

PACIFIC COMMUNICATIONS:
U.S.-JAPAN INTERACTION AND PROSPECTS

by

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CHAPTER I

INTRODUCTION -- COMMUNICATIONS CRISIS

Japanese-American relations have been in a state of crisis, oscillating between highs and lows, for the past few years. The incipient stages of the crisis occurred long before it was publicly acknowledged and heralded by President Nixon's announcement in 1971 of his intentions to visit mainland China. This announcement, besides being a message to the whole world, constituted a basic communication to the Japanese government of a new order in world systemic relations.

Symptomatic of the Japanese viewpoint is this comment which calls attention to an increasing deterioration of relations between the two nations: "Americans appear to have deepened distrust to the extent that they believe it impossible to obtain international cooperation from the Japanese government without driving it into a corner in a forcible manner."¹

It is these communications and other messages which will bear the focus of this study in order to examine and appraise the course of Japanese-American interaction. The transactions between these two nations do now and will increasingly comprise an important element in the dynamics of a multipolar world.

Communication is the underpinning of transnational

action and the transmission of messages, whether by dialogue, actions, or symbolic gestures, and the correct perception (in the view of the sender) of such signals, and the subsequent feedback bear heavily on the next course of action. All too frequently messages go awry; there is a lack of articulation or an apparent ambivalence which causes a misconstruction on the part of the recipient. The lack of definitive purpose or goals can debilitate the meaningful content of a message. And occasionally the verbal feedback bears little resemblance to the feedback found manifest in concrete actions.

The salience of communication to this work leads us inexorably to the utility of a communications paradigm. However, there is no intention to use some of the more complicated models developed in the communications field. The shortcomings of these models as discussed by Davis Bobrow render them inappropriate for this study.² In this paper I shall employ a communications model as a framework within which to incorporate the variables of the Japanese-American interaction. The model in this case does not embody a rigorous, immutable theory for which a claim of universal application can be made. It is, more appropriately, a map by which one can trace or diagram significant events.³

Another step in adapting this model is to emphasize that what will be examined is the content of communication and its effect as explicated by Richard Merritt.⁴ Germane to the importance of content is the question of whether "the originator and recipient of a message see a common meaning in it."⁵

Thus the paradigm will in fact constitute a framework for the appraisal of the content and effect of communications.

Ultimately, however, there is a need for a model to operationalize the variables and empirical evidence and finally to facilitate the arrival at some conclusions. Quite useful for this purpose is the Rational Actor Model. The seminal thought for the evolvement of the rational actor was provided by Richard C. Snyder, H.W. Bruck, and Burton Sapin in their "The Decision-Making Approach to the Study of International Politics."⁶ The most recent application of this model can be found in Graham T. Allison's Essence of Decision: Explaining the Cuban Missile Crisis. The decision-makers are operational in the rational actor model which embodies: 1) goals and objectives -- a payoff or utility or preference function; 2) alternatives; 3) consequences -- outcome of choice attached to alternatives; and 4) choice -- selection of that alternative whose consequences rank highest in the decision-maker's payoff function. According to Allison "Rationality refers to consistent, value-maximizing choice within specified constraints."⁷ The analyst acts as a surrogate decision-maker and the examination of alternatives and consequences is accomplished vicariously. The advantage of such a paradigm is that it reduces the organizational and political complications of a government to the simplification of a single actor.⁸ In summation this type of model provides a vicarious analysis which posits a rational choice from the value-maximizing of consequences derived from various alternatives.

National goals are embodied in the pronouncements of statesmen but if the nation's actions are not consistent for the purpose of achieving these goals then only confusion, incredulity, or mistrust can result. The world of today demands a clarity in international communication which permits accurate interpretation. Without this is to invite disarray and discordant interaction.

A major element involved in the decay of U.S.-Japanese relations is the process of communication between the two nations. The structures of communications are well established and have evolved over the years, particularly since World War II. The United States became Japan's sponsor in world affairs shortly after the war and the conduits for communication have been many and varied. One could make the observation that the communication networks between the nations are unparalleled between an Eastern and Western nation. This is particularly true at the "working levels", that is below the upper echelons of government. A small sampling would show a large number of Asian and East Asian centers located in our universities as listed in the State Department's University Centers of Foreign Affairs Research pamphlet. A number of scholars, to include Scalapino, Brzezinski, Hellmann, and Kahn are indebted to foundation or government grants for the opportunity to record their observations of Japan and thereby expand the dimensions of the communication latticework. The Japanese derive a great amount of pride over their efforts to enhance world communication. They point to their sponsorship of the 18th Olympic games in

1964 and the World Exposition in 1970. They further boast of the number of English-language newspapers available in Japan and the Japan Institute of International Affairs along with publishing firms have published a number of books to promote Western understanding of Japan. Moreover, official Japanese policy places a high priority on international interchange in the search of world peace.⁹

The aforementioned involves only a very small portion of the communication channels available which promote a mutually salutary exchange of ideas. If the exercise of good, clear communications depended only upon the "working level" organizations, there would be little apprehension about the course of events nor would one need to be concerned with the deterioration of relations. However, the focal point of our inquiry is upon the communications which are transmitted and received at the decision-making level of the respective governments, for it is at the pinnacle where the decisions will be made based upon the perception, or misperception, of messages which will determine the ultimate course of events. It is at this level where the crisis in common understanding has taken shape and nurtured upon the fuel of continued misapprehension.

The pursuit of national goals contributes the major impetus toward international communication. When goals are not mutually compatible among nations the opportunity for garbled reception and dissonance becomes magnified. Equally disruptive to relations is the poor articulation of national purposes. It is these very circumstances which lie at the heart of the difficulties between the United States and Japan.

Either national goals are at cross purposes or the communication of these goals and national direction is poorly managed. More specifically, the paramount issue is the ultimate participatory role Japan will play in world affairs, or simply world participation. The principal subissues fall into the three categories of security-defense, economics, and status. The purpose of this thesis is to examine the cluster of issues in these categories in an attempt to ascertain the future course of Japan's foreign policy orientation and the effect that communications with the United States may have on Japan's decision.

Emphasis should be placed on the fact that communication is not simply a verbal or electronic dialogue. There is frequently more significant communication involved in actions, or the symbolic gesture, and a nation's culture even serves as a communicator.¹⁰ Equally important is the understanding of a nation's polity and the structures of government and party politics which are factors in the decision-making process. The political stability of a government or the governing party constitutes a message which must be read accurately. Opinion polls and domestic pressures influence national decisions and in themselves are messages which demand understanding. Voting trends also reveal a world of information. These communication processes, the content and effect, as they intertwine with the issues of security, economics and status, are what we shall now examine in an effort to develop an appreciation of the relations between the United States and Japan.

CHAPTER 1

FOOTNOTES

1. Japan Times Weekly, February 24, 1973, p. 3.
2. Davis B. Bobrow, "Transfer of Meaning across National Boundaries," in Communication in International Politics, ed. by Richard L. Merritt (Urbana: University of Illinois Press, 1972), pp. 33-61.
3. The approach to communications model as a framework rather than theory has been adopted by Prof. T.A. Williams, Kansas State University in his seminar on International Communication.
4. Richard L. Merritt, "Transmission of Values Across National Boundaries," in Communication in International Politics, op. cit.
5. Ibid.
6. Richard C. Snyder, et al., International Politics and Foreign Policy: A Reader in Research and Theory, ed. by James N. Rosenau, (revised edition; New York: Free Press, 1969), pp. 199-206.
7. Graham T. Allison, Essence of Decision: Explaining the Cuban Missile Crisis (Boston: Little, Brown and Company, 1971), p. 30.
8. Ibid., p. 252.
9. Japan, Ministry of Foreign Affairs, The Japan of Today (Japan, 1971). Passim.
10. Richard L. Merritt, op. cit.

CHAPTER II

THE DIMENSIONS OF SECURITY

Japan holds a unique position among the nations of the world in that her constitution renounces war and the use of military power.¹ By constitutional proclamation Japan has "forever" renounced war and the maintenance of "land, sea, and air forces, as well as other war potential."² The meaning of this proclamation appears quite explicit and the constraints it places on Japanese military efforts is quite real; however, it must be viewed as only one variable of many which will play a part in affecting Japan's ultimate course with regard to her national security and defense.

The most important variable to be considered is the security relationship with the United States. As long as there remains a definite credibility in the U.S. "umbrella" Japan's security is a settled matter; however, credence in the American commitment to Japanese defense has waned in view of the Nixon Doctrine and the reduction of American military forces in East Asia. The United States has projected an image of inconsistency and ambivalence in terms of her goals in Asia and this has caused consternation among the Japanese who must contend with the realities of a multipolar world and a drastically changed scene in Asian power relationships.

A renascent Japanese militarism would involve international political ramifications which must be carefully weighed. Equally important is the question of popular public opinion toward

the Japanese security issue, not to mention the positions maintained by the domestic political parties. How ever important all these other variables are they are circumferential to the issue of Japan's security relations with the United States. Consequently, as Japan cues on American policy that policy demands unequivocal articulation if there is to be an efficacious alliance between the two nations. However, to date, the U.S. policy position has been anything but clear. Robert Scalapino has observed that the U.S. is clearly opposed to Japan's acquisition of nuclear weapons and yet American officials have encouraged greater defense efforts both for the home islands and the region.³ Scalapino further notes that many Japanese feel the United States would like Japan to take up the American role in Asia. Brzezinski has called this "Japanization" of Asian security and posits that through the Nixon Doctrine the U.S. has unwittingly generated the impression that a major objective of that doctrine is a larger Japanese involvement in Asian security.⁴

Constitutional proscription and diplomatic prescription have tempered the setting and precedents of the security issue. They affect Japan's ultimate defense posture as a number of other different variables also have a bearing upon her alternatives and final course.

