: the Japanese nonresponse to the events in China. The delicacy of the point is obvious because of the historical complications between Japan and China. The delicacy of the moment is that this comes at a point when there is great debate in both the United States and Japan about the ultimate values of Japan’s political system and what its message to the world is. There has been attention drawn in the United States and Europe to the fact that for several days after the incident, there was no response whatsoever from the Japanese government and then only a very muted one. Whether the Japanese government was wise or unwise in taking its course, I think the course is having an effect.

In conclusion, what I hope and think will be the case in the United States is a change of mind to a more realistic, and eventually friendlier, attitude toward Japan. The realism will come from abandoning the idea that it is just a matter of time until the two economies and political systems become the same.

I think there will be a shift in the United States toward the idea that we are different, but because we share so many common interests, hopefully we can find a way to manage the relationship so that it is not destroyed by these niggling tensions. I believe Japan is the most important ally the United States has—in all dimensions of political, economic and cultural connections—and I think the threat to this alliance is the myth of convergence or *kokusaika*



JAMES M. FALLOWS

Born in Philadelphia, Pennsylvania, in 1949. After graduating with a B.A. from Harvard University in 1970, James M. Fallows attended Oxford University as a Rhodes Scholar, earning a diploma in economics in 1972. After serving as editor for the Washington Monthly and the Texas Monthly, he became chief speech writer for then President Jimmy Carter. Mr. Fallows joined the Atlantic in 1979 and currently serves as its Washington editor.

(internationalization). We would be better off to acknowledge our differences and figure out how we can happily coexist in these different societies. This is not so odd a thing—it's like the relationship between men and women. The relationship is always much happier if one recognizes the difference and does not assume that it is going to go away. Using this as a model, just as men and

women are happier knowing what each one is, so will Japan and the United States be happier knowing what each one is and not pretending that we are becoming more and more the same. □
 (The title of this speech was provided by the editor. The speech appeared in a slightly different version in the Hotel Okura News, September 1989, Vol. 13, No. 9.)

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Staying Flexible

Past and Present Challenges to Japanese Industries

Yoh Kurosawa

Deputy President, Industrial Bank of Japan, Limited

Delivered at the Japan-Finland 70th Anniversary Meeting, Helsinki, Finland, August 29, 1989.

JAPAN, defeated in World War II and flattened to ashes in bombardment that included two atomic bombs, has built the second largest economy in the world behind the United States. This was due, in the main, to the efforts of the Japanese themselves and to the favorable global environment that contributed to such growth.

Japan's gross national product (GNP) in 1988 amounted to \$2,860.4 billion, which was approximately half of the U.S. and European Community GNPs of \$4,880.6 billion and \$4,708.4 billion, respectively. But per capita GNP was a different matter. As Japan's population is 123 million, the United States' 246 million and the EC's about 326 million, Japanese per capita GNP exceeds the other two as follows: \$23,274 for Japan, \$19,817 for the United States and \$14,524 for the EC.

The vitality of the Japanese economy is, of course, based on the strength and prosperity of its industries. For instance, the share of Japanese automobiles in the U.S. market is 20 percent and in the West German market, 15 percent. These large market shares in countries with their own established automobile industries illustrate the strong competitiveness of Japan's auto industry. This competitiveness is sustained by high productivity. According to a published report by Volkswagen, it takes about 36 hours for an average West German automaker to manufacture an automobile, 25 hours for a U.S. company and 19 hours for a Japanese automaker.

Japan's productivity is overwhelmingly high. The league table of the world's automobile manufacturers shows that first and second place are taken by the American firms of General Motors (GM) and Ford Motors, third is Japan's Toyota, and fourth onward are Daimler Benz, Chrysler, Fiat and Volkswagen, with Nissan Motors taking eighth place.

As we shift our vision to the electronics industry, half of the world's top 10 companies in this

field are Japanese. Although General Electric of the United States is first, Hitachi ranks second, Matsushita (National Panasonic) fourth, Toshiba seventh, NEC eighth and Mitsubishi Electric tenth.

The staggering competitiveness of Japanese products is also illustrated by the share of Japanese videotape recorders (VTRs) in EC markets. Sixty-nine percent of VTRs in the EC are Japanese, 25 percentage points of which are exported from Japan and 44 percentage points supplied by Japanese plants in the EC. In contrast, the share of EC firms is 20 percent and exports from Korea account for 11 percent.

The greatest challenge faced by these Japanese industries in recent years was the rapid appreciation of the yen. After the finance ministers of the Group of Five signed the Plaza Accord in September 1985, the exchange rate, which had until then prevailed at ¥240 to the dollar, rose sharply to ¥120 to the dollar. This meant the yen's value doubled in a mere two years.

As a result, Japanese industries that had relied heavily on exports suddenly faced a crisis. In 1985, the degree of reliance on exports in major Japanese industries was 45 percent for the electric and electronics industry, 55 percent for the automobile industry, 68 percent for shipbuilding and 35 percent for general machinery. These export industries were compelled to reduce production. Consequently, manufacturing companies were dealt a serious blow to their ordinary profits, which dropped, on average, by 22 percent in 1985 and 38 percent in 1986. The suppliers of basic materials to these export industries, such as steel and petrochemical companies, were also dealt a severe blow.

Facing such a crisis, Japanese industrial corporations responded by restructuring primarily in four major areas. First, they rationalized excess equipment and reduced employee numbers. Second, they reoriented their business priorities, placing greater emphasis on high-value-added goods.

Third, they shifted production bases abroad, establishing a more global production system. Fourth, they diversified by stabilizing the management base and abandoning recessionary fields for more promising business activities.

Let me illustrate the previous points with the restructuring efforts of the steel industry, which is the most fundamental of basic industries. In addition to actual cuts in steel exports due to the strong yen, steel companies were gravely affected by the export reductions of steel product users, such as the electric and electronics industry, the automobile industry and shipbuilding. The volume of steel production fell from 103 million tons in 1985 to 96 million tons in 1986.

The five largest steel companies in Japan reacted to this adverse change by first rationalizing. Premising on an eventual 90-million-ton production system, they planned drastic equipment and employee reductions. They abandoned high-temperature furnaces and cut the work force by 44,000, which represented a quarter of all steel industry employees.

In their business priority orientation, they endeavored to develop high-function products, such as low-temperature-resistant steel, heat-resistant steel, corrosion-resistant steel and high-tension steel. Furthermore, these firms pushed forward with overseas production. Following the foreign direct investment strategies of the automobile, electric and electronic industries, they entered the U.S. market through either joint ventures, business tie-ups or licensing agreements with American steel companies.

The steel companies also worked to diversify their business. They entered into a broad spectrum of new areas, including new basic materials, electronics and service industries. The number of new companies incorporated by the five largest Japanese steel companies in 1987 alone exceeded 100.

The most representative maker, Nippon Steel Corp., has announced a very ambitious business

plan. By 1995, the company will reduce its steel activities within its own business to less than half and increase the share of the electronics and information and telecommunication sector to 20 percent. It plans to increase its participation in engineering to 10 percent and in social and life-related development to 10 percent, in addition to entering the biotechnology field.

**“The vitality of the Japanese economy is
... based on the strength and prosperity
of its industries.”**

Through such rationalization efforts, Japanese export industries have achieved a resilience to withstand an exchange rate of around ¥120 to the dollar. At the current exchange rates of around ¥130 to ¥140 to the dollar, these industries are easily able to make profits and are secure in their business positions.

What we must not overlook at this point is a very important benefit of the strong national currency—cheaper import prices. Since Japan mostly relies on imported raw materials, beginning with energy, the doubling of the yen value from ¥240 to ¥120 to the dollar meant a halving of payments for these imported raw materials. The steel, petrochemicals, synthetic textiles and electric power industries, in particular, benefited most from the strong yen. Electricity charges were cut by 22 percent from 1985 to 1989, contributing significantly to cost cuts made by Japanese industries.

It should also be emphasized that the government's fiscal 1986 policy to expand domestic demand to overcome the crisis brought on by the strong yen helped stimulate domestic business. This measure was a ¥6 trillion package comprising ¥1 trillion in tax cuts and ¥5 trillion in public works spending. These efforts brought about

improved corporate revenues, which bottomed out in the spring of 1987. Japan's real economic growth rate was recorded at 5 percent both in 1987 and in 1988. Demand components of this growth were 6 percent domestic demand and minus 1 percent external demand, illustrating that the Japanese economy has shifted to a domestic demand-led growth pattern.

On the other hand, as a result of the rationalization efforts to overcome the strong yen's adverse effects, Japan's exports have grown steadily. Our trade surplus has been around \$90 billion to \$100 billion annually. It is a fact that this surplus is causing the so-called trade friction with the United States and the European Community and fueling the protectionist tendencies there. Today, 40 percent of Japanese exports to the United States are regulated in one form or the other. In particular, exports of automobiles to the United States have been restricted to 2.3 million units annually. Because of this, Japanese automakers are moving ahead with their plans to assemble autos in the United States by building plants there.

Such a production system abroad poses a new challenge to Japanese industries to overcome the many resulting problems. I would like to share with you the experience of Nissan Motors' Tennessee plant and Toyota Motors' Fremont plant in California.

There is a book titled *The 100 Best Companies to Work for in America* that gives employment guidance and information. Such prestigious companies as Exxon, General Electric, Du Pont and IBM are listed in it. In the automobile section, I was astonished to find Nissan Tennessee rather than any of the American Big Three.

Each company is evaluated in five areas on a scale ranking down from five points to one: pay, benefits, job security, promotion opportunities and ambience. In Nissan's case, with the exception of pay, which received three points, the company

scored four points in each of the other four areas. The total points given to Nissan was 19, which was a relatively high score. Although IBM earned 21, Exxon was given 17, General Electric 16 and Du Pont 15.

The Nissan Tennessee plant began its operations with the assembly of small trucks in 1983 and expanded to manufacturing automobiles in 1986. A total of 240,000 vehicles is assembled there annually. In 1992, the company plans to install a second automobile assembly line, doubling the number of employees, which presently stands at 2,400. It will produce the largest number of cars and trucks of any single auto factory in the United States.

"Faced with the prospect of EC integration in 1992, Japanese firms are increasing their direct investment there."

When it launched the plant in 1982, Nissan Motors offered 2,000 jobs, for which an astonishing 150,000 people applied. Nissan even had to ask the Tennessee state government to help in the selection process. Of the 2,000 employed by Nissan Tennessee, 383 workers were picked to study the Japanese assembly method firsthand for a minimum of six weeks in one of Nissan's factories in Japan. Nissan Tennessee's managers are mostly Americans, including President Marvin Runyon, who worked for Ford Motors for some 37 years. Only two vice presidents, in charge of quality control and finance, are Japanese.

President Runyon makes it a habit to have lunch with the factory workers in one of the two large company cafeterias (there is no executive dining room). When he is in the plant, he wears the regulation blue uniform with "Marvin" inscribed over the right breast pocket. Everybody calls him and

the other managers by their first names. Mr. Runyon has lunch with all new employees in small groups and he conducts companywide meetings at least every four months.

The book also introduces the opinions of some of the workers. Let me cite some of these:

Lonnie Blittle, who formerly worked for J.C. Penney and General Electric, was hired to work on the assembly line in the paint shop. What impressed him most about the Japanese plant was "the teamwork. Nobody is ever yelling at anybody. It is a team effort. Everybody is constantly improving himself on a daily basis. They are good at what they do." Blittle also found remarkable the quality of communications in the plant. "Nobody seems to be in the dark. Everybody knows what is going on. Nothing is ever hidden back. There is none of the hush-hush atmosphere with management behind closed doors and everybody else waiting until they drop the bomb on us. They are right down pitching in, not standing around with their hands on their hips."

"It is by no means an easy matter for the Japanese to manufacture in Europe or the United States and to employ non-Japanese. But this is a challenge our corporations will have to face up to."

This feature of the Japanese system appears to have been exported directly to Tennessee. Ken Herndon's previous job was at Du Pont's Dacron plant in Old Hickory, Tennessee, from which he was laid off in 1981. "Du Pont had a supervisor for everything," Herndon explained. "Here you don't have so many people telling you what to do. There are only five levels between me and the president of the company." By contrast, a typical U.S. automaker has 12 levels of supervision between the line worker and the company president.

Herndon said that at Nissan "the managers are out on the floor. They are not in separate offices. At other places I've worked, they will sneak around and try to catch you doing something wrong. Or a supervisor is so scared to death when the manager shows up that he runs around and makes everybody clean things up. But here, he is just one of us." Supervisors have desks on the plant floor in areas reserved for breaks.

Kathy Thomas also appreciates the teamwork: "It makes you feel that you are not a peon, with everybody standing over you and shoving you around." Thomas previously was employed as a construction worker for the company that built the Nissan plant. Before that, she had worked as a secretary. Her job with Nissan is on the assembly line in the body area of the plant. She especially likes the fact that Nissan appears to be concerned "about you as a whole person."

On the Thursday night before she began her job, the company sponsored a family orientation program at the plant. Thomas brought her two young daughters to the presentation that included refreshments and a slide show about Nissan in Japan and in the United States. The company also gave everyone a set of drinking glasses with the Nissan logo on them. The day before Thomas came to work, four different people called to welcome her to the company.

The book also evaluates the merits and demerits of the companies. On Nissan, the book cites as its merit "the chance to experience the Japanese work style first hand" and as its demerit "you may not like doing exercises in the morning."

Since its establishment in 1983, Nissan Tennessee has never laid off any employee and enjoys a reputation of being a workers' paradise. Moreover, it has succeeded in achieving the U.S. industrial productivity goal by giving its employees high incentives. However, a critical incident emerged in July 1989. The United Automobile Workers' union

(UAW) had, for two years, focused on union-free Nissan Tennessee to press workers to form a union.

Three Japanese-affiliated auto companies in the United States have unions: the GM and Toyota joint venture, the Ford and Mazda joint venture and the Chrysler and Mitsubishi joint venture. Honda in Ohio, Toyota in Kentucky and Nissan in Tennessee do not have unions. Also, Isuzu/Fuji Heavy Industries will open a new plant in Indiana next September.

The number of UAW members in the past 10 years has diminished to a third, or around one million workers. The UAW intends to regain its strength by placing Nissan and the other Japanese-affiliated plants (including the Isuzu/Fuji plant) under its umbrella. More than 12,000 workers are employed by Japanese automobile makers in the United States and they produce 8 percent of automobiles sold in the country.

On July 26 and 27, the 2,400 employees of Nissan Tennessee were asked to vote either for UAW representation or nonrepresentation. The workers voted 1,622 to 711 against UAW representation, a ratio of two to one. It is too optimistic to think that the UAW will withdraw into the background. The UAW will most likely return with an offensive on Nissan and Honda sooner or later, supported by the American Big Three, whose workers are all union members.

Now let me turn to Toyota. In 1984, Toyota formed New United Motor Manufacturing Inc. (NUMMI), a fifty-fifty joint venture with GM, which opened a plant in Fremont, California. The plant was initially a GM plant, but it had suffered low productivity and a number of wildcat strikes, in addition to drug problems. In 1982, GM was forced to close it down. NUMMI took over not only the land, building, machines and equipment, but also the workers. About 85 percent of the previous work force has been reemployed, the others having moved away when the plant was

closed. Of course, all of them were members of the UAW.

I visited this factory in July 1987 as the leader of a Japanese investment survey mission. It was only three years since the plant had been reopened, but in that brief period, it had become the most productive factory in the United States. Nova, the model produced in this factory, was once named the *U.S. Consumer Report's* best-value car.

How was such an impressive transformation possible, using the same land, the same buildings, the same machinery and the same employees? Simply put, it was due to the change in management. Even though the company is a fifty-fifty joint venture with GM, Toyota is completely responsible for management. And the Toyota team's management has totally changed the behavior, attitudes and sense of responsibility of not only the factory workers, but also of the subcontractors and suppliers.

"The real challenge for Japanese industries, ... is to become a world forerunner in the field of advanced technology development."

Toyota's management system, called the "just-in-time system," is a very demanding one. How have the former employees of the GM plant come to accept Toyota's management philosophy? The employment guarantee and sense of unity between the management and employees are responsible for the change. In the NUMMI plant, lifetime employment is not guaranteed as it is in Japan. However, the labor agreement of the plant stipulates: "In principle, there are no layoffs. If for vital management reasons personnel cuts become necessary, we will begin by cutting salaries of the top management."

In NUMMI, the plant manager and other management team members also take lunch in the



YOH KUROSAWA

Born in 1926 in Tokyo. Yoh Kurosawa earned an LL.B. degree from the University of Tokyo and joined the Industrial Bank of Japan, Limited, in 1950. He was seconded to Deutsche Bank AB in Frankfurt am Main from 1961 to 1962 and appointed chief representative of the Frankfurt Representative Office in 1966. After becoming general manager of the international department in 1975, Mr. Kurosawa was named director in 1976 and managing director in 1979. Mr. Kurosawa has been deputy president of the Industrial Bank of Japan since 1984.

same cafeteria with the workers. I was also invited to lunch in that cafeteria, and when the president of Toyota headquarters visits the plant, he takes lunch there too, wearing the same factory uniform as the others.

Another special feature of this plant is that each factory worker is authorized to stop the assembly line conveyor belt. The belt moves at a certain speed, but a worker might get into difficulty or may not be able to coordinate his activity with the speed of the belt. A common question in auto assembly plants is, can the worker stop the conveyor belt? While it is not allowed in the United States, it is commonly accepted in Japan. Toyota, pushing through with Japanese common sense, achieved success.

The previous two cases illustrate how the Japanese management system was accepted locally, irrespective of the existence of a labor union, and blossomed in the United States. In Nissan's case, it was a green field investment, while Toyota's was a joint venture with GM using existing plant. The other methods of entering foreign markets include mergers and acquisitions.

Acquiring a foreign corporation with a totally different cultural background is a completely new challenge for Japanese firms. In recent years, five major acquisitions have occurred. In November 1987, Sony bought CBS Records for \$2 billion and Aoki Construction bought the Westin Hotel chain for \$1.35 billion. Bridgestone Tire bought Firestone Tire for \$2.6 billion in March 1988, and in September 1988, Seibu Saison Group bought Intercontinental Hotel for \$2.15 billion and Nippon Mining bought Gould for \$1.1 billion.

The majority of Japanese direct foreign investment still takes the form of green field investment. All of the previously mentioned mergers and acquisitions were made on a friendly basis.

I would now like to turn to the challenges the Japanese firms in Europe, particularly within the

EC, are facing. Trade between Japan and the EC in 1988 saw a surplus for Japan of \$22.3 billion, with \$47.8 billion in exports and \$25.5 billion in imports. The size of Japan's surplus over the EC is increasing annually, and naturally, trade friction accompanying such a trade imbalance has emerged. Faced with the prospect of EC integration in 1992, Japanese firms are increasing their direct investment there.

Factories affiliated with Japanese capital in Europe numbered 392 at the end of 1988. As the number stood at approximately 300 at the end of 1987, about 100 Japanese companies established their factories in Europe in 1988 alone. Of the 392 factories, 92 are located in Great Britain, 71 in France, 67 in West Germany, 37 in Spain, and the remainder scattered throughout the continent. Unfortunately, there are only three Japanese-affiliated factories here in Finland.

Europe consists of smaller national markets, with the existence of many traditional industries. It can be said that the problems accompanying Japan's direct investment here are more complicated than those in the United States. The local content and antidumping questions attest to this point. Also, the EC countries have different national attitudes toward Japanese products. For instance, there is no quota in West Germany or in the three Benelux countries on imports of passenger cars made in Japan; the United Kingdom has a quota of 11 percent of the domestic market and France a 3 percent quota of the domestic market, while Italy restricts imports from Japan to only 3,000 cars annually.

Lately, France caused friction with the United Kingdom by trying to apply the 3 percent import quota on the Nissan cars made in England on the grounds that they did not fulfill the 80 percent local content condition and that they were considered to be Japanese-made cars. Finally, with the EC Commission acting as an intermediary, it was

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decided that these cars would be considered as British-made. However, one cannot deny that similar problems may arise at any time in the future.

I would like to share with you two anecdotes I heard from a board member of Nissan Motors, in charge of Nissan Motors U.K., on a flight from London to Tokyo a few years ago. Nissan has a plant in northern England, which began operation in 1986. Currently, 70,000 units are produced there annually. When the company first hired a British citizen as general manager, he requested four company cars, saying he had four cars in his previous job. One was for himself, the second one for his wife, the third one for his children and the fourth a spare car. Nissan provided him with only two cars, both on condition that they be Nissan cars.

Also, on the first day of operation, the board member in charge told all employees: "As a principle, our company will not install a time recorder. However, if there are many workers who arrive late to work, we will have to do so." Since that day, the plant has not needed a time recorder. This is also a good example of how management approach can change the working attitudes of employees. By the way, Nissan U.K. has been selected this year as one of the five best companies to work for in the United Kingdom.

As we have seen, Japanese industries, even though they are proud of their competitiveness, are geared toward overseas production because of the massive trade surplus and accompanying trade friction. This way, they are contributing to employment and to the upgrading of productivity in the host countries. It is by no means an easy matter for the Japanese to manufacture in Europe or the United States and to employ non-Japanese. But this is a challenge our corporations will have to face up to. Another challenge facing the Japanese

companies is the task of leading technological development internationally. This is a dramatic transformation from their traditional role of applying the technology invented by other countries to low-cost mass production. Japanese companies have already developed the most advanced technologies in the world in such fields as supercomputers, high-definition television, facsimile machines, memory chips, machining centers and industrial robots. However, Japanese industries will need to broaden the area of new technological development from these rather limited fields.

It might be useful to compare the 1985 private sector research and development expenditures—excluding military-related R&D—of the major countries as a percentage of GNP. Whereas it was 1.71 percent in West Germany, 1.45 percent in the United States and 1.08 percent in France, Japan's ratio was 2.19 percent. And as we look at the national shares of the private sector's aggregate R&D expenditures in the five major nations, it is 53 percent for the United States, 27 percent for Japan, but 20 percent for West Germany, France and the United Kingdom jointly. You can see the importance Japanese firms attach to research and development. In addition, the percentage of planned R&D expenditures by Japanese electric and electronic makers against their sales volume in 1989 is very high, with 9.7 percent for Hitachi, 10.3 percent for NEC and 13 percent for Toshiba. These figures show the enthusiasm of these companies for developing advanced technologies.

It can be summed up that the real challenge for Japanese industries, which excel in mass production technology, manufacturing processes and quality control, is to become a world forerunner in the field of advanced technology development. □

(The title of this speech was provided by the editor.)

Agenda for the Asia-Pacific Era

The Economic Future of Japan and the NIEs

Masao Fujioka
President, Asian Development Bank

Delivered at the Junior Chambers International Asia-Pacific Economic Summit, Yokohama, Japan, May 27, 1989.

IT has been said that the Mediterranean is the ocean of yesterday, the Atlantic is the ocean of today and the Pacific is the ocean of tomorrow. A number of years have passed since people began talking about the coming of the Asia-Pacific era, and many forums have been set up to discuss the Asia-Pacific region. Yet no clear concept has been defined nor consensus emerged about what is meant by the Asia-Pacific era, let alone what is expected of the Asia-Pacific region.

I will begin by providing a brief overview of the economic development of the Asia-Pacific region since the end of World War II for us to better understand where the region stands today.

Looking back, there are two distinct periods in the economic history of the Asia-Pacific region after World War II. The first is the emergence of several successful and rapidly developing market-oriented economies during the 1960s and 1970s. Eight of the region's developing economies have established themselves in the front ranks of world economic growth. Four of these have been labeled NIEs or newly industrializing economies. These are Hong Kong, the Republic of Korea, Singapore and Taiwan. Just behind them, in terms of growth and development, are what I call the quasi-NIEs of Southeast Asia, namely Indonesia, Malaysia, the Philippines and Thailand.

I am omitting here Japan's success story, which is well known to you. I will just mention that by the late 1950s, Japan recovered to its prewar level of production and today enjoys one of the highest per capita incomes in the world. Now the NIEs are catching up with Japan. The quasi-NIEs of Southeast Asia are trying to catch up with the NIEs. Real per capita income in these eight economies has grown, on average, by 4 percent a year since the 1960s. This rate is higher than that in the advanced industrial economies and compares favorably with under 1 percent for Africa and about 2 percent for Latin America. It is no wonder

that the Asia-Pacific region attracts worldwide attention.

Why have these economies been successful? The NIEs are resource poor like Japan. Their success stemmed from good education and sound economic policies, among others, which enabled their people to use their abilities in a competitive society. The same applies, to a lesser extent, to the quasi-NIEs that are endowed with abundant natural resources the prices of which have often declined or stagnated in recent years. Open and liberal trade and investment policies and the successful application of modern technology in agriculture and industry have contributed to their rapid economic growth. During the turbulent 1970s, which subjected Asian countries to instability in foreign exchange markets and to oil shocks, Japan lost some steam for growth. But the NIEs grew at an exceptionally high rate of 10 percent, followed by the quasi-NIEs at 7 percent.

The second period I would like to mention covers the dramatic changes in the economic structure of Japan, the NIEs and the quasi-NIEs that began in the 1980s. Since 1982, the year in which the financial crisis broke in Mexico, the external debt problem has become a serious concern for the world community. At that time, I feared it might spread to Asia, because once such a crisis occurs, it can take several years to repair the damage and bring a country back to its normal course of growth. Fortunately, it did not spread to Asia, except to the Philippines, where economic reconstruction is now under way. Many Asian countries had been cautious and learned from the financial crisis. They implemented prudent economic policies to overcome the decline in the real price of oil and other commodities, growing budgetary deficits and the adverse effects of recession and protectionism in most industrial countries. Of course, many Asian countries paid the price of slower economic growth as a result.

It is interesting to note that the divergent performance of developing countries in Asia and outside, faced with similar external factors, points to the overriding importance of sound economic policies. Successfully preventing financial crisis, many Asian countries took advantage of dramatic changes in the economic structure that was triggered by sharp appreciation of the yen, and resumed strong growth in the late 1980s. The 100 percent appreciation of the yen between 1985 and 1987 has greatly changed the economic structure of Japan. Japanese enterprises are transferring their production bases to the NIEs and quasi-NIEs by direct investment. In the fiscal year that ended in March 1988, Japan's direct investment in Asia and in the NIEs each more than tripled the amount in 1985. Foreign direct investment is often accompanied by a package of the transfer of management, technology and marketing skills that raises the productivity of investment. Moreover, it does not add to external debt and the foreign investor bears both the commercial and exchange rate risks.