Security Precedents

Japan's security has been closely allied to the interests and policies of the United States since the end of the Occupation. Japan's policy has been one of low-profile with high

reliance placed on the American nuclear deterrent. In point of fact the Japanese never even formulated a defense doctrine because, as in the words of government officials, they "had considered a military doctrine unnecessary...because the United States had planned for the defense of Japan."⁵

The American goal during the period from 1938 through 1957 was to ensure Japan's participation in America's alliance system. Corollaries to this goal included these objectives: 1) make the conclusion of a peace treaty contingent on the signing of a bilateral security pact which would guarantee American bases in Japan; 2) ensure continued U.S. control of Okinawa; and 3) encourage Japan to rearm.⁷ The first objective was realized with the signing of a peace treaty in 1951 and the bilateral U.S.-Japan Security Treaty which guaranteed U.S. bases in Japan. Secondly, Okinawa was maintained under U.S. control indefinitely. Rearmament proved to be a thornier issue and only the order of General MacArthur established a National Police Reserve of 75,000 men with the advent of the Korean War. Perhaps unrealistically Japan's rearmament became a quid pro quo for any Security Treaty revisions. Revisions of the treaty became a crucial political issue involving Japan's prestige and the Japanese government vigorously sought substantive changes as she grew economically and spiritually stronger.⁶ One Japanese view of the security relationship, and a view that was not idiosyncratic, was that the treaty was a unilateral affair imposed upon Japan against her will.⁷

The Treaty of Mutual Cooperation and Security was signed

on January 19, 1960 and signaled the establishment of a more equal relationship. The treaty specifically committed the U.S. to Japanese defense and was limited to ten years with the provision of unilateral abrogation after one year's notice.⁸ With this treaty Japan received guaranteed nuclear protection and the U.S. was granted the use of bases on Japan's soil. The issue of ratification of this treaty by the Diet instigated the unprecedented massive riots in Tokyo which ultimately caused the cancellation of President Eisenhower's planned visit and the downfall of Premier Kishi.

The Joint Communique signed by President Nixon and Prime Minister Sato on November 21, 1969 provided for the reversion of Okinawa by 1972, proclaimed the agreement of both nations to maintain in 1960 treaty in its present form after 1970, and included a statement by the Prime Minister that he considered the security of South Korea to be essential to Japan's own security and that the maintenance of peace and security in the Taiwan area was also most important to Japan.⁹

This agreement, following so closely upon the pronouncement of the Nixon Doctrine in July, 1969, reflected an apparent continuity in the U.S.-Japan security relationship, however, it is at this point that a number of variables must be considered to determine whether Japan is more likely to embark upon an independent militaristic course rather than remain closely allied to the United States. The logic to defend the argument for Japan's need for an independent and expanded military is both cogent and interesting. Before examining these arguments I shall review the tenor and mood of Japanese

public opinion toward militarism for it constitutes an important message and index in the communications framework.

Public Opinion

Public opinion does not determine the foreign policy of any nation but it does form some guidelines which politicians can use. Walter Lippman's views on the influence of mass public opinion are well known, and some studies have shown that public opinion has had little effect on foreign policy decisions in Japan in the past.¹⁰ However, public opinion in Japan does reflect the general psyche of the nation and in particular it has become an important political consideration now that the Japanese are coming to realize a certain competence in the realm of political socialization insofar as the utility of their votes are concerned. Professor Douglas H. Mendel, Jr., who had made a specialty of studying Japanese public opinion has observed that "Japanese survey results are perhaps the most reliable in the world."¹¹ While public opinion is not a determinant of foreign policy, it provides an accurate barometer of trends in national moods.

Although Brzezinski and Kamiya, among others, report a growing nationalistic spirit within Japan, which may manifest itself in growing militarism, the results of polls strongly indicate that this element represents only a minority of the populace.¹² The results found by Mendel in his survey convincingly demonstrate a deep aversion to war and militarism by the Japanese people. He also reported a plurality index in favor of alliance with United States, although a majority of

60 percent favored the removal of American bases from Japan. The majority of those people who did not prefer a U.S. alliance opted for non-alignment rather than an expanded military. Quite interestingly the most prevalent reason given for opposition to U.S. bases was that the American military presence was a danger to Japanese security by inviting counterattack from U.S. enemies. An odd twist this, in view of the government contention that the bases help guarantee Japan's security. However, it is not all that strange in light of Mendel's comprehensive findings that the Japanese people are happy to see the withdrawal of American forces from East Asia. They also are vigorously opposed to the revival of Japanese militarism and do not condone any proposals of giving military aid to East Asian nations.¹³

These findings are supported by further evidence in a poll taken by the Yomiuri Shimbun in October, 1971 which illustrated the following feeling toward an increase in Japan's defense capabilities: Desirable - 10.3%; undesirable - 40%; unavoidable - 34.3%; don't know - 15.0%. A poignant example expressing the underlying psychology of the Japanese can be found in Professor Ito's comment: "Far better than others, the Japanese know that the old Greater East Co-prosperity Sphere concept is outdated and that peace in the Pacific area is now vital to Japan."¹⁴

The nuclear question shall be a subject for later discussion but it would be appropriate to review public feeling toward this issue at this point. Succinctly, the majority of the Japanese vigorously oppose the nuclearization of Japan.

Mendel's report reveals the popular opposition toward nuclear weapons, either acquired by Japan's own defense forces, or introduced into the country or Okinawa by the U.S.

As corroboration for this finding Kei Wakaizumi reported the Japanese people's deep-rooted pacifist sentiment which serves as a brake to nuclear armament. He further adduced poll results from 1969 to 1972 which depict an increasing public opposition to nuclear weapons, an increase from 46 to 58 percent.¹⁵

It is clear that Japanese public opinion reflects a profound antipathy toward nascent militarism. In the same vein there were two other issues explored by Mendel which appear to be the fount of potential division between the U.S. and Japan. He discovered that the perception of threat to the Japanese is of a low order. Only 22 percent feared a foreign attack as against 47 percent who perceived no danger. There was also the revelation that the credibility placed in the American commitment to defend Japan is on the wane. Only 30 percent believed in the American promise whereas 39 percent did not trust it and 31 percent were undecided.¹⁶ The questions of threat perception and belief in American promises are crucial variables which will be discussed next.

Perceptions and Credibility

The equation of Japan's future defense policy includes the important variables of perceived threat and the American commitment.¹⁷ Both variables figure prominently in the argument for the abrogation of the security treaty on the one

hand and the expansion of Japan's military expenditures on the other.

The basis for the security alliance at its inception and its subsequent involvement rested upon the images of the international environment. The perceived monolithic Communist threat in a bipolar world just after World War II and the reality of the Korea War generated the exigencies demanding a U.S. presence in Asia. Similarly the perception of a threat posed by the Communist world to Japan and all of Asia made requisite a strong military posture. Over the years this image has changed markedly. The Communist monolith has been shown to be in fact a fragile structure whose deterioration was manifest in the Sino-Soviet split. Moreover, the bipolarity of the 50's has changed to the multipolarity of the 1970's. Recognition of this state by world actors has brought a change in atmospherics and diplomatic postures. Surface tensions have been eased and the polemics have subsided with the detente established by the United States with the Soviet Union and China.

Japan has also pursued a peaceful course and normalized diplomatic relations with China. This normalization with China and the Peking communique appear to have negated Japan's interest to help defend Taiwan.¹⁸ Japan has not acted entirely unilaterally in this case for the Nixon-Tanaka communique of September 1, 1972 provided tacit U.S. approval of Japan's diplomacy.¹⁹ This stance would seem to give credence to the notion that the Japanese people's perception of a Chinese threat has diminished considerably. In addition, the secret

negotiations held between North and South Korea in July, 1972 have eased tensions and further erode the postwar concepts of defense in Asia.²⁰ All in all these events bring into sharp focus the question of a need for a security treaty, at least in its present form.

It has been shown by Mendel's survey that the pacifist sentiment is strong among the Japanese and the majority of citizens perceive no threat to Japan's security. There is also political pressure exerted against the security treaty by the Socialist and Communist parties.²¹ However, special attention must be given to the opinion and position of the Liberal Democratic Party (LDP), the party (and its conservative forerunners) which has maintained uninterrupted rule of Japan since 1947.

The LDP has based its foreign policy on an intimate relationship with the U.S. and has sought the most effective means of guaranteeing Japan's national security. It is a pragmatic approach which has been maintained along with the party's continuity, notwithstanding the apparent diminution of a perceived threat. Prime Minister Tanaka has staunchly averred that Japan will maintain its alliance with the U.S.²² The rationale supporting this position can be found in Japan's first defense plan. Although the majority of the populace does not recognize a threat, the military doctrine is based on the perceived threat from both Russia and China.²³ However, it should be observed that this very doctrine is also based on the theme of declining confidence in the American commitment.

The pivotal issue of Japan's defense posture now and in the future is the credulity placed on the American commitment. A sudden abrogation of the treaty by the U.S. or an increasing dissonance found in the U.S.'s articulation of her Asian posture, more than any other element, could force Japan into a dramatic expansion of her military capabilities. This reasoning can find support in an analysis of the American policy positions and actions, which appear to be ambiguous and ambivalent at best. The Nixon Doctrine, the American military retrenchment in Asia, and the detente with China along with U.S. entreaties for Japan to expand her military capabilities make a convincing argument for those who would view the American commitment to Japan with a skeptical eye.

What image has been projected by U.S. actions and signals? The turning point in the U.S.-Japanese alliance came with the pronouncement of the Nixon Doctrine, and this alliance has appeared to deteriorate with subsequent U.S. actions and pronouncements.