Yen appreciation, together with robust gross domestic product growth and market opening efforts in Japan, has greatly stimulated Japan's imports of manufactured goods from the NIEs and quasi-NIEs. In 1988, Japan's imports of manufactured goods from the NIEs increased 3.2 times and from the quasi-NIEs 2.4 times the amount in 1985. This has also brought about dramatic changes in the economic structure of other Asian countries at a time when they are industrializing. A new division of labor—horizontal rather than vertical—has emerged between Japan and the NIEs and between the NIEs and quasi-NIEs, which was unforeseen not only before the war, but also for many years after.

The second period is continuing today. In 1988, the NIEs experienced an average growth rate of 9 percent, the quasi-NIEs 7 percent and South Asia 8 percent. Even Japan achieved 5.7 percent growth, which was higher than that of other

industrial countries. The excellent economic performance of developing Asia in 1988 partly reflected recovery in agricultural production in several countries, but more so, industrialization in many parts of Asia that started in recent years.

“It is quite likely that the overall level of the Asian economies will be upgraded remarkably by the end of the century. The NIEs will be comparable to some of the OECD countries in terms of per capita income and degree of industrialization.”

The NIEs have upgraded their industrial structure from light to heavy and chemical industries, and more recently to sophisticated electronics, competing in part with Japan. The quasi-NIEs are diversifying their manufacturing industries and competing in part with the NIEs. South Asian countries and China, too, are gradually adopting labor-intensive industrialization and competing with quasi-NIEs. A new and more mature economic community is appearing on the Asia-Pacific horizon as we approach the 21st century. The dynamic process of economic growth requires closer intercourse among countries regardless of history, religion, culture and political ideology. International division of labor is an essential condition for economic progress. In order to effectively participate in this global division of labor when faced with slower world market expansion, Asian countries need to restructure their economies, and some have already started to do so. Some need to specialize in certain agricultural sectors, but many others need to diversify agriculture and move from agriculture to industry, particularly high-value-added manufactures. It is not advisable to assume higher prices for primary commodities in the future, as technological innovation has changed the supply

and demand situation of commodities and raw materials. Furthermore, agricultural productivity may not be increased fast enough to raise the living standards of people after feeding the ever-increasing population.

Active economic transaction among Japan, the NIEs and the quasi-NIEs in diverse manufactured goods are both the cause and effect of their rapid economic growth. The expansion of a horizontal division of labor among them has resulted from a change in industrial structure and from shifting comparative advantage in these countries. The improved prospects for intra-Asian trade that follow will provide enormous opportunities to other countries in the next decade in terms of enlarged markets. These are the changes that belong to the second period of the postwar history of the Asian economy. We are now witnessing the dawn of the Asia-Pacific era.

The dynamic effects of industrialization and a changing division of labor that is now emerging in many countries in Asia will contribute greatly to Asia's becoming the world's most important growth center toward the beginning of the 21st century. It is quite likely that the overall level of the Asian economies will be upgraded remarkably by the end of the century. The NIEs will be comparable to some of the OECD countries in terms of per capita income and degree of industrialization. Already in 1987, the per capita income of Singapore and Hong Kong reached about \$8,000. Some quasi-NIEs will reach the status of today's NIEs. Furthermore, some South Asian countries will begin to industrialize. Also, the scope for a vertical division of labor in South Asia and China in their trading relationships with Japan, the NIEs and the quasi-NIEs has the potential to increase. The share of Japan, the NIEs and the quasi-NIEs in world gross national product increased from 7 percent to 16 percent in the last 20 years and is likely to increase to about 25 percent in the next 10 years.

The change can already be seen in a global context. For the United States, trade with the Asia-Pacific region exceeded trade with the Atlantic nations in 1981. European countries are increasingly interested in Asia and are sending more trade and investment missions to this region. The People's Republic of China became a member of the Asian Development Bank (ADB) in March 1986 to participate in regional efforts for economic development. Similarly, the Soviet Union has expressed its strong interest in the Asia-Pacific region since Mr. Gorbachev's speech in Vladivostok in July 1986.

In spite of successes so far, our Asian friends often express concern about increasing protectionism and new regionalism in advanced countries that might stand in the way of their future success.

In spite of seemingly prosperous decades, protectionism has been brewing in some developed countries, reflecting unemployment and trade deficits. The 1980s began sluggishly with no sign of improvement in the world economy. The world recession lasted longer and resulted in greater unemployment in industrialized nations than during any period since the Great Depression 60 years ago.

Also, there has arisen a striking imbalance between the trade positions of major countries, the United States yielding a large deficit and Japan and West Germany with large surpluses. The volatility in financial markets has been exacerbated in recent years by external imbalances among the major currency countries. These imbalances represent some of the most serious concerns for the world economy and for the stability of the international monetary system. Contrary to the fact that trade liberalization is in the interest of all countries, developed and developing, there has emerged a new type of protectionism in some developed countries, stemming from persistent trade deficits, misaligned exchange rates, high levels of unemployment and structural dislocation.

It is a liberal trade system, not protectionism, that generates rapid and sustainable economic expansion. Japan and the NIEs are good examples of countries that have benefited from a liberal trade system. Persistent protectionism in developed countries makes it difficult for the developing countries to increase their traditional and new exports. As a development banker concerned about the accumulated debt problem, I am often frustrated by the fact that just a few export items, for which developing countries have a competitive edge, are not freely allowed into the markets of developed countries. Developing countries must expand these exports if they are to continue to service their external liabilities and also meet their import requirements.

“When pressures for protectionism become strong, developing countries with less means to protect themselves usually suffer more.”

Under present circumstances, trade problems are often negotiated between major trading partners without resorting to a global system, and there arises a tendency to form regional blocs among countries having common interests. The history of the European Community is not short, but there is a revived effort to achieve full economic integration of Europe by 1992. The recently concluded U.S.—Canada Free Trade Agreement and U.S.—Mexican Understanding are other examples.

Many of my friends in the Asia-Pacific region are concerned that the economic integration of Europe and the melding of North America could lead to more self-sufficient and inward-looking economic entities, which prefer to trade and invest among themselves rather than with the rest of the world. Within the framework of such regionalism,

the industrialized countries would negotiate among themselves and the interests of the majority of the developing countries would become less relevant. When pressures for protectionism become strong, developing countries with less means to protect themselves usually suffer more. It is for this reason that Asia-Pacific countries resist protectionism and advocate a liberal trade system on a global scale.

Unless continued efforts are made to the contrary, the trend toward regionalism will probably be more pervasive all over the world. Already in Asia, ASEAN—the Association of Southeast Asian Nations—was established 21 years ago, and three years ago SAARC—the South Asian Association for Regional Cooperation—was formed. But these are far from economic integration. In fact, member countries of these associations enjoy greater benefits from economic interchange with countries outside their associations. Economic integration is a result of, as well as condition for, development. As international transactions become more widespread and as competition from the outside becomes more intense, Asian countries may feel like considering some form of new economic alliance within Asia. Some politicians and academicians, in fact, have suggested an OECD for Asia. Efficiency gains from integration could have a significant impact on the Asian economy, boosting trade and investment opportunities inside the region as well as outside of it. Regional agreements, however, should conform to and support an open multilateral system if larger benefits are to be sought.

In this sense, in the Asia-Pacific region where more mature economies have been developing around Japan, it would be more desirable to encourage this spontaneous development rather than to establish some form of exclusive economic bloc. Promotion of economic liberalization and an outward-looking trade policy both within the region and with the rest of the world should be encouraged. Japan traditionally has had complementary

trade relations with the United States, Canada and Australia, which are situated on other sides of the Pacific Ocean. The NIEs traditionally depend on the American market for exports. These relations will be subsumed in an enlarged market around the ocean.

Japan has been the largest exporter of goods and services to the NIEs and quasi-NIEs and the second-largest importer next to the United States from these countries. In spite of increasing protectionism, the United States has been the most open market and has absorbed the largest amount of goods from Asian countries. Considering the large U.S. trade deficit that must be reduced, Japan's offer of a larger market for other Asian countries would be a welcome development. This will facilitate the integration of many national economies in the region.

In 1980, I established an Asian-Pacific Bankers' Club that encompassed about 30 prestigious commercial banks in Asian countries bordering the Pacific Ocean. The number of member banks increased to 51 in 1989, and the club is becoming an important private organization in the region, taking up banking and financial matters. This is a good example of voluntary regional cooperation. Last March, the ADB hosted a meeting of the four NIEs plus two quasi-NIEs, Malaysia and Thailand. Representatives from government, academia and business from each of the six countries met to discuss a wide range of topics including trade, investment and finance. They very much appreciated our initiative and felt this forum arranged by the ADB was better than a rigid organization to discuss and decide on Asia-Pacific affairs. They all opposed setting up a regional trade bloc and supported the Uruguay Round to discuss trade matters on a global basis. But they invariably favored regional cooperation.

I am confident that the Asian countries can and will follow this path. I was fortunate in having been

directly involved in the internationalization of the Japanese economy. In the 1960s, I was responsible, as a staff member of the International Monetary Fund (IMF), for Japan's move to Article Eight status of the IMF, which means that Japan liberalized its foreign exchange control on current transactions. This was a result of Japan's economic growth, but such liberalization enabled its further growth. In the 1970s, I was responsible, as a Ministry of Finance (MOF) official, for the internationalization of the Tokyo financial market and of the yen. There was some apprehension at that time, but today nobody doubts the necessity and inevitability of such measures. Now in the 1980s, as president of the ADB, I am pleased to note that what was true of Japan is also proving to be true for the NIEs and quasi-NIEs.

"Japan's role is to restructure its economy to accommodate Asian industrialization, and to open up its society and culture."

The dawn of the Asia-Pacific era is blessed with peace and prosperity. As everyone knows, peace is the most necessary condition for sound economic development. From this point of view, recent developments on disarmament initiated by the two superpowers, the Soviet Union and the United States, are encouraging and most appreciated. I most welcome the statement made by President Bush two weeks ago to improve relations with the Soviet Union and bring that country into the international community by broadening reforms. Obviously, defense expenditures could then be reduced in all countries and diverted to economic and welfare expenditures. Improved dialogue between the Soviet Union and China, culminating in their summit meeting 10 days ago, is another welcome development. The political climates in

Indochina and the Korean peninsula are improving. These are having a favorable impact on neighboring countries.

I have observed that many Asian countries, including socialist countries, are now less obsessed with political ideologies in formulating economic policies. Increasingly, the limitations of government intervention are being appreciated and economic efficiency is taking precedence over political ideology in policy-making. Peace makes this change possible. Many Asian developing countries, including socialist countries, are eager to raise the living standards of their people. To achieve this they are taking steps to move to a more liberal economic environment and relying on market forces in the determination of prices and investment decisions. China's liberalization policy, introduced 10 years ago, and the Soviet Union's new open policy also point to the same direction. I suppose they changed their policies after careful examination of their own experiences and the experiences of others.

I would now like to consider the role of Japan in the coming Asia-Pacific era. With its large current account surpluses, Japan announced two years ago a \$30 billion recycling plan to help the developing countries. The plan aims to divert to developing countries a part of Japan's trade surpluses that otherwise would have gone to bonds and notes in the United States and other developed countries according to market forces. Japan also proposes to provide \$50 billion in official development assistance over the next five years. Asia is one of the major beneficiaries of these recycling efforts.

Japan's recycling plan was announced at a time when many Asian countries began to industrialize in a more market-oriented environment. So far, Japan's recycling plan appears to be successful. Fund recycling alone, however, is not enough for sound economic growth in the Asia-Pacific region. I have three additional suggestions.

First, for the productive and effective use of external resources, human resource development is most essential. As is widely known, human resources were the most important factor in Japan's economic development after the Meiji Restoration. Similarly, the remarkable economic growth of the NIEs has also been largely due to the high quality and discipline of their labor. Japan, in the Meiji period, invited many engineers and teachers from abroad and sent many students to study in Europe and America to speed up modernization. These students returned home and contributed to Japan's modernization. This is one area where Japan can do more for others today.

Second, if fund recycling is to continue to be successful, Japan should make its market more open to the products of Asian countries, because the eventual aim of fund recycling is to help industrialize Asian economies, and most of the funds provided under this scheme take the form of loans that have to be repaid. In the structural transformation of the Asian countries, the importance of the manufacturing sector will increase as they industrialize. While this will increase potential areas for investment of Japanese funds, export markets will be vital to the Asian countries if the recycling of funds is to alleviate, rather than aggravate, their external debt.

I know some Japanese say that their market is quite open. While this may be so from legal and institutional points of view, their trade partners are not necessarily satisfied as to its practice. If quality and price are competitive, I urge the Japanese to buy more products from abroad, including the Asian developing countries. Japan needs to provide leadership to its neighbors by further internationalizing its market. This will increase the exports of the NIEs and quasi-NIEs and will enable them to open their markets to other countries. The potential for a horizontal and vertical division of labor is enormous, as Asian countries become



MASAO FUJIOKA

Born in Tokyo in 1924. Masao Fujioka graduated with a master's degree in law from Tokyo University and entered the Ministry of Finance (MOF) in 1947. After working for the International Monetary Fund from 1960 to 1964, the Economic Commission for Asia and the Far East in 1966 and the Asian Development Bank from 1966 to 1969, Mr. Fujioka served as deputy director-general and then director-general of the ministry's International Finance Bureau. He left MOF in 1977 to become executive director of the Export-Import Bank of Japan and the Japan International Cooperation Agency. Mr. Fujioka has been president of the Asian Development Bank since 1981.

industrialized toward the beginning of the next century. And, the success of fund recycling should reduce the need of such fund recycling in the future.

In internationalizing its market, I am a little concerned about consumers' attitudes in Japan. For instance, I live in Manila and drink San Miguel beer every day, which is quite tasty. It costs ¥20 per bottle at today's exchange rate. In Japan, the same volume of beer costs ¥100 at a shop. One day, I complained to my sons who live in Japan. But they said the price of beer in Japan is reasonable when compared with other items. It is true other items are also expensive in Japan. For instance, a pair of socks of comparable quality costs ¥200 in Manila and ¥800 in Japan. And consumers are used to this as a fact of life. I know from my experience in domestic investment and finance in the 1950s, as a MOF official, that the Japanese government placed priority on production and producers rather than on consumption and consumers when it was hastening postwar economic reconstruction. Can't consumers have a stronger voice? Perhaps consumers' attitudes should be internationalized before their voices are heard.

Third, in addition to the market opening of Japan, I urge Japan to open its society. Foreigners often find Japan a difficult society in which to live, study and work. To make a financial contribution is a good thing, and to open up the Japanese market is also most welcome. But, it will be more noble if these acts are based on the philosophy that Japanese should live in harmony with others in a global community and that Japanese society should be open to all foreigners without discrimination.

Mature economic relations must be based on wider political and social values. While an understanding and appreciation of foreign values and culture by Japan is a prerequisite in its role as a major economy, it is equally important to open its society and culture to other countries so that they can understand and appreciate Japanese culture and values.

Asian countries interacting with Japan will influence world economic events. Japan has an important role to play in promoting cooperation within Asia and in furthering the region's interests. I have so far focused on the NIEs and quasi-NIEs. I do not want to end my speech by leaving you with an impression that I have ignored other countries. There are other countries in the region, developed and developing, and there are countries outside the region that are keen to partake of Asian prosperity with us.

As former U.S. Ambassador Michael Mansfield once said, they are countries who will one day live along the shores of the vast Pacific as neighbors around a small lake. Rather, our medium-term objective in these efforts would be to prevent more protectionism than is prevailing now in the American and European markets and to open the Japanese and Asian markets to achieve a higher economic growth in the world where Asia can also prosper. In the long run, the essential to the Asia-Pacific era is to maintain a free and multilateral trade regime. Japan's role is to restructure its economy to accommodate Asian industrialization, and to open up its society and culture. Then we can live in harmony around the same lake as peaceful neighbors enjoying a civilized and bountiful life. □

(The title of this speech was provided by the editor.)

U.S.—Japan Cooperation for Results

Sharing Responsibility to Solve Major World Issues

Toshiki Kaifu
Prime Minister of Japan

Delivered before the National Press Club, Washington, D.C., September 1, 1989.

IT is a great honor for me to have this opportunity to speak before the National Press Club. Today, I would like to share with you some of my thoughts on U.S.—Japan relations and Japan's role in international society.

Let me first say a few things about my political and personal beliefs and about what I intend to achieve as prime minister. I am the first Japanese prime minister to be born during the reign of the late Emperor Showa. I feel both pride and a sense of responsibility in representing this younger generation of Japanese.

I belong to a generation that has never gone to the battlefield; that is not to say, however, that it has not known war. We were born immediately after the Great Depression and we spent the impressionable period of our adolescence during World War II. We experienced firsthand the postwar period of hunger and social turmoil.

I know, therefore, how precious peace is; I feel keenly the importance of freedom and I have always longed for an affluent society, both spiritually and materially. Now, as one who bears the political responsibility to lead Japan, and as a representative of my generation, I must stress the importance of these values to a still younger generation that has enjoyed peace, freedom and affluence throughout their lives. And I must pass these values on to that generation, which must shoulder the responsibility for the 21st century. The United States has been a significant influence on the process by which I have developed these convictions.

Three months ago, Japan lost one of our important popular singers, Hibari Misora, a recipient of the People's Honor Award and a person who symbolized the postwar era. Her name means "the lark that trills in the beautiful sky," which is a name filled with hope. One of her songs, "Tokyo Kid," was very popular in 1950 and has a line that goes, "With a dream in my right pocket and some chewing gum in my left." For the hungry children

of that time, living in the postwar ruins, gum was a magical food that you could chew endlessly and it wouldn't disappear. This magical food, as well as that unbelievably delicious sweet—chocolate—and other candies, came from the same GIs who had just been engaged in struggle with the Japanese military. Japanese children saw the United States, the country of these men, as a land of hope and dreams.

This was true not only for the children, but also for the overwhelming majority of Japanese who had lived with severe restrictions on their liberty and human rights under the strict control and discipline of militarism. To these people, America was a nation that had innumerable qualities lacking in Japan, which Japan had to learn and adopt. It was with that same feeling of expectation that, as a young politician, I first set foot on U.S. soil 27 years ago, at the invitation of the U.S. Department of State.

The thing that first surprised me when I came to America was its overwhelming size. I was amazed by the immensity of one New York hotel, which boasted 1,800 rooms. I can remember thinking to myself that it would take five years if I stayed one night in each of the hotel's rooms. And, in order to see the entire expanse of one farm in Texas, I had to use an airplane. After these surprises, I was left with the strong impression that wherever I went, this huge country was bright, affluent and above all, overflowing with great idealism for the future. Through this first encounter with the United States, I learned that the strength of American society is rooted in its freedom and democracy.

In the more than 40 years of the postwar period, Japan has also continued its nation-building with freedom and democracy as its fundamental values. Throughout this process, however, there have been occasions when various events have led to a near loss of the people's trust in Japanese politics. Having been elected prime minister after the Japanese

people's severe censure in the recent elections for the House of Councillors, I am especially determined to devote all my powers to restoring the people's faith in the political process, without which a democracy cannot remain sound. Without the faith of the people, a nation is no stronger than a house of cards.

In today's Japan, this calls for efforts to promote more equitable politics backed by higher ethical standards. More specifically, the important tasks of my cabinet include: political reform to ensure clean politics; tax reform to create a system with a greater sense of equity that will provide the long-term financial foundation the Japanese nation needs; real estate reform to prevent the gaps between the rich and poor from growing; and reforms designed to raise the quality of life from the consumer's perspective.

“... the United States is the ally that provides critically important support for Japan's national security.”

With these political convictions, I think that a friendly cooperative relationship between the United States and Japan is the most natural relationship and, moreover, is one that is of utmost importance. Let me now discuss my basic perceptions regarding U.S.—Japan relations.

First and foremost, the United States is the ally that provides critically important support for Japan's national security. Recovering from the great mistake of World War II, Japan adopted its peaceful constitution and thereby made a choice as a nation never again to become a military power. The Japanese are proud of this way of life and intend to maintain this policy steadfastly into the future.

On the other hand, we face the stark reality that world peace and stability are sustained by a

balance of power and by deterrence. In this situation, Japan has chosen to secure its survival as a nation through an alliance with the United States, with which it shares the values of freedom and democracy. Japan has nourished these fundamental values throughout the postwar period, after making untold sacrifices through the sufferings of war. The more than 40 years of history since the war has proven that this has been the right choice for both Japan and the United States. I believe that here lies the very foundation of the U.S.—Japan cooperative relationship.

However, the U.S.—Japan security arrangement does not guarantee only Japan's security—it is a major pillar of the security of the East Asia—western Pacific region as a whole. Today, there are major changes occurring in the postwar international political structure. To assure peace in this milieu, especially in East Asia and the western Pacific region, it is even more important that the framework of regional stability developed thus far continues to be maintained. For the peace and security of Japan and the Asia-Pacific region, Japan intends both to develop its own moderate defense capability and to continue its efforts to ensure the effective operation of the U.S.—Japan security arrangements.

I would now like to turn to economic matters. Today, Japan and the United States are indispensable to one another. Japan benefits from America's progress, and vice versa. In this sense, our interdependence has made, to borrow your expression, a “positive sum” relationship a real possibility. However, whether or not this relationship will actually be realized depends on how the two countries handle this situation.

Through direct investment, the expansion of the Japanese economy has generated a considerable number of jobs around the world. In the United States, Japanese companies have created over 200,000 employment opportunities. Through

business management and technological innovations, Japanese companies in the United States are steadily increasing the percentage of parts they procure locally, and this has a multiplier effect on the U.S. economy. Furthermore, these companies help to improve the U.S. trade balance by exporting their products to world markets, including Japan. Capital flows are also part of the picture. Japanese overseas investment contributes to the smooth functioning of the U.S. economy by supplementing U.S. domestic savings.

Further significant changes are taking place in the area of technology. The balance of technology transfers—which until recently generated criticism that Japan was unilaterally reaping the benefits of bilateral technological cooperation—is being brought into greater equilibrium thanks to efforts on both sides of the Pacific. I am pleased to learn that transfers of Japanese industrial technology contribute to the productivity of American firms.

On the other hand, as this interdependence between Japan and the United States grows, it is inevitable that frictions will arise as well. It is essential to attack the problems in such cases one by one, through continued bilateral cooperation rather than conflict. In fact, Japan and the United States have jointly addressed many issues with positive results.

But not all the problems have been resolved. The large trade imbalance between our two countries remains and this is a major issue that must be remedied by the efforts of both Japan and the United States. Japan is determined to implement the necessary policies actively and without retreating. We will continue to strive to implement structural reforms, increase domestic demand and expand imports. We implement these reforms because they are also in our own interests. At the same time, the United States needs to step up its efforts to improve its industrial competitiveness, shrink its budget deficit and further stabilize exchange rates.

I hasten to point out that all our significant problems should be resolved by cooperation and joint endeavors. We should be aware that not only will approaches such as “Super 301” not resolve these problems, but when viewed from the larger perspective of the total relationship, they could have a negative impact on its healthy development. I also hope that the U.S.–Japan Structural Impediment Initiative, due to begin soon, will produce significant results based on the same spirit of cooperation and joint endeavor. In addition, the successful completion of the Uruguay Round and the maintenance and strengthening of the multilateral free trade system are important to further facilitate the U.S.–Japan economic relationship.

“... the U.S.–Japan security arrangement does not guarantee only Japan’s security—it is a major pillar of the security of the East Asia–western Pacific region as a whole.”

Japan and the United States share the basic values of freedom and democracy; they also share a major responsibility in international society as coproducers of almost 40 percent of the world’s combined gross national product. In making a contribution to the world, Japan is now actively promoting its concept of international cooperation based on three elements: cooperation for peace, expansion of official development assistance and international cultural exchange. The importance of Japan and the United States in the world demands that our countries further strengthen their cooperative relationship.

I admire President Bush for discerning that the 1990s are the time to transcend containment and to integrate the Soviet Union into the international community. Democracy has shown its superiority as a political system around the world; witness the



TOSHIKI KAIFU

Born in Aichi Prefecture, Japan, in 1931. Toshiki Kaifu graduated with a degree in law from Waseda University in 1954. After serving as secretary to a Liberal Democratic party (LDP) legislator, he was first elected to the House of Representatives in 1960 and served 10 consecutive terms. In 1966, Mr. Kaifu became parliamentary vice-minister of labor and in 1974, deputy chief cabinet secretary. After serving as chairman of the LDP Diet Affairs Committee, Mr. Kaifu was appointed minister of education in 1976, and again in 1985. Mr. Kaifu has been prime minister of Japan since August 1989.

political reform movement in the Soviet Union and Eastern Europe, especially the birth of the Mazowiecki cabinet under Solidarity's leadership in Poland. Open economic systems have proven their effectiveness in many developing countries and now, even in the Soviet Union, *perestroika* is addressing the revitalization of that economy.

“... Japan and the United States are indispensable to one another. Japan benefits from America's progress, and vice versa. In this sense our interdependence has made, to borrow your expression, a ‘positive sum’...”

It remains a fact, however, that there are still many problems with regard to both democracy and the international economic system. For instance, international terrorism threatens human life, freedom and dignity. Drugs are no less of a threat. Conflicts persist in the Middle East, Central America and Cambodia. Positive efforts to alleviate the cumulative debt burdens of developing nations are necessary to uphold and strengthen the stability of the international economic order.

Also, the multilateral trading system, based on the General Agreement on Tariffs and Trade, is exposed to the siren songs of protectionism and parochial regionalism. It is crucial that the United States and Japan expand their constructive cooperation in all these areas, and for its part, Japan intends to take an active hand in addressing these problems. For example, take the problem of the cumulative debt burden of developing nations. Japan is already making positive contributions toward applying a new debt strategy to Mexico. Its smooth implementation will be facilitated through the extension of new credit to Mexico by the Export-Import Bank of Japan.