The Nixon Doctrine recognized that the greatest threat to world peace would be in the Pacific and for that reason the United States should continue to play a significant role in Asia. However, peace in Asia cannot be brought about by the United States; it must come through Asian cooperation. Moreover, the point was made that the responsibility for Asian security must be borne primarily by Asians themselves. And while the U.S. realized the importance of Asia and was determined to honor its treaty commitments, it would avoid

future wars of the Vietnam type and reduce its Asian military commitments.²⁴

In his 1970 foreign policy message to Congress President Nixon reemphasized the tenets of his doctrine and enunciated the basic principle of U.S. policy formulation: "Our objective, in the first instance, is to support our interests over the long run with a sound foreign policy....Our interests must shape our commitments, rather than the other way around."²⁵ He particularly singled out Japan as being in a position to shoulder larger responsibilities for peaceful progress in Asia.²⁶ The foreign policy message of 1971 acknowledged the transition from a bipolar world to one of multipolarity and reemphasized the Nixon Doctrine with a special note made of U.S.-Japanese relations and how the future would require adjustments.²⁷

The year of 1971 was pivotal in that it marked forever the disappearance of the U.S.-Japanese partnership as it was once known. The capstone signal came with President Nixon's announcement of his China visit, which was particularly significant in view of the absence of prior consultation with the Japanese government. The special relationship between the U.S. and Japan in dealing with Asian matters had been preempted. The provision of the Sato-Nixon communique of 1969 which called for close consultation on how to deal with the China problem was repealed and violated in spirit if not in letter.²⁸ The Japanese reaction was characterized by the feeling that the "lack of communications is to be taken as a reminder that the U.S. is naturally concerned first of

all with its own national interests."²⁹

President Nixon acknowledged in his 1972 foreign policy message that the China initiative was a shock but that it "grew out of the changed world situation." He justified this by stating that it "only accelerated an evolution in the U.S.-Japanese relationship that was in any event, overdue, unavoidable, and in the long run, desirable."³⁰

This apparent purposeful bifurcation of interests can only exacerbate Japanese fears of isolation. Moreover, an analysis of American economic interests in Asia illustrates that there is no compelling need for the U.S. to protect financial interests in Asia. America's trade with the Asian region outside of Japan amounts to only 5 percent of the nation's annual foreign trade.³¹

Official public reaction of the Japanese government to the evidence of U.S. military retrenchment and questionable commitment is amazingly mild. As noted earlier, Prime Minister Tanaka has reaffirmed Japan's ties to the U.S. alliance. Moreover, despite the shock of U.S. actions, official Japan has exercised remarkable self-restraint and has not publicly aired its embarrassment, resentment and suspicion. The Japanese appear to feel, for the time being, that national interests lie in a fidelity to the American alliance in spirit as well as in the letter.³²

There is, nevertheless, a definite need to improve the American side of the dialogue if the viability and efficacy of U.S. policy is to be maintained in East Asia. The cornerstone of this policy rests in U.S.-Japanese cooperation and

in the availability of bases in Japan. Specifically, what is known as the "Far East Clause" (Article VI) of the security treaty sets forth the objectives to maintain the security of Japan and the international peace and security of the Far East through the use of American land, air, and naval forces of facilities and areas in Japan.³³

What is needed is a more positive reaffirmation of the U.S. government's firm policy of maintaining the security treaty in its present form as Henry Kissinger made during his Tokyo visit in June, 1972.³⁴ There should be an emphasis on the articulation of the Nixon Doctrine as a conceptual approach to American involvement abroad which will permit U.S. participation on a long-term basis.³⁵

Adjurations for Japanese military growth and regional involvement nurture among regional neighbors the already present spectre of renascent militarism. It has been contended that Japan's defense plans are clear proof of a growing militaristic nationalism. What these plans actually portend shall now be analyzed.

Defense Plan and Doctrine

The spectre of Japan's military might arisen once again finds its origin in the Fourth Defense Build-up Plan (1972-76). Fears of Japanese militarism run deep among the East Asian nations and the slightest hint at Japan's military growth becomes the subject of disapproval ranging from vituperative scorn to reproachful admonition.³⁶ It is an undisputed fact that the plan calls for the doubling of Japan's

defense budgets over the next five years, however, it does not necessarily follow that Japan's military strength will have doubled. The budgetary increase does represent, nevertheless, a qualitative improvement in Japan's Self-Defense Force and gives rise to conjecture about the future capabilities and potential of such a force.

Japan's postwar military forces were brought into existence in July, 1950 by General Douglas MacArthur in response to the environment created by the Korea War. They were then called the National Police Reserve and comprised 75,000 men. The end of the Occupation in 1952 witnessed a small expansion through the addition of a naval arm and overall jurisdiction was assumed by the National Defense Agency. In 1954 the name was changed to the Self-Defense Agency and the combined services (Ground, Air, and Maritime Self-Defense Forces) grew from 146,000 to 214,000. The quality of equipment has sharply improved and total strength has increased to approximately 250,000 men. The mission, as the name implies, is strictly self-defense. Furthermore, a more careful analysis of the budget and defense doctrine will reveal Japan's capabilities.

Defense Expenditures³⁷

	\$ Billions		Percent GNP	
	<u>1971</u>	<u>1976</u>	<u>1971</u>	<u>1976</u>
Japan	1.8	4	0.7	0.9
United States	78.7	na*	7.3	na
U.S.S.R.	55.0	na	11.0	na
China	8.0	na	10.0	na

* na: not available

It is evident that Japan's defense expenditures represent a small portion of the GNP as compared to the other powers. Moreover, the increase in cost is for new and improved equipment and not additional items. The new equipment is more technologically advanced and very much more expensive than the obsolete inventory. There is also an inflationary factor to be taken into account, but the fact that the GNP percentage does not rise appreciably is a strong indication of an unchanged outlook.

One salient feature of the budget plan worthy of note is that the proportion of domestically produced equipment is raised to enhance independence. In keeping with this outlook research and development will receive a high priority as a "pillar" of the future.³⁸

The answer to defense posture lies in the military doctrine which embodies the contingent employment of Japan's forces. Japan's defense doctrine, newly formulated and the first of its kind, provides a revealing insight into defense philosophy.³⁹

The basic theme of the doctrine illuminates the vulnerability of Japan's insular geography and the declining confidence in the American commitment. Attack, if it ever came, is assumed to come from one of two quarters. One would be an attack from the Soviet Union, using conventional forces very much similar to the invasion of Czechoslovakia in 1968. Japan's forces would resist until American help came but they would surrender if it did not. The second threat is seen to come from China in the form of internal insurgency.

This latter threat is considered to be the one to which Japan is the most vulnerable.

Significantly, there are three omissions in the doctrine: 1) There is no provision for dispatching Japanese military forces abroad; 2) there is no provision for nuclear arms; and 3) there is no provision for expanding military forces beyond those currently projected. The doctrine is strictly defensive in nature; it enunciates the reliance on the American nuclear umbrella, and if this protection were withdrawn, Japan would surrender to a nuclear threat.

The American commitment comes into question in that recognition is given to the uncertainty of U.S. aid contingent upon U.S. relations with the Soviet and the constraints of U.S. domestic mood and politics.

Japan's ineluctable deployment of her military forces to protect her economic interests is a refrain poignantly called to the attention of disbelievers by those who envision Japan as a future military superpower.⁴⁰ Indeed Japan's oil lifeline to the Arab world is vitally dependent upon safe passage through the Strait of Malacca. However, the new defense doctrine precludes the use of Japanese forces to keep the lifeline open. Militarily, it is somewhat of an academic question in view of Japan's notably deficient strategic capabilities in her current force structure.

Zbigniew Brzezinski has observed that "Militarily, Japan is not prepared to play a strategic role...[moreover,] 'Japanization' of Asian security does not appeal to the majority of the Japanese public nor to much of its business

community, nor for that matter to most other Asians."⁴¹ Japan's defense doctrine vindicates this pithy remark, and the size of the budget, the modest size of the armed forces with their current force structure, and the strong anti-war sentiments of the Japanese public all appear to further reinforce this contention.

One question has been left begging up to this point: The issue of whether Japan will "go nuclear".

Nuclearization

Rather than, "Will Japan go nuclear?", to many the question has been, "When will Japan go nuclear?" A Japan Times correspondent has reported that 7 out of 10 Americans expect Japan to go nuclear.⁴² The accuracy of the reportage is not so important as the perception of an image which is represented by the reporting. While Mendel reports a strong "nuclear allergy" among the Japanese, Professor Wakaizumi infers that although the Japanese are psychologically opposed to nuclearization, many feel that it is inevitable.⁴³ Finally, Kahn and Hellmann, in the best dooms-day fashion and power interest concepts, forecast the inevitability of Japanese nuclearization. The questions which must be answered, however, pertain to Japan's capability and the rationality of nuclear development.

There is little doubt that Japan possesses the technological and economic wherewithal to develop nuclear weapons if such an alternative were chosen. There is already a significant emphasis on the development of nuclear power

for peaceful purposes and the concentration of research on weapons production would be a facile conversion process. From an economic standpoint Japan's projected GNP growth would permit the prodigious expense of nuclearization. Such a move would militate a realignment of economic priorities, however.

What is the rationality of such a decision from a strategic and political standpoint? Strategically, Japanese nuclearization would be a disaster. The insular nature of Japan's geography and the stupendous concentration of her economy and population render her unbelievably vulnerable. A second-strike capability would be virtually nonexistent and such a capability is mandatory if a nation conceives of nuclear deterrence.

Politically, the indices manifest divisive portents of such a magnitude as to be potentially chaotic. Public sentiment is vigorously opposed to nuclear weapons and all opposition parties and even the majority and power-elites of the LDP are against nuclear adventure.⁴⁴ Moreover, a move toward nuclear status would necessitate a constitutional change, an event for which even the powerful LDP does not hold a sufficient majority in the Diet.

The contention that Japan could "afford" nuclearization is qualified with the caveat that Japan would have to adjust economic priorities. There is no question that nuclear weapons are prodigiously expensive and such an expenditure would represent a major departure from Japan's primary goal of economic growth. Japan has had to rely on the United

States for a supply of enriched uranium, moreover, and such a resource could doubtless become quickly unavailable.

Another point which relates to Japan's economy is the imperative dependence on world trade. A nuclear endeavor would traumatize much of the world, particularly those Asian nations who live with the nightmare of a militaristic Japan. Many Japanese feel that nuclearization would lead to isolation from the rest of the world attendant with economic and political peril.⁴⁵

In the final analysis Japan officially endorses the three non-nuclear principles of not to produce, not to possess, and not to introduce into the country nuclear weapons.⁴⁶ Articulating this policy Prime Minister Tanaka has pledged that he would put Article 9 of the Japanese Constitution at the very heart of his foreign policy.⁴⁷

Pragmatism has been a cornerstone of Japanese policies and in all objectivity it should be pointed out that Japan as yet has not ratified the Nuclear Non-Proliferation Treaty and has maintained what Scalapino calls a "nuclearization minus two" posture which holds open the option of going nuclear within two years if such a decision were ever made.⁴⁸

What eventually could ever propel Japan toward nuclearization? The issue is again a function of perception and credibility. If Japan were to perceive a sudden and dramatic change in the threat to her security, nuclearization could become a distinct probability. However, time for development and production, and current military doctrine preclude at the time, or in the immediate future, this eventuality.

Ultimately, if the credibility of the U.S. umbrella were completely destroyed, then Japan may opt for nuclearization. Even in the event of this latter circumstance any decision for nuclear armament would not be rational and would most likely represent a pathological aberration of the national psyche.