Equal in importance to these political and economic problems, our world now faces a new and yet more perplexing quandary: environmental change. Destruction of the ozone layer by chlorofluorocarbons, rapid devastation of tropical rain forests, destruction of forests by acid rain and global warming are among the changes that are exposing our marvelous terrestrial habitat to serious peril. Many observers have pointed out the increasingly borderless nature of the global economy. Air and water, however, also transcend national boundaries and have been common assets to all living creatures on earth from the very beginning. Preservation of the environment is, by nature, a global issue. It obviously cannot be resolved overnight. Pressures on the global environment arise in conjunct with human activities; therefore, any attempt to resolve the global environmental issue cannot be considered independently of its impact on our lives.

However, mankind has wisdom. I believe it is possible to develop new technology that will enable us to preserve the global environment without impeding the development of the world economy. Japan has devoted major efforts to develop new technologies and measures for the protection of its own environment, such as those involved in the regulation of automobile exhaust fumes. I wish to express the commitment of Japan here, that it will make complete use of all technological developments achieved to date and will endeavor to utilize them in our research and development to address wider problems that threaten the global environment. We would like to share the results of our research and development with the rest of the world, including developing nations, and will incorporate the results of other nations' research efforts into our own environmental protection measures.

Given this perception of today's world, Japan and the United States ought to jointly assume a

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greater political and economic role to steady and direct the course of history in the desired direction, and to confront the difficult problems ahead of us. I hope that we will further develop cooperation between our two nations along these lines, that is, by way of a "global-scale partnership." I think special consideration should be paid to international cooperation for the preservation of the global environment because of its urgency.

The scope of coordination and joint endeavors that stretches before us is indeed broad. I am determined to have Japan make its contribution to international society in ways befitting Japan, through coordination and joint endeavors.

I believe my mission as a politician is to create a broader perspective on the future in the eyes of all. It is important for Japan to further its relationship with the United States, which is the cornerstone of our foreign policy, and to continue to discharge our responsibilities in the international community. I am determined to do everything in my power to achieve these goals.

I believe that the goal of our society is to guarantee that each individual is able to pursue happiness through the full utilization of his individual abilities. Peace, freedom and material comfort are prerequisites for achieving this goal. Today, both in Japan and in the United States, these three conditions are basically met. But they are not found in nature, like air. They were achieved through the efforts and sacrifices of many people in the past and they must continue to be defended and nurtured for the future. We must teach this well to our children.

Peace, freedom and material comfort are necessary conditions, but by no means are they sufficient for the pursuit of happiness. Education plays an extremely important role in allowing people to fully develop their human potential. In addition, stronger efforts to protect the environment and to preserve the beauty of nature and clean water are becoming ever more essential to provide something often lost in the shadow of quantitative affluence: qualitative well-being. Moreover, the more peoples' lives become materially plentiful, the greater is the need for a more equitable society.

The society I would like to build as we stand on the threshold of the 21st century is a more equitable and humane society, supported by people with a sense of responsibility for and an awareness of peace, freedom and material comfort. I am confident that Japan's maturation into this type of society will be a major contribution in itself to international society.

While Japan and the United States share the basic values of liberty and democracy, we also have a wide range of concrete tasks and problems in common to be addressed, including problems related to education and the environment, in order to realize the goal of a better society.

I am certain that we can overcome these problems and fulfill these tasks if we strive to understand each other better, join forces and think and act together. I believe that such efforts will expand and solidify the U.S.-Japan relationship even further. □

(The title of this speech was provided by the editor.)



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The
U.S.-Japan Relationship:
Time to Put Aside
the Rear View Mirror

address by Peter D. Hannaford,
chairman of the board,
The Hannaford Company, Inc.,
to the
Foreign Correspondents Club of Japan
Tokyo, Japan
Tuesday, November 7, 1989



Peter D. Hannaford is chairman of the board of The Hannaford Company, Inc., an international public relations/public affairs firm with its headquarters in Washington, D.C. It has offices also in New York, San Francisco, Napa (California) and Taipei, Taiwan (Republic of China), as well as a network of affiliated offices in 21 cities worldwide, including Tokyo.

For nearly 15 years, I have been visiting Japan on business—both commercial and political. Although I cannot claim the in-depth knowledge of the current Japanese political world or daily life that you possess, my experience has led to a circle of friends here with whom I correspond and from whom I receive periodic updates about various economic and political issues. On the other side of the Pacific, this relationship with Japan has led to my being called on by friends and colleagues in the United States for explanations, and often defense, of Japan's trade and economic policies.

Not long ago, during one of those outbursts of mutual "bashing" that, unfortunately, have characterized the U.S.-Japan relationship of late, I witnessed a conversation between an internationally minded, pro-U.S. Japanese acquaintance and an American politician who generally has a reputation for thoughtfulness.

This Japanese gentleman has spent a lifetime building bridges of understanding between Japan and the Occident. His internationalist background made his agitation all the more emphatic.

"I no longer understand America," he lamented. "When Japan was rebuilding after the war, the U.S. acted like an *onisan*, an elder brother. We had disagreements, of course, but even those were like a family quarrel: Even amid the troubles, there was affection and respect between us.

"Today, the disagreements linger, but the affection and respect seem gone."

Pressed for examples, his reply tumbled out: "U.S. officials come to Japan and act like bill collectors demanding this and that with no sensitivity to our customs, our political or economic needs," he said.

"The U.S. sends too many mixed signals. First it's 'Be more assertive in international affairs', but not too assertive. Then it's 'Invest in the U.S.' one day and 'The Japanese are buying up America' the next.

"Politicians use Japan as a whipping boy for every problem in the United States; they act as if we're the enemy. And the media are worse: If the U.S. media depicted any other group with the same stereotypes employed for Japanese—you know,

the devious, heartless economic animals—there would be a storm of protest. But, label Japan with hurtful racial stereotypes and everyone nods.”

The usually calm American politician took umbrage at these assertions. He replied with an equally long litany of “high crimes and misdemeanors” that all too many in the U.S. attribute to Japan: dumping, predatory market practices, insensitivity to minority groups, and a latent disdain for everything *not* Japanese, in general, and for the United States, in particular.

As the discussion became heated, both consciously pulled back. They were doing on a personal level exactly what our two countries seem often to be doing on a political level: Talking *at* each other and not *to* each other.

For the remainder of the conversation, each concentrated on talking *to* the other. They ended the meeting with their friendship intact and with an improved understanding of the U.S.-Japan relationship.

Thinking about that encounter and following the continuing drama (and the occasional soap opera) of the bilateral relationship led me to several conclusions. I would like to share those with you here today.

Some of my conclusions seem more than a little obvious. Yet, as much as they may seem obvious to us in these surroundings, too many people who have a great deal of influence over the U.S.-Japan relationship seem not to see this particular forest for the trees.

First, we must stop looking at each other through a rear view mirror. The nature of the U.S.-Japan relationship must be understood and defined in light of the realities of the 1990s. As they say in Hollywood, we need to all get on the same page of the script. The relationship is a dynamic one; change is the constant, but the relationship between our two nations must be redefined in a mutually acceptable manner to take into account the change we have experienced in the last 40 years, then further refined to anticipate the needs of a new decade and a new century.

Once we've defined the relationship, we must come to know each other better. I am not talking about more knowledge, as such; the base of knowledge exists. Rather we

must strive to understand the many facts we know about each other. We need, especially, to master the art of talking to each other. The first step in this process, I believe, is to take the risk of really getting to know one another.

Third, because it is inevitable that we will disagree on occasion, we must learn how to do so in a manner that will not call into question the continuance of the relationship. We must learn to disagree without being disagreeable.

Let's take a closer look at these three "musts" and why they are so important for both the U.S. and Japan.

Issues aside, I would estimate that about 90 per cent of the anger connected with the economic frictions between the U.S. and Japan is centered on a sense of betrayal based on a mutual misunderstanding of the modern nature of the relationship between our two countries.

With the relationship between the U.S. and Japan evolving so rapidly over the past half century, it is hardly surprising that some people—even some powerful people—in both countries see the relationship as it *was* rather than as it *is*. During the last 50 years, our nations have regarded each other with wariness and suspicion that led to hostilities. During the hostilities, propaganda on both sides planted bitter seeds which, unfortunately, continue to bloom in the darker corners of our national psyches. After the war, the "conqueror/vanquished" status evolved to an elder brother/younger brother relationship. The American *onisan*, for reasons both altruistic and selfish, protected the *ototo* from international bullies. In return for this helping hand in Japan's development the U.S., at times, demanded in return gestures of political loyalty. It was a fine, tidy relationship.

Then, the "younger brother" grew up. Japan became *ichi nin mae*,* ready to move metaphysically from the older brother's "house" to a position of political parity and economic interdependence.

The transition is by no means complete. The older brother has mixed feelings about the transition and there is a temptation for the younger brother to long for the "good old days" of secure dependence.

*Adult; ready to play a full role.

Today, some Americans seem nostalgic for the Japan that never said, "no." Some Japanese find saying, "no" to the United States so heady that they say, "no" even when self-interest dictates a "yes."

There is another side to this particular coin: Like a parent or brother, the United States needs to hold Japan to a standard just a little higher than its standard for those not so closely related. Disappointment turns to anger when Japan fails to meet that higher standard.

Many Japanese believe that in international relations as in the family, once an *onisan* always an *onisan*. For them it is more than a little frustrating when the United States treats Japan like an adversary or stranger, when the U.S. employs *tannin gyo**. That of course flows both ways: Many Americans take great offense when Japan goes its own way (for example, to improve ties with oil producing nations in order to insure its flow of petroleum).

Many politicians work hard to define and improve the bilateral relationship. For too many in the Diet and Congress, however, the temptation to pander to the self-interests and anxieties of narrow constituent groups for short-term political gain is too strong to resist.

So, American automobiles are sledgehammered by Japanese farmers and Toshiba products are crushed on the steps of the U.S. Capitol. Serious leaders on both sides of the Pacific decry such activities as meaningless exercises conducted for the benefit of the television cameras. Yet, those in leadership positions being, by definition, successful politicians, also understand that those who indulge in such silly symbolism represent the visible tip of an iceberg of national anxiety.

Observers of Japan often comment on the Japanese character trait which seeks "tidy", easily labeled, well-defined relationships. The exchange of name cards, they point out, is less to obtain a name and phone number for the Rolodex file than to garner data on relative age, rank and status so the perimeters of a potential relationship can be set before that relationship begins.

*Manners reserved for dealing with strangers.

While this desire for "tidy" relationships may not manifest itself in a social or business context in the U.S., the thirst for easily defined relationships arises more and more in the context of international relations. In America, as frightening as the cold war may have been, life held less anxiety for many non-political citizens than today's less rigidly labeled world. There were enemies: the monolithic Evil Empire directed from Moscow. There were friends: Japan and Western Europe. We helped them and they pretty much did our bidding. Allowances could be made for "the enemies-of-one's-enemies", but, on the whole, it was a "them-versus-us" world.

As I have said, that world, despite its perils, was not totally uncomfortable for the Japanese.

Then the tidy relationships were swept away. The world and its relationship began to change. The era of floating currency exchange rates *and* floating relationships began. The old rules went out the window. Both U.S. and Japanese leaders say that a "special relationship" exists between the two nations. They know it exists; they just don't know what it is.

So, as a modest first step toward resolving what nearly everyone calls "trade tensions", but what I suggest are actually relationship tensions, the United States and Japan must set out to define and refine a new relationship that will carry both nations into a new century.

The basis for that relationship is firmly in place. Despite the era of mutual recriminations, according to pollsters, the U.S. retains its role as Number One in popularity among Japanese citizens. In the United States, a recent *Business Week* poll, while revealing concern about the trade imbalance, showed that nearly 75 per cent of Americans admire Japan as a nation. Even more think well of Japan's economic success and 80 per cent of those polled admire the Japanese people.

Still, in order to redefine and refine U.S.-Japan relations for the future, a lot of excess baggage must be jettisoned on both sides of the Pacific.

The U.S. will have to come to terms with being not the world's preeminent leader, but, instead the first among equals most of the time and just one of the guys some of the time.

Japan, as difficult as it may be, must come to terms with its new economic and political strengths. Japan must

acknowledge the responsibilities that accrue to an economic superpower. This will include, but not be limited to greater environmental concern in Japan and for its Third World suppliers. It will also include a more assertive voice on international security issues. And it must also include an injection of moral force into a foreign policy that, seemingly, has been driven by a thirst for resources. Having learned to say, "no" to its friends, Japan must now learn to say, "no" to the enemies of world order and stability.

The U.S. must purge itself of the "Yellow Peril" mentality that too often colors American views of Japan and the rest of Asia. If foreign investment in the United States is a real concern, let us hear more about the British and Dutch (who own substantially more of the small portion of American assets that are in foreign hands than do the Japanese). And, let us hear less about Tokyo-directed "economic invasions". With the same vigor as we censure racist stereotypes about other groups, let us censure the ugly flow of anti-Japanese nonsense too many from Hollywood to the halls of Congress blurt out with impunity. If it is not enough to say such racist attitudes are wrong (and it should be), we Americans should also remember that they are listening on the other side of the Pacific.