The Dilemma and Rationality

Japan's defense options are limited: Either a continuation of the status quo or an expanded military. A third consideration of disarmament is, in the present context of Japanese politics and the ambience of the international environment, not really an option at all. A curious dilemma can be seen in the status quo because as perceptions of a threat are reduced and the need for the security treaty comes into question, and as the U.S. continues military withdrawal, partially at the behest of Japan, then credibility in the American commitment suffers and Japan's feelings of insecurity are heightened. Insecurity in turn leads to an expanded military, which is not a rational choice.

On a rational level both the United States and Japan need a security treaty. The U.S. needs the treaty if it is to maintain a credible presence in Asia. Japan needs the treaty because the available alternatives are confronted by too many obstacles and drawbacks.

Renasant militarism is rejected by both domestic public and political opinion in the first case, and it is rejected and feared in the second case by world opinion. It is world

opinion and reactions to a Japanese military expansion which could politically and economically isolate Japan. Japan's very economic life is dependent upon world trade. Moreover, a truly strategic military capability is perforce global in nature and the financial outlay for such an adventure would alter Japan's economy because of the requisite priorities. In the final analysis, Japan's acute vulnerability makes an adventuresome military a poor choice.

The course which Japan has charted for her security appears to be sensible, unchallenging to the rest of the world, and the best choice so long as there is an alliance with the U.S. Japan adheres to the "five principles of autonomous defense" as announced by Yasuhiro Nakasone, Director General of the Defense Agency:⁴⁹

1. Maintain the constitution and defend the national territory.
2. Maintain harmony between defense and diplomacy and a balance among national policies.
3. Maintain civilian control of the military.
4. Maintain the three non-nuclear principles of not to make, not to possess and not to introduce.
5. Supplement Japan's resources for national defense with the U.S.-Japan security system.

Doctrinairily Japan is following Nakasone's precepts, and her military force structure virtually precludes any sort of strategic involvement.

Professor Wakaizumi visualizes Japan's course as a "grand experiment" in keeping with a foreign policy of inter-

national cooperation. Japan's bold example is "to help move the world from almost total dependence on essentially military power politics to a new reliance on economic, political, social, scientific and cultural cooperation."⁵⁰ The role of the United States in this experiment is to guarantee the security arrangement and the first measure to be taken is to clearly and unequivocally articulate our Asian policy.

CHAPTER II

FOOTNOTES

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39. The defense doctrine which was reported in the New York Times, March 4, 1973, pp. 1 and 16, has not been "officially" adopted because of political ramifications but its calculated "leak" is telling in itself.

40. See Kahn, Superstate, op. cit., and Hellmann, Japan and East Asia, op. cit.

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46. Ito, "Japan's Security," op. cit., p. 1033.

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CHAPTER III

ECONOMICS

No area of interchange between the United States and Japan has been the basis for greater misunderstanding and friction than has economics. Typical sympathies which reflect the mutual misperceptions suffered between the two nations can be found in the remarks expressed below by different businessmen. During a seminar type discussion conducted in Tokyo between American and Japanese businessmen, one American was moved to remark that "It was because of Japan's lack of understanding of Western ideas of politics and trade,... that these difficulties largely arose." A Japanese opinion expressed during the seminar was that "The United States wants Japan to completely liberalize computers or international companies, which means that United States corporations may monopolize the Japanese industries."¹ The gap in mutual understanding in this case is sadly all too evident. The potential for future dichotomy is even greater than it ever has been previously and no one facet of our inter-relations could generate a genuine split between the two nations more quickly than a worsening economic dialogue. Economic relations among modern nations generate a certain spillover effect which is cumulative and increasingly influences other areas of systemic relations. Richard Cooper has expounded the theme that among trading nations in our modern era economic interdependence tends to temper and set the tone for the spectrum

of interaction between these nations.² This is a theme which President Nixon has recognized and subscribed to in his foreign policy messages.³

A lack of faith and credibility has generated between the two nations, particularly over those actions and events which seem to belie stated policies. The United States has promoted free trade as a matter of policy, yet the initiatives toward protecting the textile industry, and the outcries of organized labor for a new restrictive trade law, both smack of atavistic mercantilism.⁴ Through the eyes of American observers, on the other hand, Japanese reports and efforts to liberalize trade are contradicted by Japan's manifold bureaucratic restrictions for import licenses.⁵ And in both nations domestic political pressures exacerbate or create economic conflicts.⁶

One professor of economics, Kaji Taira, suggests that one of the significant parameters of Japan's economic conflicts is a certain perceptual lay by the Japanese as to their true economic power and consequent role in the international community.⁷

The foregoing discussion cites a number of the symptoms of the malaise found in the economic relations between Japan and the United States. However, the causes must be searched for in more substantive areas which is the purpose of this chapter. A review of Japan's miraculous economic growth after World War II will provide some depth to the understanding of her economy and the frictions with the United States which have developed out of this growth. Subsequently, an examination

of specific issues will be made with a view toward the communications involved; and ultimately an appraisal will be made of the outlook of Japan's economy and how this bears on future relations with the U.S.

Japan's Economic Growth

Japan's economy has risen Phoenix-like from the ashes of World War II. However, the process of this phenomenon must be understood before one can appreciate the issues of economic conflict which have grown from this achievement. The Council on Industrial Structure of Japan characterized Japan's economic achievement in the following passage: "We have energetically climbed a narrow and steep slope, with our eyes intently set on the distant clouds over the mountain. Given such effort, Japan's economy now stands on the summit of the mountain and views the wide world below."⁸ Poetic license notwithstanding, the passage almost accurately describes Japan's economic position. Between 1961 and 1965 Japan's GNP increased on a yearly average of 13.6%.⁹ The growth rate from 1965 through 1971 was greater as illustrated below:¹⁰

Japan's GNP Growth

1965	10.5%*
1966	15.1
1967	18.3
1968	18.7
1969	16.5
1970	17.8
1971	10.8

* Growth rate compared with previous year.

This was a phenomenal growth rate of GNP which increased from the equivalent of \$23,900-million in 1965 to \$166,000-million in 1969 when Japan surpassed West Germany to become the second largest economy in the free world. Japan's relative economic position is illustrated below:¹¹

Economic Comparison 1970

	GNP (in \$ <u>millions</u>)*	Real Economic Growth Rate <u>5-year average</u>	<u>Per Capita Income</u>
USA	\$974,100	4.6%	\$3,886
Japan	197,261	12.2	1,526
W. Germany	186,129	4.6	2,412
France	130,551	5.6	1,959
Gr. Britain	120,761	2.2	1,663

* Foreign exchange rates as of September, 1971

Growth is still continuing as the Planning Agency announced in December, 1972 that Japan's GNP for fiscal 1971 was \$242,8-billion. Estimates for fiscal 1972 (ends March, 1973) have put the GNP at \$310.6-billion with part of the increase due to the yen revaluation.¹²

It must be kept in mind, however, that the road to recovery began rather falteringly and eventually received some very vital assistance, including a benevolent change in American policy. Industrial production in 1946 was only one-seventh what it was in 1941. Inflation was rampant and living conditions were parlous. On the strength of the recommendations of the Dodge Mission in April, 1949 Japan embarked upon a program of severe fiscal austerity. Sedulous dedication and tight controls produced a balance budget, placed a check on inflation, virtually eliminated the black market, and created

the foundation and framework for further recovery.¹³

Prior to recovery the morale of the people was low, confidence in the national leadership minimal, and the most knowledgeable analysts viewed the situation as one of hopelessness of creating a viable, growth-prospect economy.¹⁴

Nevertheless, there was prosperity and there were a number of factors which gave impetus to Japan's phenomenal growth, some of which gave "shelter" to a beleaguered nation. First, American contributions were considerable, although they are either totally forgotten or seldom mentioned today. The Japanese were able to enjoy very low defense expenditures because of American defense in the form of a nuclear umbrella. Economic paternalism by the U.S. promoted the recovery of the Japanese economy in negotiations with participating nations in the General Agreement on Tariffs and Trade (GATT) despite the Japanese restrictions on foreign imports and investments. Concurrently, there was an atmosphere of free trade encouraged by the U.S. which opened up markets for Japanese exports, especially in the U.S. And very importantly, foreign technology was readily available and generous arrangements were made with Japanese industry which obviated large expenditures for research and development, not to mention the time saved in placing products on the market.¹⁵

These observations are not made in derogation of the industriousness of the Japanese. No amount of paternalism would have succeeded had not the Japanese proved supremely capable of the tasks before them. The sum total of Japanese society's energies were devoted to the primary task of economic

recovery and growth. This involved the cultural, organizational, and behavioral patterns of a people imbued with an unparalleled work ethic. Japanese tradition provided the elements of authority, discipline, and sacrifice. Centralized governmental planning, supervision, and guidance through its branches, principally the Ministry of Finance and the Ministry of International Trade and Industry (MITI), concentrated its energies and resources on solving the problems of competition, monopolies, and the focus of economic objectives.¹⁶

The cooperation and interaction between industry and government was very close and critical decisions emerged from this relationship. The first such decision was to eschew international political or military objectives and concentrate on economic objectives. This policy entailed the concentration upon outlets for Japanese goods and sources for raw materials. Another equally significant decision was to develop the capital and technology-intensive industries. This resulted in Japan's preeminent position among the world's producers of iron and steel, oil refining, petrochemicals, machine production, automobiles, aircraft and electronic equipment. Moreover, the government fostered strong protectionist measures against foreign competition by restricting imports and foreign capital investment.¹⁷

The pattern of growth during the postwar years and the decision to concentrate in certain industries brought about a steady change in the structure of the Japanese economy. From 1946 to 1960 economic output in the primary sector

decreased from 39 to 11 percent while the secondary and tertiary sectors expanded accordingly.¹⁸ While the GNP was expanding at an average of 14.2 percent during the period 1955 to 1961 manufacturing production expanded by 17.5 percent a year.¹⁹ By 1970, agriculture, forestry and fisheries accounted for only 9 percent of the net domestic product. Moreover, only 15.2 percent of households by 1971 were totally dependent upon farm income, versus 34.3 percent in 1960, yet 55 percent relied primarily on nonagricultural income, versus 32.1 percent in 1960. Manufacturing now accounts for over 30 percent of the net domestic product.²⁰

The interesting fact of this changed industrial structure is the striking similarity there is to the structure of United States industry. The tabulation below illustrates this point:²¹

Industrial Production Comparison 1971

	<u>Japan</u>	<u>U.S.</u>
Textiles	8.6%	7.3%
Chemicals	8.9	17.2
Iron and Steel	7.3	5.1
Nonelectrical		
Machinery	14.7	10.8
Electrical		
Machinery	15.2	8.4
Transport		
Machinery	11.2	11.8
Other	34.1	39.4

Although there are differences, particularly in chemicals and electrical machinery production, there is an overall marked similarity of industrial output which would indicate areas of competition and consequent sources of friction.