Japan has some work to do in the same area. Japan is a civilized and hardworking nation, but it is not the world's only civilized and hardworking nation. It has always seemed odd to me that Japanese who take the most righteous umbrage at the racism and nationalism of others, are the least likely to acknowledge that Japanese attitudes toward women, other Asians, blacks and non-Japanese in general are cut from the same threadbare cloth. The Japanese, having been isolated by geography, by military might and, until recently, by language must finally realize that with economic superpower status comes the spotlight of international attention. Not only are we listening on the other side of the Pacific, but, finally, we understand what you are saying!

Before the electronic era, U.S. politicians seeking national office could tell different—even conflicting—stories to voters in various areas of the country. And, not too long ago U.S. and Japanese officials could wear one face for domestic

consumption and another for international distribution. But no more. The sooner Japanese politicians understand that off-the-cuff, derogatory comments about U.S. groups will hit the evening news in Tokyo *and* the morning news in New York at about the same time, the better. And, the sooner the Japanese public's censure makes it clear that such comments are politically unwise, the sooner the comments will stop.

American politicians can no longer talk about an "economic Pearl Harbor" in Topeka and promote cooperation in Tokyo. (And, it is more than a little unseemly to promote construction of Japanese plants, say, in Indiana, then decry the "selling of the American birthright to Japan" in Washington. If Japanese investment is so dangerous to the U.S. future, why do all but a handful of U.S. governors maintain Tokyo offices to court Japanese investment in their states?)

Japanese officials, too, should think twice about refusing to act against domestic restraints of trade on free market grounds one day, then huddle with industrial leaders the next day to promote pro-Japan marketing strategies. By the same token, American officials seem a bit foolish demanding unlimited access to Japanese markets while promoting "voluntary" marketing agreements that are really compulsory restrictions on access to U.S. markets.

Once the baggage is gone, both in and out of government, let us begin the defining process. Exactly what the relationship will be, no one can say. We do know it will be based on mutual respect, on acknowledgement of interdependence and on the knowledge that, regardless of the route taken, the final destination is a shared one.

Perhaps former President Ronald Reagan was prescient when he foresaw a startling future for the United States and Japan. He sees the sweeping away of all barriers between our two nations culminating in a free trade agreement under which goods and services would flow without tariff or other restrictions from one to the other.

Before this can take place on the political and economic level, there must be change—significant change—in the way we communicate with each other. The first step in this process is a better *real* understanding of the United States in Japan and of Japan in the United States.

Some may say that Americans know more of Japan than ever before. Japanese, certainly know more of America and the world than they did 50, 30 or even 10 years ago. Knowledge, however, is only the first step in understanding. While our knowledge has increased dramatically, I fear the processing of that knowledge has lagged behind.

Parenthetically, let me propose the theory that the postwar U.S.-Japan relationship is much like a marriage. At first, we did not know each other very well, but were mutually attracted. That was the infatuation stage. As we learned more of each other, we found a lot to like, but some things that were not very attractive about the other. And, oddly enough, some of the things we did not like at this stage were elements of the initial infatuation. That was like the early days of a marriage when the bloom wears off. The commitment remains and both parties must work hard to make the marriage work. (To continue the analogy, the current era of bickering between America and Japan is akin to the your-family-is-lazy, or your-family-is-snobbish arguments that many couples experience in the early days of a marriage.)

Now, as we go toward the point where we both realize that this will be a strong and continuing relationship, we suffer the other's perceived faults not out of ignorance, but out of commitment to the relationship's success.

Japanese know that America is a nation of immigrants. What they fail to understand is that we regard this as a great strength. Not surprisingly, then, Americans take offense when some Japanese label us a nation of "mongrels".

Americans know that Japanese eat, by U.S. standards, a great deal of rice. They do not understand the patriotic and religious role that the growing of rice plays in the Japanese psyche. We demand that the rice market be opened, yet fail to understand the intense emotional reaction this demand evokes.

Japanese know Americans eat, by their standards, a lot of beef. They do not understand the American belief that eating beef is not far removed from the right of free speech, nor why Americans unconnected with the economics of cattle ranching react with disproportionate anger at the exclusion of U.S. beef from the Japanese market.

No visit to the Press club would be complete without a small jab at you in the media. You would be disappointed, I suspect, if one were absent from my remarks.

But, while we are visiting the subject of beef imports, it really should be noted that a key element of Japanese opposition to increased quotas for U.S. beef went unreported in the Western media.

Why did normally pro-market opening politicians suddenly begin to sound like Yukio Mishima* when the subject of beef imports came up? Why did forward-looking government officials recoil from long-held free trade positions on the beef issue? Why did Japanese consumer groups oppose the imports which could eventually lead to lower prices for consumers?

There were many factors involved, of course, but the one that was completely ignored was the *burakumin* factor. With apologies to Japanese who share a worldwide reluctance to launder social linens in public, I believe that a significant factor in the periodic ferocity over this issue came from the fact that Japan's one-time underclass remains a force in the slaughter and distribution of Japanese meat products. It was respect for their hard won—but now significant and potentially confrontational—political activism that played an important behind the scenes role on this issue.

Had this been reported and explained, it might not have changed the final outcome, but an informed American public might have better understood that Japanese resistance to reform was not based on sheer stubbornness, nationalism or protectionism.

While we are discussing the role of the media in better understanding, one other comment should be made that does not, in all likelihood, apply to those in this room.

No one suggests that Western journalists in Japan should live in six-tatami rooms and commute to public baths to get the "real" flavor of Japan. Neither would I suggest that Japanese journalists abroad reside in tenements for learning

*Yukio Mishima was a right-ist author who committed ritual suicide in the 1970s after a futile attempt at a coup.

purposes. Still, the Japanese ghettos in many cities in the United States (in which too many journalists and business people reside) are helpful to neither the role of translating U.S. events for the Japanese public nor to Japan's image in the United States. And, in the media on both sides of the Pacific, there are still far too many of the three-day fly-in fly-out "survey" visits by journalists. These people speak to a taxi driver, a politician and a housewife, see a city, then write an "in-depth" story.

In Japan, the basic *samurai-sakura-shinkansen* story gets a high-food-prices or resurgence-of-nationalism twist, and the trip is over.

In America, reporters discover to their amazement that there is crime, crack cocaine and a melting pot. Add an interview with a loud, but powerless legislator who wants a trade embargo on Japan and catch the 10:30 flight to Tokyo or save a couple of days for shopping in Paris on the way home.

With understanding comes the ability to allay fears that are real to one country, but of not such great importance in the other's culture. If Americans better understood Japan's national fear that disaster and poverty are but one typhoon away, could we not communicate our desire and ability to assist in protecting Japan from such a calamity whether it is political, economic or natural?

If Japan better understood the political oppression and economic deprivation from which so many of our parents, grandparents and today's immigrants fled before coming to America, could Japan not better allay our fears that their investments are part of a dark, hidden agenda?

Examples of the mountains of knowledge and the molehills of understanding abound. There is little chance that Americans would "become Japanese" if they understood more about Japan. And there is also small chance that Japanese would "become Americans" if they understood more about America.

The goal is *not* sameness. As in a marriage, we soon learn one partner can not change the other partner. Instead, partners learn to understand and accept each other as they are, to capitalize on individual strengths and compensate for individual weaknesses.

Finally, once the United States and Japan have reformed and redefined the terms of their relationship and learned more about each other, they must master the most difficult art in a marriage or a relationship between nations: That is to learn to differ without endangering the relationship. We must learn to disagree without being disagreeable.

It is inevitable that, even with a clearly defined relationship and better mutual understanding, there will be disagreements in the future. The success of the relationship depends not on a Pollyanna-type hope that conflicts won't occur, but rather on the ability to resolve such conflicts.

There is a tall mountain to climb on this issue, but it must be climbed.

The problem is that Japanese tend to believe that any disagreement is disagreeable. During feudal times in Japan, aversion to public disagreement was so strong that both parties bringing a dispute for adjudication were, after hearing a verdict on the disagreement, likely to face immediate execution. Still today, most Japanese—as all of you here know—have a real distaste for confrontation and public disagreement. If there is a real item of contention between two parties, Japanese are likely to resort to the intervention of outside parties or compromise to avoid unseemly public disputes.

On a person-to-person basis, "Yes, we have no bananas," is no joke; it's a normal grammatical construction.

Japanese believe that publicizing a good deed negates its virtue.

Americans (and, to a lesser degree, most Europeans) find a certain merit in contentious discussion. They believe that wise decisions are smelted in a cauldron of contested viewpoints.

Judeo-Christian principles provide concrete ideas of right and wrong. From early youth, we learn that right is might and that there is something vaguely unwholesome about compromise. (After all, one does not make deals with the devil.) While angry disputes are carried out in public view, compromise settlements are made in private. Though much of it is a function of language forms, Japanese seem to apologize for everything even if they have done nothing wrong. Americans are loath to apologize even when they are

in the wrong.

American is a society given to lawsuits. While it would be disingenuous to say money plays an insignificant part in litigation, surveys have shown that it is the principle of having one's self declared "right" and the other party declared "wrong" that is a major motivator in suits.

As I said earlier, it would be unwise to expect that either nation would become like the other in such deeply ingrained national traits. Still, for the U.S.-Japan relationship to thrive, each side must develop more tolerance for the foibles of the other.

Here, too, the media can play a more helpful role: The next time a member of the U.S. Congress says something particularly outrageous about Japan, the story could read—with allowances for your respective news styles—"Rep. Jones comes from a district with 33 per cent unemployment. He was elected last year by a margin of 87 votes and is believed to have absolutely no clout with his colleagues."

The same is true for Japanese who adopt extreme positions intended to play to the media.

Japanese must learn that Americans—especially politicians—*mean* less than they say; Americans must understand that Japanese *say* less than they mean.

Fortunately, Americans are learning to achieve better results by being less contentious in dealing with the Japanese. Quick-fix solutions to complex problems are slowly being recognized for what they are.

Often to the consternation of the very Americans who had earlier demanded that Japanese become more straightforward in communications, Japanese officials are becoming more direct in stating their positions.

These changes aside, however, the real key to this issue lies in confidence in the viability of the relationship. When Japanese and Americans both admit that a continuing interdependent relationship is necessary for both countries and they express their commitment to the long-term viability of that relationship, perhaps rhetoric can take the back seat to substance.

A certain amount of setting our houses in order is needed on both sides of the Pacific. Much of the volatility in today's

situation could be defused by a few acts of good faith.

In recent memory, every opening of a market in Japan to a U.S. product has been like pulling teeth. The opening came only after serious U.S. pressure. You may call it good public relations, but isn't it time that Japan announced in a simple and unsolicited manner that—in keeping with its free market principles—it was opening three or five or even 10 markets to U.S. goods? Would not the favorable notice around the world and the proof of Japan's sincerity in market liberalization be worth any short-term domestic political fall-out that might follow?

On the other side of the Pacific, could not U.S. politicians tell one or two interest groups that their products are not selling overseas because of high price or low quality, without blaming the problem on non-tariff barriers?

Isn't it about time that administration officials and members of the U.S. Congress speak out against the Japan-bashing in the media and among their colleagues?

And what would the reaction be if Japanese firms operating in the U.S. announced without outside pressure their decision to make their factories and offices leaders in policies and actions intended to provide fuller participation and career advancement for women, and minority American citizens?

For a range of large and complex problems, I have offered modest and basic steps toward their resolution.

Still, if the United States and Japan can cooperate to redefine their relationship for the new decade and new century, if we can add mutual understanding to our mutual knowledge and if the two nations can learn to disagree without being disagreeable, all of us will have been present at the forging of an alliance with the potential to improve not only the United States and Japan, but the entire world.

ザ・ハナフォード・カンパニー代表取締役会長

ピーター D. ハナフォード氏の所見

東京 日本外人記者クラブ席上

平成元年11月7日(火曜日)

過去15年もの間、商用及び公用を兼ねて訪日する機会に恵まれてきた。今日の日本人の日常生活の知識、あるいは政界の現状に関して詳細に及ぶ情報を持ち合わせてはいないが、仕事柄、これまでに多数の知己を得られ、交信を通して様々な政治経済問題に関する最新情報を定期的に入手してきた。こんなことから、太平洋を越えたアメリカでは友人や同僚から日本側の経済・貿易方針についての説明ならびに弁明を求められることがよくある。

それほど前ではないが、最近の日米関係の特徴づける、あのまことに遺憾な「ジャパン・バッシング」がさかんに行なわれていた時期に、国際人で親米派でもある日本人の知人と、思慮深いことで定評のあるアメリカ人の政治家との会話を聞く機会があった。

この日本の氏は、生涯を通して日本と西洋の相互理解を深めるためのかけ橋を築く努力を重ねてこられた方である。このような国際人としての経験から、同氏の言論には力強さが感じられた。

同氏の嘆きはこうであった。「もはやアメリカという国を理解できなくなった。戦後、日本が再建を図っている時には兄のように手を差し伸べてくれた。もちろん、意見の相違が生じることはあったが、それでさえ家庭内の口論のようであったし、問題のさ中でも両国間には親愛の情と尊敬の念が存在していた。

今日では、両者の意見の相違は引き続き存在する一方、親愛と尊敬の念は消滅したかのようである。」

例を問われた氏は次のように答えた。

「アメリカ政府の代表が訪日すると、日本の習慣や政治経済上の事情は少しも考慮せずによるで督促人のように様々な要求をしてくる。」

「アメリカ側は、あまりに多くの交錯した信号を送ってくる。初めには、『国際関係においてはもっと前向きの姿勢を。』と主張しながら、あまりに度を越し過ぎないように注意する。また、『アメリカでの投資を。』と誘っているかと思うと、次には『アメリカは日本に買い上げられて行く。』といった具合である。」

「政治家はアメリカ国内で生ずる問題すべての原因を日本に押しつけ、あたかも敵同士のような態度である。マスコミは更にひどく、日本人に対して、不明快で、感情を持たないエコノミック・アニマルというレッテルを貼ったのと同じような偏見の目で、他のグループを描写するならば、抗議の嵐が襲うことは明白である。それが日本人の場合になると、このような偏見に皆が同意する。」

このような断言の仕方に対し、平常は穏健なこのアメリカ人政治家も立腹の様子を見せ、同様に長い説明が始まった。「米国における非行と犯罪率の高さ」は、その原因の多くが日本側にあり、ダンピング、市場での略奪的な行為、少数民族派への無理解、更に、一般には日本または日本人以外のものに対する潜在的排他主義、中でもアメリカに対する蔑視感に起因しているというのが同氏の反論であった。

両氏の論議が熱するにつれ、双方とも意識的に引き下がってはいたが、日本とアメリカ両国が政治レベルで行なっているのと全く同様のやりとりを、両氏が個人レベルで行なっているのである。つまり、お互いを非難するだけで、そこには対話が存在していないのである。

結局その後は、お互いに話し合うことに専念するようになり、最終的にその会合は無事終了し、両氏の友好関係に亀裂を生ずることもなく、日米関係の相互理解を深めることとなった。

当事件に関しての考察を加え、更に、二カ国間に繰り広げられるドラマ(時には昼メロ風のドラマ)の筋をたどることで、いくつかの結論に達することができたので、今ここで述べてみたい。

結論の中には当然すぎるのもいくつかあるかもしれない。しかし、現在のような状況において当然に見える事柄も、日米関係に大きな影響力を持つ人々の間では森に入って木を見ずの感がある。

第一番に、お互いにバックミラーを通して見るのを止めなければならぬ。日米関係は、1990年代に向かう現実を踏まえた上で定義づけされなければならない。ハリウッドの映画界で言うように、皆が台本の同じページに揃っていないなければならないわけである。国と国との関係は流動的で絶えず変化しているが、日米両国の関係は、過去40年間に経験してきた変化を考慮に入れた上でお互いが納得できるように定義し直す必要があり、90年代、続いて21世紀に向かう様々な必要条件を予測するために再定義されなければならない。

次に、このような再定義がなされた上で、相互理解を図らなければならない。この相互理解とは単に知識的なもの、例えば、知識を築く土台を指しているのではない。それは相手国に関してお互いが知っている多数の事実を理解するよう努めることである。特に、互いに非難し合うのではなく、互いに対話する術を習得することが必要である。その第一歩として、お互いをよく知り合う機会を逃さないことが重要と考える。

三番目に、時として意見の不一致が生じるのは不可避であるが、後に友好関係の存続に疑いを抱かせるような節度に欠けた態度を慎む術を学ぶことが要求される。不快な思いを残さずして、反対意見を交わすことを学ばなければならない。

前述の三条件を取り上げてみて、それが日米間にとってなぜ重要なのか詳細を探ってみることにする。

これまでの問題の他、日米間の経済摩擦に関連した怒りの約9割は、現代における両国関係の性質を誤解した結果、裏切られた感ずることが主であるように考えられる。

日米間の関係は過去半世紀の間に急速に展開されたことから、両国の人々の中には、時には有力者の中でも、両国の関係を現在の姿として見つめるのではなく、過去の姿のままに見ていることがある。この50年間、両国はお互いを戦争に係わり合った国として、疑惑を持ったまま油断なく構えてきた。戦時中のプロパガンダによって、両国に苦い感情の種が植えつけられ、不幸なことにこの種は国民の意識の片隅で花を咲かせ続ける結果となった。戦後は、「戦勝国と敗戦国」としての地位が「兄と弟」の関係に展開していった。他愛的かつ自己中心的なアメリカが兄さん役として、弟を国際間のいじめ者から保護してくれた。日本再建時における手助けに対する見返りとして、アメリカは当時、政治的忠誠を日本に要求した。以上の通り、健全で整然とした関係が存在していた。

その内、「弟」が成長してきた。日本は一人前の国となり、これまでの兄の「家」を離れ、政治的に同等となり、経済的に独立した位置に就くようになった。

この移行は完了してはいないが、兄は複雑な感情を抱き、安定した依存状態であった「古き良き日」を願う気持ちに駆られる時がある。

現在、決して「ノー」を言わないかつての日本を懐かしむアメリカ人も中には存在するようである。逆に日本人の中には、アメリカに対しての答えは決まって「ノー」で、自国の利益のためには「イエス」の意志表示をすべき時でさえ、性急に「ノー」と答える人々も存在する。

この現象と裏表一体となるものがある。アメリカ人は親か兄のような感覚で、日本の基準をそれほど深い関連のない国々の基準よりもやや高めの状態に維持しておきたいとする傾向がある。日本がその高い設定基準に満たないと、失望が怒りに変形することになる。

国際関係は家族関係と同様に、兄はいつまでも兄であるというのが大多数の日本人の信ずるところである。アメリカが日本をまるで敵かよそ者のように扱い、他人行儀な接遇をすることは日本人にとって不満だけでは済まされないのである。これはもちろん逆方向にも言えることで、日本が、例えば原油の確保のため、石油産出国とのつながりを深めようと自らの途を求めたりすると、アメリカ人の多くは怒りを覚えるのである。

多くの政治家が両国の相互関係を明確にし、改善するために努力を続けていることは言うまでもない。遺憾なことに、国会とアメリカ連邦議会においては、少数グループのための短期的な政治上の利益を追及する自己中心的な切望が強すぎて、あまりに多くの政治家がこのような誘惑に埋没しているのが現状である。

さて、アメリカ製自動車は日本の農民に叩きつぶされる一方、首都ワシントンでは東芝製品の破壊が行なわれた。もちろん、太平洋を隔てた両国で真剣に取り組む指導者達は、そのような活動を非難して、テレビのニュース効果を目指しただけの無意味な行為と見なしている。それでいて、指導者的立場にある政治家は、そのような愚かな象徴行為に身を任せる一団が国民全体の不安という氷山の一角を示しているにすぎないことも理解している。

「整然」としていて、明瞭かつ明確な関係を求める日本人の国民性はジャパン・ウォッチャーがよく引合に出す。彼らの考察によれば、名刺の交換は名前と電話番号を名刺ファイルに入れるためではなく、おおよその年齢、肩書き、地位等に関するデータを蓄積するためであり、相互のつながりを築く以前に両者の関係における将来性を測るパラメータを設定するのが目的なのである。

この「整然」とした関係への願望はアメリカの社会的あるいはビジネス環境の中では顕著ではないが、明瞭な関係に対する渴望は国際関係を土台とした環境下で高まりつつある。アメリカでは、政治に無関心な階層にとっては、ソ連との冷たい戦争が恐ろしい経験であったとはいえ、定義の厳密さに欠ける今日の世界よりも不安の種が少なかった。当時はモスクワが率いる一貫主義の悪の帝国が敵であった。同時に、日本ならびに西側諸国という盟友があった。アメリカが手を貸すと、相手からもそれに見合った返礼があった。「敵国の敵」は味方という余裕もあったが、全体としては「我々対向こう側」といった世界であった。

アメリカが実際に国連で過半数の投票を得ていた頃を思い出

すのが次第に難しくなっている。

前述した通り、世界が危機に直面していた時でさえ、日本人にとっては全く居心地の悪い場所ではなかったのである。

その内に、この整然とした関係が一掃されることとなった。世界と国際関係は変化し始めた。変動相場制と流動的国際関係の時代に入ったのである。これまでの規則は廃棄され、日本とアメリカ両国の指導者は、二国間には「特別な関係」が存在することを強調した。彼らは、その特別な関係が存在することを認識してはいたが、それが何であるかを把握してはいなかった。

従って、一般には「貿易摩擦」と称される日米問題をむしろ関係摩擦として捉えて問題の解決に臨むことが必要であり、この最初のステップとして、両国を21世紀に向けて存続させる新たな関係を定義づけし、改善を進める体制を整えなければならないと考える。

このような関係には既に確固とした土台が築かれている。世論調査によると、相互批判の時代にもかかわらず、アメリカは日本人の中で人気ナンバーワンの国である。アメリカのビジネス・ウィーク誌が行なった投票では、貿易の不均衡に対する不安を示す一方、アメリカ人のおよそ75%は国家としての日本を敬愛していることがわかった。それ以上の人数が日本の経済的成功を好意的に受けとめ、解答者の80%が日本人に好意を持っていると答えた。

なおかつ将来の日米関係を再定義し、かつ改善するためには、太平洋の両側で大量の超過荷物を捨てる必要がある。

まず、アメリカは世界の支配的リーダーとしての役割に終止符を打ち、むしろ、通常は同等国の中における一番目的的存在であるが、時には多数国間における一国としての存在を甘受することが必要である。

日本にとっては容易なことではないかもしれないが、自国の新しい経済パワーと政治的強さを受けとめなければならないし、経済大国に課せられる数々の責任を認識しなければならない。その中には、日本国内において増大する環境問題、及び資源供給国としての発展途上国問題などの様々な問題が内在している。また、国際間の防衛問題に関してもっと積極的な態度も求められている。さらに、資源供給への渴望が駆動力となって実施された外交政策に対しては、道徳感を注ぎ込まなければならないこともその一つである。友に向かって「ノー」と言えるようになった後は、世界の秩序と安定の敵に対しても「ノー」と言うことを習わなければならない。

アメリカは、「黄色人種の危険」なる精神構造を投げ捨てなければならぬ。アメリカへの外国資本の流入が本当に問題であるならば、イギリスやオランダに関する苦情が聞こえてこないのはなぜなのか(アメリカ資本の中で外国資本の占める率はわずかではあるが、その中でイギリスとオランダの投資額は日本をはるかに上回っている)。日系企業による「経済進出」だけを特記する時期はもう終わるべきではないだろうか。他の集団を人種偏見的な定型にはめ込むのを激しく非難するのと同様の原動力で、反日的でナンセンスな行動がハリウッドから連邦議会までそのまま事無く流れ込むのを非難すべきではないであろうか。また、このような人種偏見的態度が誤っていると認めるところまで至っていないというのであれば(確かに誤っているのだが)、太平洋の向こう側で日本人がそれをしっかりと見守っているという事実もアメリカ人は忘れてはなるまい。

日本にも同様に努力すべきところがある。確かに日本は文化的で勤勉な国であるが、世界唯一の勤勉な文化国家ではない。一方では、他国の人種偏見や国粹主義に対しては義憤にかられた怒りを示す日本人が、男女の性差別をはじめ、アジア人、黒人、あるいは日本人以外の人種に対する自己の態度も同様に偏見の部類に属することを認めたがらないのを常々不思議に思っていた。地理条件、ならびに軍事力、また、つい最近までは語学面で孤立を続けていた日本も、経済大国としての地位を獲得すると共に国際的な注目の的となっていることを遂に認識しなければならなくなった。太平洋の反対にいる我々アメリカ人が耳を立てて聞いているだけでなく、ようやく日本人の話す言葉を理解するようになったのである。

エレクトロニクス時代に入る前は、アメリカの政治家は国内各地の投票者に向かって違った話や矛盾する説明を行なうことが可能であった。また、つい最近まで、日米の政府高官は国内の消費と海外での流通に関して、それぞれ相反する意見を述べることもできた。しかし、現在ではこのようなことはもう不可能になってしまった。アメリカ側に対する非公式の失言が日本で夕方のニュースに取り上げられるが速いか、ニューヨークでも同時刻に朝のニュースとして流される状況に日本の政治家も早く気づいたほうがよい。さらに、そのようなコメントが政治的な思慮に欠けると日本国民が非難する日が早く来れば、失言もなくなるであろう。

アメリカの政治家にとってはカンザス州トペカにおける「経済上の真珠湾攻撃」を取り上げながら、日本との協力関係を展開するこ

とはもはや不可能である。(日系企業の工場を例えばインディアナ州に建設するよう推進しておきながら、ワシントンにおいては「アメリカの財産が日本に売却さる」と非難するのでは節度がないと言うべきであろう。日本企業による投資がアメリカの将来にとってそれほど危険であるならば、僅かな例外を除いたほとんどの州知事がなぜ東京に執務室を設置して、各州における日本企業誘致を図っているのだろうか。)

日本の政府高官もまた、市場の自由化志向を理由に国内規制反対を拒否したかと思うと、翌日には、親日的な市場戦略を推進するために工業界のリーダーと密談をするような行為はよく考えてみる必要がある。同様に、アメリカ人政府高官もまた、事実上、アメリカ市場へのアクセスに対する強制的な取締規制でしかない「自発的」と称する市場契約を推し進めておきながら、他方では日本市場への無制限アクセスを要求するのも愚かしいことではないか。

日米間の余計な荷物が取り払われた後は、政府及び民間が協力して定義過程に取り組むことである。明確にどのような関係になるかは誰にもわかっていない。現在判明しているのは、その関係は相互の尊敬の念と自立の認識、さらに、途中いかなる道程を辿ろうとも、同じ最終目的を共有しているという知識に基づくことである。