The very nature of Japan's economy dictates a Western

orientation particularly for the accessibility of U.S. markets. Japan, as an industrial nation, is somewhat unique in the fashion that her economy functions. Although a large portion of her GNP comes from domestic enterprises she must import virtually all of those raw materials necessary to sustain an industrialized economy. However, these imports must be paid for and this is accomplished through the exports of principally finished, sophisticated products. It is not by accident that 30 percent of Japan's exports go to American markets, for the U.S. affluency and consumer proclivities provide an ideal ground for the sale of Japanese products.

The Ministry of Foreign Affairs states in one of their official brochures that "The free and open trading community of the world has been essential to Japan's great economic progress. The Japanese economy depends upon the free flow of international trade."²²

While Japan's yearly growth was advancing so rapidly, export trade was increasing at a 20 percent per annum rate. The combination of a slack U.S. economy, beset by inflation and the Vietnam war, and efficient Japanese marketing began to tip the balance of payments in Japan's favor and thus establish the basis and core for a collision between the United States and Japan.

Conflicts

Among the conflicts which developed, the monetary issue, growing out of the imbalance of payments was the foundation for dysfunctional relations. However, no one issue epitomizes

the widening communications gap more than the acrimony, threats and lack of agreement that accompanied the textile issue. This issue was rife with political overtones. As Japanese textiles made some inroads into the U.S. market the Southern textile states sought aid. In the 1968 campaign President Nixon pledged restrictions on textile imports.²³ Apparently the return of Okinawa was in part tied to a Japanese pledge to reduce textile exports to the U.S. Prime Minister Sato, however, was unable to bring the Japanese textile industry to agree and government-to-government talks were broken off. However, the Japanese Textile Federation made a declaration in March, 1971, imposing voluntary restrictions which was unsatisfactory to President Nixon. His rejoinder was to send David Kennedy to Japan as his roving ambassador to obtain an "acceptable solution."²⁴ The Japanese Textile Industry was strongly opposed to a resumption of governmental level talks. They felt that their 3-year voluntary shipment restraint program which was to begin July 1 was satisfactory.²⁵ Finally, amid threats by the U.S. to impose their own import restrictions, threats by U.S. Senate members to hold up ratification of the Okinawa reversion treaty, and the added clout of the 10 percent surcharge of the Nixon economic shock an "agreement" was reached on October 15, 1971 which restricted Japanese textile exports to the U.S.²⁶

Available evidence indicates the relative lack of importance of the import-exports to the respective textile industries of the U.S. and Japan. Japanese imports in 1971 amounted

to only one-fifth of total U.S. textile imports and were less than one-seventh of U.S. textile production. Moreover, Japanese textile exports to the U.S. were less than 4 percent of Japanese textile production.²⁷ One Japanese analyst remarked, "Failing to examine the political ramifications of Nixon's campaign promises during the 1968 presidential election, Japan made no attempt to concede anything for political reasons, even on such a relatively minor problem as the textile issue."²⁸

Clearly, communications failed in the case of the textile issue principally because each side failed to perceive the issues and political stakes involved in the opposite member's camp. Perhaps such issues fraught with political overtones take on the semblance of a zero-sum game; however, articulate dialogue and greater effort to comprehend another nation's political processes could have avoided the acrimony and injured relations.

The core of economic difficulties between the U.S. and Japan, as noted earlier, has been the severe trade deficit experienced by the U.S. The balance of payments issue has been developing over the years and must be viewed within the context of the U.S. "paternalism" provided Japan during the years of her economic recovery. Reviewing a number of these factors one gains a perspective of American perceptions. During the early stages of Japan's recovery American policies were designed to encourage and facilitate the reconstruction endeavors. Economic paternalism, a free trade context, and guaranteed defense all contributed to Japan's reconstruction

endeavors. One of the more substantive assists came in the technological field whereby technical know how from the U.S. embodied in hundreds of agreements on patents and affiliations between American and Japanese firms fueled Japan's advance. There was also an immense flow of American credit to Japan, largely in the form of bank loans.²⁹ This was all carried out while Japan maintained a virtual restriction on imports. Japan's policy, born out of a desperation to restore her economy, had built formidable walls against foreign industrial imports. Yet almost everything Japan exported to the United States was in competition with American products, but the U.S. was limited in exports to Japan to non-competitive goods.³⁰

As Japan's economy began to prosper and no longer needed props her protectionist trade policies generated great pressures from the world's economies. Pressures notwithstanding, Japan did not liberalize trade strictures sufficiently to normalize the balance of payments or to satisfy other trading nations. This failure was noted even in Japan in the Oriental Economist which printed the observation that in 1970 Japan was "propelling programs for the lifting of residual import restrictions and decontrolling of direct foreign investment. [However, these moves were] criticized [by other nations] as being relatively negative."³¹

The issue of gold reserves and balance of payments approached crisis proportions in 1971 as the American dollar began to suffer in world markets and confidence in its value was shaken. Japan's balance of payments surplus at the end

of fiscal year 1969 (March 31, 1970) stood at \$1.99-billion. Between January and March of 1971, Japan's gold reserves grew from \$4.5 to \$5.4 billion and by the end of May reserves had risen to \$6.9-billion. The balance of payments surplus with the U.S. was at \$2-billion by the end of fiscal year 1970.³²

Japan's intransigence was typified in refusals to make any accomodation in textile talks concerning import quotas to the U.S. which prompted members of the U.S. Senate to talk in terms of trade warfare.³³ During the dollar crisis in May, 1971 Japan failed to take any measures in international cooperation to ease that crisis.³⁴ This was viewed by other nations as an aloofness from international responsibilities. Because the dollar was the monetary basis for international finance any run on a weak dollar tended to jeopardize the entire system. The dollar had indeed become weak compared to other currencies and some European nations had floated their currencies in order to find a more natural level, although it was technically in violation of IMF regulations.³⁵

Faced with another dollar crisis in August of 1971 the U.S. decision-makers opted to embark upon a unilateral course in an effort to reconstruct the world monetary structure.

Nixon Shock

President Nixon delivered his most startling message on August 15, 1971, which announced the suspension of the convertibility of the dollar into gold and a 10 percent surtax on most imported goods.³⁶ Moreover, it was made quite clear by

government officials that the measures were principally directed against Japan.³⁷ Although the message was clear to the Japanese, they maintained a steadfast position and refused to float the yen or revalue it although other nations had floated their currencies.³⁸ The Bank of Japan had to buy up \$1.3-billion in order to preserve the yen value and the Tokyo stock exchange plummeted 412.5 points in three days.³⁹ Finally, the Smithsonian Agreement on currency adjustments was reached and the yen was revalued upward 16.88 percent establishing its value at 308 to the dollar.⁴⁰

The results of these events highlight diverging viewpoints and illuminate a fissure exacerbated by the lack of information and poor communications. The basic emotional reaction to the Nixon Shock was expected. The government and LDP leaders were profoundly shocked and expressed concern about implications for the future of Japan-U.S. economic relations.⁴¹ The Japanese leaders were equally displeased that the U.S. had failed to consult Japan in advance of this latest policy decision. Additionally, there were expressed fears of mounting feelings of distrust toward the U.S.⁴² The Japanese felt that the Nixon dollar shock was a club and the "...new policies were a blatant attempt to force Japan to reassess the importance of her ties with the U.S. and create a more equal relationship by playing on Japanese fears of being isolated."⁴³

A good part of the displeasure voiced by the Japanese stemmed from the fact that a trade liberalization program had been initiated in 1967 and there were plans to liberalize

most categories of trade except for a very few.⁴⁴ Moreover, they felt that the correction of the Japanese balance of payments surplus should not be solely or primarily their responsibility. They felt that their only faults were hard work, sacrifice and organization, and the American contribution to the problem was inflation and overextended international involvement.⁴⁵

Despite strong feelings, the Japanese still recognize virtue in the U.S. relationship, even if this virtue is born of pragmatism. A leading Japanese industrialist expressed his views that a stable relationship with the U.S. was essential to Japan's prosperity and that a rift between the two countries would cause Japan's isolation. And then he made a most poignant observation that Japan must live up to international obligations and adopt a program of thoroughgoing liberalization of trade and capital transactions.⁴⁶ Yet, in another instance the commentary was made that the textile episode demonstrated the vulnerability of the Japanese economy with 30 percent of its exports going to the U.S. Not China, Russia, nor Europe could substitute for the U.S. as a market and source of capital and technology.⁴⁷

Japan's Exports and Imports in 1971
(in \$ million)

	<u>Exports</u>		<u>Imports</u>	
Total	24,019	24.3%*	19,712	4.4%*
Advanced Areas	13,027	24.8	10,277	-1.5
Canada	876	55.6	1,001	3.2
U.S.A.	7,495	26.2	4,978	-10.5
W. Europe	3,395	16.9	2,062	5.1

	<u>Exports</u>		<u>Imports</u>	
Developing States	9,834	25.6	8,490	12.2
Latin America	1,592	34.1	1,338	-2.5
S.E. Asia	5,763	17.6	3,404	13.0
Communist States	1,148	9.8	944	6.4
China	578	1.6	323	27.3
U.S.S.R.	377	10.7	496	3.1

* Percentage growth compared with previous year.

It is general knowledge that Japan's economy rests on a fragile foundation. Japanese firms, contrary to U.S. practices, operate on a much larger credit margin and as a result must sell and sell. The fact that virtually all raw materials are imported which must be paid for by export profits and the fact that 30 percent of the export market is in the United States illuminates the dependence of Japan's economy on the U.S. By comparative leverage, foreign trade which is not even 5 percent of the U.S. GNP is inconsequential to the U.S. economy.⁴⁸ As an illustration, if Americans stopped buying or bought fewer Japanese products, it would mean ruin for thousands of small concerns throughout Japan. Furthermore, American purchases in Japanese heavy industry are very substantial; forty-five percent of all machine tools exported by Japan goes to the U.S.⁴⁹

Another critical point is that there are no other markets suitable for Japanese products at the present time. Furthermore, Japan has no regional grouping to fall back on similar to the trading communities of the European nations.⁵⁰

Two questions need to be answered: What effect has revaluation had on bilateral economic relations? Have other

measures been taken to reduce tensions and improve communications?

Rapprochement or Empty Promises

It is interesting to examine events subsequent to the Nixon shocks because there is an element of conciliation while at the same time there is also the suggestion of unfulfilled promise.

The Japanese authorities agreed to a seven-point program in July, 1972, which they hoped would correct the still growing imbalance of payments. These measures included an increase in overseas investment and aid, "voluntary" export restrictions, and liberalizing more imports.⁵¹

Premier Tanaka and President Nixon met in Hawaii in September, 1972, as a measure of improving communications. Their joint announcement following the standard communique said that the Japanese would buy about \$1.1-billion worth of American goods, including agricultural, fishery and aircraft products, in an effort to reduce the imbalance of trade between the two nations.⁵²

In his "state of the union" message in October of 1972, Premier Tanaka set forth his goals to establish Japan as a trusted nation and to assume responsibilities in international society. He further asserted that Japan will provide more aid relative to the North-South problem, and that Japan will assume greater responsibilities for stabilizing international trade and other economic exchanges and will shift her efforts from industrial expansion to improving the livelihood of her

people.⁵³ And shortly after being re-elected in December 1972 Tanaka pledged that his top priority was to reduce Japan's growing trade surplus.⁵⁴

On the surface these pledges and programs to reduce Japan's surplus appear to be promising measures, however, they were viewed with skepticism by Western economists. There was an eight-point program in 1971, a seven-point program in 1972, and then a four-point program again in 1972. These measures have all failed or simply have not been enacted, principally because only half-hearted efforts were made toward implementation and the political and business opposition proved too formidable.⁵⁵ It is one thing for the government leader to make pronouncements about fiscal trade programs and another to manage to obtain the approval of such programs from diverse and powerful factions.

Yen revaluation notwithstanding, Japan's trade surplus with the United States grew to \$4.1-billion for 1972.⁵⁶ Exports rose 12 percent and imports rose 14 percent, leaving a trade surplus with the world of \$8.4-billion. However, this was not supposed to happen according to the theory but several factors still fueled the growing surplus. One of the principal factors was the slow rise of export prices because of savings realized in less expensive imports. Also, Japanese firms simply slashed profit margins in many cases in order to sustain their gains. More important, demand in foreign markets for excellent products was so large that sales volume increased despite some raised prices. In the final analysis, Japanese industry is so super-efficient and the momentum of

the economy is so great that the almost 17 percent revaluation hardly made any real effect.⁵⁷ As an added fillip, economists generally maintain that it takes two years for a revaluation to affect the economies of nations.

The spiraling imbalance of payments and another dollar crisis prompted strong measures and once again Japan became the target of U.S. policies. When President Nixon announced the devaluation of the dollar by 10 percent in February, 1973 Japan floated the yen almost immediately and its value climbed 14 percent in the first day of trading, leaving its value at 270 to the dollar. It was also clear that the undervalued yen and the lopsided Japanese trade surplus with the United States had been blamed in large part for world monetary problems. World pressure -- and not just from the U.S. -- was very strong for Japan to revalue the yen again.⁵⁸ Although Japan participated in world cooperation to adjust and support the world monetary system (EEC nations floated their currencies and ultimately established a "group floating" except for Italy and Great Britain), the government vowed not to revalue the yen again.

Theoretically, revaluation will help to correct the U.S. trade deficit. At this point it is virtually impossible to predict the outcome, however, viewpoints on each side of the Pacific are illuminating from the aspect of communicating attitudes and efforts to seek accommodation.

In the United States political pressure is building for protectionist measures. Labor is a moving force behind trade legislation and President Nixon has implied that devaluation

is only a first step -- that is, if there is no international cooperation in improving the U.S. monetary and trade position.⁵⁹ (International cooperation should read Japan) Labor also lays the blame at the doorsteps of multinational corporations, big business, government, and large capital investments overseas, and calls for basic reforms within the United States economic structure. Moreover, there is strong labor support for the Burke-Hartke bill.⁶⁰ A number of professional economists feel that this round of devaluation will work.⁶¹ Others suggest that nothing short of reforming the world monetary system, and more especially, complete reform of the U.S. economic structure and practice will curb the trade deficit suffered by the U.S.⁶²

There is a disparity among Japanese views, yet a frequently held theme is that the problem is one of American manufacture. Some quarters of the Japanese press treated American demands that Japan make a stronger effort toward bringing its balance of payments into equilibrium as being chauvinistic and racist.⁶³ However, although many Japanese feel strongly about the need for U.S. reformation, there are many who are exhorting their government to take strong measures toward reconciliation. They call for the liberalization of import laws and foreign investment and a redirection of resources toward the private sector of the economy.⁶⁴

The evidence is quite strong that improvements need to be made on both sides of the Pacific. A number of arguments on both sides have merit. The Japanese need to relax their laws, and there is justified call for a reorganization of the

U.S. economic position in the international arena. Perhaps the greatest demand lies in the perceptual lag which each nation appears to be experiencing. On the one hand the Japanese appear to have not yet arrived at an appreciation of their economic stature, power, and responsibilities in the sphere of international interchange. Decision-makers within the United States have yet to realize that although American economic power is still the greatest in the world, its survival and growth cannot be achieved through unilateral action and there is insistent demand for multilateral cooperation.

It is evident that the cycle of revaluation and monetary crisis cannot continue ad infinitum, nor is it logical to presume that Japan and the U.S. will draw closer so long as dysfunctional communication persists. Future alternatives, based on rational choices and value-maximizing options appear to be limited.

Alternatives and Outlook

When one thinks of economic alternatives for Japan, usually the first thought which comes to mind is China; and the second is the East Asian nations. It is popular to think of China as holding great potential for Japanese trade. It is not so popular, except among some scholars, to think of the East Asian nations as the future center of Japanese trade. Donald Hellmann argues very convincingly that Realpolitik will militate Japan's concentration and interdependence on Asian economies. Herman Kahn supports NOCPA (Non-Communist Pacific

Asia) as the future arena of Japanese enterprise. Zbigniew Brzezinski demurs from these two views and discourages increased endeavors by the Japanese in Asia; he advances the position that a large portion of Japan's economic future is in Latin America and Australia.⁶⁵ Finally, there have been some who see European and Soviet trade as outlets for Japanese goods. It would be appropriate to briefly consider each of these alternatives and evaluate the potential of each.

There is a certain mystical lure which China trade holds for many Japanese businessmen. Trade with China has been hot and cold over the past years and expectations for a great increase rose with the normalization of relations in October, 1972. However, the great hopes have not come to fruition as China's trade with Japan is inexorably tied to politics.⁶⁶ The nexus between economics and politics has been evident in trade talks and the situation is undoubtedly affected by Japan's continued economic ties with Taiwan. Most importantly, Japan's economic projections must be considered and the Ministry of International Trade and Industry (MITI) estimates, under ideal conditions, that trade with China will reach the \$3.2-billion level by 1980. This would represent no more than 2 percent of total Japanese trade. In fact, it is anticipated that Japan will have 25 percent of China's trade, a typical pattern between a developed and developing nation.⁶⁷

Soviet trade, once blocked by political stalemate, has opened up to better possibilities. In a letter from Prime Minister Tanaka to Brezhnev, Japan has made a major concession

by shelving the northern island issue (Russia and Japan stake mutual claims to the Northern Kurile Islands) in order to establish clear channels to discuss the joint development of the Tyumen oil pipeline. This trans-Siberian pipeline would bring oil to the Pacific area. In exchange for \$1-billion in credit Japan would be guaranteed approximately 8 or 9 percent of her required oil imports in the future.⁶⁸ This project and others that are similar in nature represent an effort by Japan to diversify her sources of raw materials. The antipathy felt for the Russians by the Japanese, and the political demands of the Soviet upon Japan preclude any major and deep involvement with the U.S.S.R. by Japan.

Trade with Western Europe is expected to grow to 19.2 percent by 1980, slightly more than it is now (15%).⁶⁹ However, there is an important political dimension represented in the unity of the EEC. Quite simply, Europe does not want Japanese trade and can effectively inhibit its growth within the EC nations. Moreover, Japan is not an important market for the European economies and leaves Japan without any leverage.⁷⁰

Donald Hellmann posits a trenchant discussion for increasing economic interdependence between Japan and the developing nations of Asia. Indeed Japanese trade, particularly in pre-war days, was quite high amounting to over 30 percent of Japan's total trade. Today Japan's trade in the area has declined to approximately 18 percent.⁷¹ This points out the lack of markets in developing nations for Japan's advanced products. There is also a psychological and political

dimension which should be considered and that is what appears to be the undying antipathy felt by Asians toward the Japanese. And the Japanese for their part are, on the whole, contemptuous of most other Asians.⁷² Moreover, Japanese goals and economic projections must be considered seriously and these plans do not visualize any significant growth in Asian trade.⁷³

Dependence on U.S. trade has been previously discussed and there are only a few points to be made which reinforce the contention of Japan's orientation to the West and particularly to the United States. Official Japanese pronouncements support and encourage the image of a closely allied U.S. and Japan. Prime Minister Tanaka has stated most recently that "relations with the U.S. come first," and that Japan is "ready to cooperate with the U.S. to strengthen [the dollar]."⁷⁴ Japan's goals and economic projections visualize the maintenance of the preponderance of trade with the other developed nations of the world, consequently there will be a reliance on U.S. markets. It must also be kept in mind that amicable economic relations with the U.S. cannot be divorced from the security alliance, a paramount consideration of the Japanese.

Recent events bear out Japan's growing maturity in regard to international responsibilities and a desire to cooperate; that is, if the promises come to fruition and are not simply vacuous gestures. There are four concessions which Japan proposes to make as a "sacrifice...in the interests of a greater cause."⁷⁵

1. A minimum revaluation of the yen of 20 percent.
2. The dismantling of controls on a line of competitive industrial products.
3. Complete decontrol of capital movements.
4. Japanese cooperation in "American efforts" for a reflux of excess overseas dollars.