日本とアメリカの驚くべき将来を見越した点において、ロナルド・レーガン前大統領には先見の明があったと言えよう。レーガン前大統領は、二国間における障壁がすべて取り除かれ、自由貿易条約の下に両国の間で製品やサービスが関税その他の規制を受けずに自由に流れる日を見越しているのである。

これが実際に政治及び経済レベルで成就される前に、相互の意志疎通を図る方法を大幅に変えなければならない。この過程の第一段階は、アメリカに対する日本人の理解、また、日本に対するアメリカ人の理解を真の意味で深めていくことである。

アメリカ人が日本についてこれ程多くの知識を持ったことはかつてないという人もいるかもしれない。また、日本人は確かに50年前、あるいは30年前、10年前に比べアメリカに精通してきている。しかしながら、知識というものは理解の第一歩にすぎない。知識が大きく飛躍した反面、その処理過程が遅滞したのではないかと考える。

付随ながら、戦後の日米関係は婚姻関係のようなものであるという理論を加えさせてもらう。初めは、よく知り合っていないが、お互いに惹かれるところを持っていた。これが熱中段階である。お互

いを知るにつれ、好ましい点も多く見つけたが、同時に魅力的とは呼びがたい面も現われてきた。不思議なことに、この段階で好ましくないと思われる面は第1段階の熱中段階で要素として既に存在していたのである。ちょうど花の満開期が終わる結婚初期の日々と類似している。お互いへの義務は存続し、結婚を成功へ導くためには両者の努力が必須である。(類比を続けさせてもらえば、現代の日米間の問題は、結婚当初の夫婦がよく経験する「あなたの家族は怠け者ばかり」であるとか「おまえの家族は気取り屋だ」といった口論と同類なのである。)

お互いの関係が堅固で存続できると両者が気づく地点にさしかかるにつれ、無恥からではなく、むしろ関係を成就させようとする義務感から相手の欠点に悩むことになる。

日本人はアメリカが移民の国であることを承知している。ただ、この事実をアメリカ人は長所として捉えていることが日本人には理解できていない。もし日本人がアメリカを「雑種民族」国家と呼んだ場合、驚くまでもなく、アメリカ人はこれを侮辱と受けとめるであろう。

アメリカの標準からみて、日本人が大量に米を消費することをアメリカ人は知っている。しかし、米を育て収穫することが、日本人の精神において愛国的かつ宗教的な意味合いを果たしていることをアメリカ人は擱んでいない。米の輸入規制を解くことをアメリカ側は要求するけれども、この要求が引き起こす緊張した反応をアメリカ人は理解しきれていない。

日本人の標準から言えばアメリカ人は大量の牛肉を消費することを日本人は知っている。ただし、牛肉を好きなだけ食するということが言論の自由から大幅にかけ離れたものではなく、また、日本市場からアメリカ牛を締め出した際、畜産業と係わりのないアメリカ人までがなぜあれ程までの怒りを表したのか日本人は理解していない。

マスコミの世界であるならば、記者クラブから締め出されたに等しい。私の所見を聞き逃していたら失望されるのではないかと思う。

ともかく、牛肉輸入問題を取り上げている間に伝えておきたいことは、アメリカ牛の割当制限を引き上げることに反対する日本側の重大要素が西側では報道されなかったことである。

牛肉の輸入問題になった途端、なぜ通常は自由化を叫ぶ政治家が突然、三島由紀夫のような国粹主義者に変身するのであろうか。自由貿易の立場を長年維持してきた前向きの政治家がこと牛肉問題に関すると、なぜ後退の姿勢を見せるのであろうか。最終的

には消費者価格を下げることになるはずの牛肉輸入に日本の消費者団体はなぜ反対するのであろうか。

もちろん、これには多くの要素が絡んでいるが、一つだけ完全に忘れ去られた要素がある。それは、部落民に関してである。肌着を公衆の面前で水にさらす無礼に対し日本人全員にお詫びしなければならないが、この問題に関して周期的な暴発が起こる重大な要因は、かつて最下層の身分に置かれた人々が現在でも日本において屠殺と食用肉の流通過程の主流であることに源を発している。その部落民の勤労に対する敬意で始まったが、現在では、潜在的に対立性のある政治活動主義が陰でこの問題の糸を操っている。

もしこのことが海外で報道されていたならば、最終結果に変わりはなかったかもしれないが、アメリカの国民が日本人の抵抗を多少理解するのに寄与したかもしれない。それによって、輸入制度の改革に対する抵抗が頑固さ、あるいは国粹主義、保護主義に根ざしたものではないことが理解できたかもしれない。

相互理解におけるマスメディアの役割を話すついでに、ここの出席者の方々には該当しないと思われるもう一つの所見を述べてみたい。

欧米諸国からのジャーナリストは6畳間のアパートに住み、公衆浴場に通って本当の日本らしさを味わうべきであると提案する人はどこにもいない。私も、海外勤務の日本人記者は経験のために普通の借り家に住めと勧めるつもりはない。しかし、アメリカの各都市にある日本人村(ここには、あまりに多くの記者や日系企業関係者が住んでいる)は、アメリカのイベントを日本人向けに翻訳するにも、あるいは日本のイメージをアメリカに普及するのにも貢献していない。さらに、太平洋を隔てた両国では、記者団による三日間だけの表面的な「調査」旅行が極度に多すぎる。こういった人達はタクシーの運転手や政治家の一人、家庭の主婦に話しかけ、街並みを見た後、「詳細記事」を書いているのである。

日本からは、お決まりのサムライ/サクラ/シンカンセンに関する記事が食料品価格の値上がりや国粹主義の復活の話題を抑えて送られ、それで出張が終了するのである。

アメリカでは、記者達は犯罪や麻薬の存在、人種のるつぼといった当たり前の実情を発見して驚きを示した後、日本製品の輸入禁止を主張する、声が大きいだけで無力な政治家とのインタビューをつけ加えてから10時半発の東京行きに搭乗するか、あるいは帰途に寄る

パリで一両日の買い物旅行となる。

一国にとっては現実的な問題であっても、他の文化圏では重要な意義を持たないような不安を和らげる能力が理解と共に培われていく。災害と貧困は台風と背中合わせになっているというのが日本の国家的不安であるが、それをアメリカ人が把握できていたならば、そのような惨事がたとえ天災にしろ、政治上もしくは経済上の結末であったにしろ、日本を防護する希望と能力を伝達することができたのではないだろうか。

もし我々の両親や祖父母、あるいは、今日の移民の多くが政治的抑圧もしくは経済的剝奪が理由でアメリカに逃れてきた事情を日本人が把握していたならば、日本企業の投資が暗く隠された備忘録の一部を浮き彫りにするというアメリカ人の不安を緩和することができたのではないだろうか。

知識だけが山積みされ、理解に欠けるといった例が多く存在する。アメリカ人が日本に関しての理解を深めたとしても「日本人となる」ことはまずない。同様に、日本人がアメリカに関する理解を深めても「アメリカ人となる」こともないのである。

同一になるのが目標ではない。結婚と同様、自分の配偶者の性格を変えることは不可能なことがまもなく判明してくる。その代わり、各個人の擁する強さを統合し、お互いの欠点を補うために、相手のあるがままを理解した上で許容することを学ぶようになるのである。

最後に、日米両国が相互関係を改革した上で再び定義づけし、お互いについての理解を深めたならば、次は結婚あるいは国家同士の関係における最も難しい技を習得することである。すなわちそれは、関係を危険に陥れることなく相違性を維持することである。つまり、不快な思いを残さずして、反対意見を交わすことを学ばなければならない。

明確に定義された関係と相互理解をもってしても、いずれは意見の不一致が生じることは必然的である。関係が成功するか否かは、対立は起きないだろうという小説のポリアンナの希望によるのではなく、むしろその対立を解決する能力にかかっているのである。

この問題に関しては高い山が立ちはだかっているが、それを乗り越えなければならない。

問題は、日本人は意見の不一致を協調できないものと見なす傾向である。日本の中世期には、公における意見の不一致に対する嫌悪感が非常に強く、裁定の場に係争を持ち込んだ両当事者は不

一致という判決が下された後、即刻刑に処されることが常であった。今日でもなお、ここに御出席の方々のご存じの通り、日本人の多くは対立や不一致というものを好まない。両者の間で何らかの論争の種が存在する場合、日本人は第三者の調停を求めるか、あるいは見苦しい係争の公開を避けるため妥協策を講じる傾向にある。

個人の会話レベルにおいては、「はい、バナナはございません。」というように否定型と肯定型が文章の中に混在するのが普通である。英語とは逆に、これが日本語の文法に適った構文なのである。

日本人にとって、善行を公にすることはその美德を汚すことになる。

アメリカ人は(ある意味ではヨーロッパ人の殆ども)議論にはメリットがあると考えている。賢明な結論は、論争済みの観点を入れた大がまの中で溶融されてでき上がると信じているのである。

ユダヤ教・キリスト教の原理においては、正邪の区別が明白に示され、正義は強く、妥協することは何かしら不健全なものであるというのを我々アメリカ人は幼少の頃から習得している。(悪魔とはやはり取引しないものである。)怒りに満ちた論争が公共の場で行なわれ、妥協策や折衷案はプライベートに設定される。言語の機能によるところが大きいとは言え、日本人の場合は自分に非がなくても何にでも謝る傾向がある。アメリカ人は自分が間違っているのを詫げるのを嫌う。

アメリカは訴訟の社会である。訴訟における金銭の役目は微々たるものとは断言できないが、調査によると、訴訟での主要動機は自分を正しいとし、相手方を不正とするのが基本となっている。

先に述べたように、根深く特徴を異にする国家間では、一方の国がもう一方の国のようになるのを期待するのは賢明とはいえない。日米間の関係が発展していくためには、両国が共に相手側の欠点に対する寛容性を引き伸ばしていく必要がある。

ここでもマスメディアがそれを助長する役割を果たすことができる。この次にアメリカの連邦議会が日本について特に非礼な言動をとった場合、各社独自の形式を加味しながら、次のような記事を書くことができる。「ジョーンズ下院議員は失業率33%の地区からの選出。昨年87票の差で当選し、同僚間においては全く影響力を持たない人物と考えられている。」

極端な立場をとってマスコミにふりかざす日本の政治家の場合にも同じことが言える。

アメリカ人、特に政治家は口先だけの話が多く、内容が伴っていないということを日本人はわかってこなければならない。また、日本人は話の表現よりも実際の内容が深いということをアメリカ人はわかってこなければならない。

幸い、アメリカ人は日本人と接する時は議論好きの態度を改めて口数を少なくすると効果を取めることを習いつつある。また、複雑な問題に対する即効性の高い解決策は徐々にその効用を認められてきている。

先に日本人に対してもっと直接的な意志表示を図るように要求したアメリカ人達は、日本の政府関係者が自分の立場を主張する態度が率直になっているのに驚きの目を向けることがしばしばある。

このような変化はさておき、両国における関係の生存能力がこの問題本来の鍵を握っているのである。継続的な相互依存の関係が両国にとって必要であることを日本とアメリカが認め、さらに関係の長期的生存能力に賭ける公約を明らかにする時、公約の内容が重要性を持つようになり修辞学は後部席に収まることになる。

太平洋の両側において、国内環境をある程度整備する必要性がある。誠実な行為をいくつか実行するならば、今日の不安定状態は殆どが緩和されることになろう。

まだ記憶に新しいが、日本がアメリカ製品の市場を自由化していく過程は歯を抜く過程と類似している。自由化が開始されたのはアメリカが強い圧力をかけた後である。効果的な広報活動と呼ぶかもしれないが、あの当時の日本は市場自由化方針に則り、3種類、5種類、あるいは10種類ものアメリカ製品に対して市場を開放する旨を明瞭かつ自発的に発表した時期ではなかったろうか。世界各地における好意的な通告、さらに市場の自由化における日本の誠実さを示す証は、その後起こるかもしれない短期的な内政の下降と同価値のものではないのであろうか。

太平洋の向こう側では、アメリカの政治家は一・二の関連企業に向かって、同企業の製品の売れ行きが海外で芳しくない理由は、高価格に加えて低品質であることが原因であり、関税障壁が災いしているのではないと言えなかったのであろうか。

そして今こそ、行政府の役人や連邦議会の議員達がマスコミ、もしくは同僚に向かってジャパン・バッシング反対の意志を表明する時期ではないだろうか。

在米日系企業が外部からの圧力を受けずして、現地工場を建

設する決定を公表したり、あるいは、方針や措置を決定する政府機関の指導者達が女性及び少数民族派に対して全面的援助と職業振興プログラムを提供しようとしたら、どのような反応が示されるであろうか。

私はここで、広範で複雑な問題に対して、解決に向ける穏当な基本ステップを提供したにすぎない。

それでも、1990年代と21世紀に向けて日本とアメリカが両国の関係を再定義するための協力体制を取れるならば、また、お互いの持つ知識に相互理解を付加することができるならば、さらには、両国が不快な思いを残さずして反対意見を交わす術を習得するならば、単に日米間に限らず全世界の関係を向上させることのできる同盟関係が形成されるのを目撃できることになるであろう。

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