Time will tell if these measures will take place but at least initially they represent a major gesture of conciliation and a move toward the improvement of communication. Clearly, the Japanese recognize an important relationship with the U.S. that they intend to maintain. This leaves us still with the "other side" and that is the communication process from the United States.

Foremost, there is an evident imperative for Americans (certainly all, but most particularly the decision-makers) to develop an understanding of the Japanese and their governmental processes. The ethnocentric viewpoint of the world taken by so many Americans is redolent of the old "ugly American" hubris and is a countervailing force against good communications.

In a world where economics and trade rather than military power, have become increasingly the substance of international politics it would serve the future well if the United States avoids the pitfalls of economic isolationism. Protectionist trade laws and communications which speak of free trade are ambivalent at best and for the most part are contradictory. Such contradiction between word and deed increase confusion and debilitate the bilateral relations of Japan and the U.S.

Although President Nixon has spoken of economic competition between the U.S. and Japan, there is actually more potential for cooperation. It is cooperation and understanding that the United States must strive for.

CHAPTER III

FOOTNOTES

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CHAPTER IV

POLITICAL STABILITY AND CONTINUITY

All too frequently governmental leaders fail to understand the dominant political forces and trends in another nation whose foreign policy and national direction are greatly influenced by these very variables. The dominant political trends in Japan today portend difficulties for the ruling party which in turn could place in question Japan's future course vis a vis the United States and Japan's world and regional role. The Liberal Democratic Party (LDP) has been ruling Japan since the end of the Occupation without serious challenge from the other parties and has tied Japan's foreign policy very closely to the United States. However, the results of the past two general elections, particularly the most recent in December, 1972, have indicated that LDP longevity has come into question. Opposing parties, most notably the leftist wing comprising the Japanese Communist Party (JCP) and the Japanese Socialist Party (JSP), have made significant gains at the polls. The declining vote has caused deep concern among LDP rulers and should give rise to concern among U.S. leaders because the leftist parties advocate a spectrum of international issues inimical to U.S. interests. In addition, the LDP is suffering from a measure of intraparty dissension and infighting which could weaken its future hold.

While the continuity of the LDP is of paramount concern

another very important variable to be considered is the potential of political violence as a destabilizing factor. Strong evidence points to factors which could give rise to political violence and possibly bring down the government. Japan's history is replete with incidents of violence directed toward political ends and it is a question that should not be considered lightly.

The interface of U.S. actions with the variables are a direct function of the communications process. American decision-makers should be cognizant of these variables and they should understand how external pressures could either precipitate or contribute to Japanese instability.

A brief explanation of political organization and voting behavior will serve very well at this point to facilitate the understanding and analysis of political trends and forces.

Political Organization

Japan is divided into 123 electoral districts each of which sends from three to five representatives to the Diet, Japan's legislative body.¹ However, each voter may vote for only one man, consequently in a four member district the four office seekers with the highest votes win. Competition for votes is among the LDP and four other parties -- the Japan Socialist Party (JSP), the Democratic Socialist Party (DSP), the Japan Communist Party (JCP), and the Komeito or Clean Government Party (CGP).

By the end of the Occupation Japan was divided into two warring camps, one which comprised the progressives centering

about the intellectuals, the organizers and functionaries of labor unions, progressive political parties, and mass movements. The other consisted of the conservatives based on the business-bureaucracy-conservative party political triad. The progressives viewed the conservative organization as essentially the same coalition which led Japan to be defeated in World War II. The conservatives, for their part, pictured a socialist government as being just a step away from communism and one which would lead to financial disaster. Through a unique system of voter mobilization the conservatives have heretofore appeared to be immune to mobilized public opinion on major national and international issues.

Japanese voting norms find their origins in the land's culture. The foundations of Japanese society are found historically in the group. The emphasis on group orientation, group conformity, and loyalty to one's own group is peculiarly Japanese and non-Western in nature.² The origins of this group affinity came from the primitive agricultural society concept of the traditional and ubiquitous family or kinship system. Group conformity grew from the family and was reinforced within the rural communities where the life style of the rice-growing village dictated a high degree of cooperation. Consequently the pressure on the individual to conform was very great and individuality was subjugated to the group.

Thus, social culture is the foundation for kankei (personal connections), adopted to represent ties arising from numerous sources, such as kinship, geographical, occupational, organizational, obligatory, and so on. These affinities work

to join diverse groups and individuals to a particular candidate through personal relationships "which claim the individual's loyalty quite apart from considerations of public policy."³

Early political parties began in small numerous groups and grew into nation-wide organizations which embodied many factions. The factions were based upon the leader-follower relationship common to Japanese society. Eventually, loyalties which were earlier based on geography and socio-economic background developed into relationships formed on a personal and monetary basis.⁴

The multi-member electoral district and factionalism, along with the societal norm of group affinities, in part, explain the generation of considerable intra-party competition. Competition which is omnipresent but becomes particularly acute during elections. As a result candidates rely on their faction leader's "support groups" to mobilize and deliver votes, or they may organize their own groups. The groups normally vote as a bloc at the behest of their leader or organizer. Thus, a system has evolved which strongly encourages personality rather than party oriented appeals, an observation validated in polls which show voters to be more concerned with local issues and with candidates' personalities.⁵

With the foregoing as background understanding of LDP power becomes simpler. Traditionally the LDP has derived its power from the rural sectors of the country while receiving its principal financial support from the business sector.

Conveniently the two disparate segments do not have interests which are incompatible and there is little conflict.

The LDP, as the other parties, is a federation of factions, each faction coalescing about a leader. Coalitions among factions and an intraparty vote determine the faction whose leader will be the Prime Minister. The Cabinet is then formed, frequently employing various faction leaders as ministers, depending roughly on the influence and power of the forming faction relative to the other factions in the party. Decisions made within the party and the government, the two being virtually analogous, are usually arrived at through a series of compromises and represent a consensus. In essence no Prime Minister can rule effectively without a consensus.

The LDP power base, then, comes from the conservative element of agriculture and business, the former for votes and the latter for finances. Within the LDP business has grown to be the predominant influence.

The LDP is pro-American and espouses a foreign policy whose goals include the promotion of friendly relations and mutual understanding with other countries, the contribution to the economic and social progress of the developing nations, and the strengthening of the United Nations. Domestically, party policy advocates a democratic order with higher living standards and the maintenance of economic and social stability through programs consistent with individual initiative and free enterprise and serving the public interest. Security policies incorporate self-defense capabilities within consti-

tutional limitation supplemented with a mutual security systems with the United States.⁶

The primary aim of the Socialist Party is to create a socialist society in Japan through peaceful revolution. It opposes the security treaty between Japan and the U.S. and urges the withdrawal of U.S. forces from Japan. In foreign affairs the socialists espouse a neutralist policy with Japan's security and peace in East Asia maintained through a treaty among the nations of Japan, the U.S., the Soviet Union and China. They further support the gradual reduction of the Self Defense Force into something akin to a national police force for strictly internal security.

The Komeito party's policies include creating a welfare state based upon respect for humanity and human socialism and establishing a clean parliamentary and democratic system of government. The party calls for an independent foreign policy and promotes a gradual dissolution of the U.S.-Japan security treaty along with a strengthening of the United Nation's security functions.

The Democratic Socialist party stands against extreme ideologies and advocates the creation of a socialist society through democratic processes. Its platform includes the goals of achieving full employment, a consolidated social welfare system and the raising of living standards among the lower income brackets. In foreign affairs it supports an independent policy without leaning toward any particular foreign country. Of the opposition parties the DSP most nearly support LDP policies.

The Japanese Communist party manifests a predilection for revolutionary Marxism on the Chinese model. However, some Communists now acknowledge the possibilities and preference for gradual evolution through parliamentary forms. The party is pro-Peking in the context of the Sino-Soviet split and is also very anti-American.

It can be seen that if the LDP were to lose power to a coalition of opposing parties, or if it were forced into a coalition government, Japan's current foreign and domestic policies would undergo a drastic change.

What of the LDP's continuity and where do the problems lie? These will be the questions to deal with now.

Political Problems

There are essentially two problem areas which could eventually nullify or dissipate LDP power. The first and most serious problem is simply the loss of voter appeal and subsequent failure at the polls. Secondly, there is the possibility of a party split over faction disputes. The issue that offers the most concrete evidence is voting strength which has declined steadily since 1960.

Japan's transition to an industrial nation has been typically characterized by the process of urbanization which had touched 72.2 percent of the population by 1970, along with its concomitant social ills and transformations.⁷

In connection with this the theory of fragmentation as used by Scott C. Flanagan posits that the decline in the vote of the larger parties in favor of the smaller parties and the

independents will occur either (1) by the further division of the vote among a greater number of parties or independent candidates; or (2) by a more equal distribution of the vote among the same number of already existing parties and independents.⁸ Moreover, he observes that fragmentation is predominantly an urban phenomenon. He also reports of the contention that as industrialization penetrates society, voters gravitate from the right to the left pole.⁹

Two corroborating analyses of Chae-Jin Lee and Gerald L. Curtis of the 1969 election results reveal some rather salient points. The first analysis is a socio-economic study by Chae-Jin Lee conducted to determine whether election results reflect the increasingly affluent and pluralistic conditions of Japan's economic life.¹⁰ Lee's three independent variables were economic development, levels of urbanization, and generational gap and he employed a rigorous methodology to analyze his data. His analysis demonstrates a high correlation between young age groups and the progressive vote, and a positive relation between urbanization and age group 20-29. Lee's findings that "the more urbanized and industrialized a prefecture is, the more votes progressive parties are likely to receive" supports Robert Ward's observation that "...there is general agreement that members of the wartime and postwar generations -- roughly children born since 1937 -- are considerably more apt to have socialist or Communist political views and allegiances than are their elders."¹¹

Lee's study confirms the general notion that conservative

strongholds still lie in the rural areas although there is a manifest erosion of support in these areas. A rather interesting finding, which Curtis also discovered in his study, was that despite the traditional view of the JSP as an urban party, it has in fact become a semi-rural party. This is attributed to the personal ties built up over the years by incumbents.¹²

The salience of the findings of Curtis and Lee is clearly evident when we examine the results of the 1972 general election compared with the trend since 1960. Although the LDP gained seats in the 1969 election, their percentage share of the vote continued to decline, and in 1972 the percentage drop along with the loss of seats was even more noticeable.

General Election of House of Representatives¹³
Percent of Vote -- Seats Won

	1960	1963	1967	1969	1972
LDP	57.6-296	54.7-283	48.8-277	47.6-288	46.8-271
JSP	27.6-145	29.0-144	27.9-140	21.4- 90	21.9-118
DSP	8.8- 17	7.4- 23	7.4- 30	7.7- 31	7.0- 19
JCP	2.9- 3	4.0- 5	4.8- 5	6.8- 14	10.5- 38
CGP	---	---	5.4- 25	11.0- 47	8.4- 29
Mis.	3.1- 6	4.9- 12	5.7- 9	5.5- 16	5.3- 16

The 1972 results depict the continuing erosion of the LDP vote and the significant and unexpected rise by the JSP and JCP as compared with 1969. Not evident in the table are facts that the urban LDP vote was low while the JSP gains came in a number of rural areas and even the JCP won a small

measure of rural votes. The JCP won all six electoral districts in the city of Osaka which typified the urban gains by the Communists.¹⁴

The social significance of this voting trend lies in what could be indications of increased feelings of political efficacy. As Flanagan terms it "politicizing influence (education, mobilization, and various forms of political participation) are increasing the electorate's sophistication in investing their votes for maximum utility."¹⁵ What is not quite clear yet is whether the voters have come to find it socially permissible to vote according to their own preferences in specific expectation of what they may gain in the way of governmental outputs or if support groups are mobilizing for different politicians whose views coincide with those of the group. Whichever the case, it is evident that there is a greater political awareness among the populace which could portend serious difficulties for the LDP.

The LDP leadership detected these portents as they felt "gripped by a 'sense of crisis'" and formed a cabinet which reflected party unity by using other faction members.¹⁶ In fact the election was considered disastrous to the LDP and Tanaka's prestige and it forced him to modify his policy line. What is more, it was evident that he needed the support of the Fukuda faction, an organized anti-leadership element within the LDP, in order to maintain his power.¹⁷

The results of the election and other events have surfaced the divisive effect of the faction struggle within the LDP. The LDP is in fact a federation of factions more than

it is a unified political party. There is always present an anti-government faction, or coalition of factions, which oppose the governing "mainstream faction." The opposition is ever ready to pounce on a controversial issue which may bring down the Prime Minister. A certain amount of instability is endemic to this process because forceful, positive decision making is inhibited by the avoidance of difficult issues. In addition, to further complicate decision-making, each faction member or leader has his financial backer who is most normally from the business world. Consequently financial and trade issues receive close scrutiny and those decisions which may effect profits are vigorously opposed. This was the government's problem in implementing a number of their promises to reduce the trade surplus.

The protagonists of the faction struggle are Prime Minister Tanaka and Takeo Fukuda who succeeded ex-Prime Minister Sato as the leader of the largest faction. The issue of longest duration was that over the normalization of relations with China. In addition to all the opposition parties, factions within the LDP advocated a rapprochement with China in opposition to Prime Minister Sato, who naturally pursued a course which was in accord with U.S. policy.¹⁸ This particular issue of China and the Nixon shocks played a large part in Tanaka's faction winning control of the party in July, 1972. However, the dissension and power struggle have not ceased and have continued on even after the 1972 general election.

Factional differences have emerged again over the issue

of international trade and pose a serious dilemma for Tanaka. He is strongly promoting the expeditious liberalization of capital and trade in order to bring an equilibrium to the country's balance of payments surplus. However, he is opposed by the Ministry of International Trade and Industry (MITI) and the Ministry of Agriculture and Forestry and their faction connections.¹⁹

Tanaka's dilemma then is to choose between long-range national interests and short range party interest. It is a conundrum because his voter support lies in the rural or agricultural sector and he must maintain this support. However, he is under extreme international pressure to liberalize imports in that sector of the economy. There is also serious opposition to the most current measures to liberalize trade from MITI and, of course, its faction ties.²⁰

Prime Minister Tanaka's popularity has greatly declined moreover, and such a slip coupled with strong factional opposition is frequently the harbinger of a change in party leadership.

A final illustration which demonstrates the relationship between politics and pressures from the U.S. is the recent devaluation of the U.S. dollar. As the dollar was devalued the yen was allowed to float which caused a de facto revaluation of the yen by almost 20 percent. Tanaka came under serious attack for this incident, particularly because he attempted to defend the U.S. predicament.

As Japanese voters come to realize the utility of their vote and this is operationalized as an expression of their

dissatisfaction with government policies, the hegemony of the LDP becomes a serious question. Thus, economic pressures exerted by the U.S. place the Japanese government in a politically uncomfortable situation which threatens continuity or even the U.S. alliance itself.

There is yet another relationship between political stability and economic pressures from the U.S. and that would be a deflationary Japanese economy, caused by external events, ultimately leading to revolutionary political violence.

Political Stability and the Potential for Violence

A scenario whereby external economic pressures bring about a deflation in Japan leading to revolutionary political violence is not at all beyond the realm of possibility. The Japanese are no strangers to violence used as a means to political ends as John Toland has so vividly depicted in The Rising Sun. In fact the perpetrators of politically motivated violence have been looked upon by the Japanese as somewhat of the heroes.²¹ The most infamous episodes were those that occurred in May and June of 1960 and were the cause for the cancellation of President Eisenhower's visit to Japan and forced the resignation of Prime Minister Kishi.²² There were also a number of violent incidents in 1967 and 1968 and again in 1971.²³ Moreover, some commentators have observed that a downward economic spiral and economic confrontation with the U.S. could lead to social unrest, and Japan's

capacity for emotional extremes can be found quite readily in current literature.²⁴

All of this is not to say that tomorrow Japan is going to erupt with massive political violence but it should be pointed out that the potential is there and it can be found in several indicators as studied by scholars in the field of political violence. Let us briefly review the evidence at hand.

A number of studies have shown a strong correlativity between societal stress, or frustration-aggression, and political instability. Political instability as defined by the Feierabends is aggression directed by individuals or groups within a political system against other groups or the office holders.²⁵ Frustration leads to aggression, and frustration is a result of deprivation or an "actors' perception of discrepancy between their value expectations and their environment's apparent value capabilities."²⁶ The relationship can be typified as situations in which the aspirations, expectations, and needs are raised for a large group over an extended period of time, "...and yet remain unmatched by equivalent levels of satisfaction."²⁷ This can be reduced to an index notation:

$$\text{frustration} = \frac{\text{achievement}}{\text{expectations}}$$

Achievement indicators which were used in the studies were GNP and caloric intake per capita, and physicians, telephones, newspapers, and radios per unit of population. Expectation

indicators chosen were literacy and urbanization.²⁸

Closely allied to this study, the rate of change in the modernization process was investigated as a factor of political stability. The hypothesis that rapid change would be experienced as an unsettling, frustrating societal condition and would be associated with a high level of internal conflict was validated in a study of 74 countries with data from a period of 28 years.²⁹

Psychological dimensions have also been explored in relation to frustration and acts of civil violence. Ted Gurr found that moderate degrees of coerciveness by government agencies tended to aggravate violence rather than inhibit it, whereas low coerciveness was not frustrating and high levels of coerciveness were actually preventive in nature.³⁰ Relating this to Japan, observations of the series of demonstrations in May and June of 1960 indicated that Japan's government was only moderately coercive.³¹

Another strong psychological factor in the genesis of civil strife is the perceived utility of such action. "People's attitudes about the justifiability and utility of collective protest and of collective violence in response to discontent [strengthen the impetus toward strife]."³² Japanese history is replete with examples of violence to achieve political ends. The Japanese attitude of the utility of violent actions is confirmed in Ike's observations.³³

The most marked indicator of potential instability can be found in the frustration index and its relation to the rapid change toward modernity. Japan's rapid transition from

a traditional nation to a modern one is manifested in the prodigious economic growth experienced in the postwar years.

Notwithstanding this rapid economic expansion, serious shortcomings pervaded the private sector of the economy, and the general living standard was far below expectations. Shown below is a tabulation of comparative living standards in 1970.³⁴

	<u>Japan</u>	<u>U.S.</u>	<u>U.K.</u>	<u>W. Germany</u>
Per capita income (1970 \$)	1,526	3,886	1,663	2,412
Per capita consumer spending (1970 \$)	962	3,007	1,343	1,712
Caloric intake	2,450	3,290	3,180	2,940
Wage per hour (1970 \$)	1.06	3.36	3.08	1.63
No. of physicians/100,000	110	153.8	117.7	173.3
Soc. Sec. exp/person	35.6	205.9	187.7	274.7
No. room per house	3.7	4.9	4.8	4.1
Ratio house w/flush toilet	17.1	89.7	93.4	83.3
Rate of diffusion/sewage	40	80	100	77
Rate of road pavement	9.0	41.0	100.0	76.3

The above chart graphically displays Japan's lag compared with other nations in providing for some of the accepted amenities of a modern nation's standard of living. Coupled with this is the fact that urbanization has increased to 72.2 percent in 1970.³⁵ Concomitantly, Japan faces a severe housing shortage, traffic congestion, urban pollution, and generally retarded living standards. Financial outlays in large cities have not been able to keep pace with the concentration of population, leaving social capital markedly behind. This deficiency has been recognized by the Japanese government as a heavy burden placed on the people whereby "costs" have

surpassed the "benefits" of urbanization. The efficacy of the national economy is considered lower due to the "depressed" life of the citizens in the city. The priority urban problems as established by the government are: (1) housing and land, (2) transportation and traffic, (3) urban pollution, (4) and inadequate public facilities.³⁶

Growth has been so fast that some distortions, tensions, and difficulties are becoming acute. Public facilities and services are grossly inadequate, to include serious deficiencies in sewage disposal and the quality of roads.³⁷ Moreover, and quite significantly, this condition is becoming a matter which is apparently perceived by the populace. This public awareness has been noted by some observers in their findings on the mood of the Japanese people. Brzezinski observed that although the older people in the postwar era were amenable to deprivations, the younger people do not reflect this disposition. To the young a high GNP in itself is an unworthy goal. Increasingly the disparity is highlighted between the GNP and concrete manifestations of social inadequacy.³⁸ Hunsberger has also observed that there is a growing awareness of unmet needs.³⁹ All these factors suggest a rather high societal frustration index if remedies are not found for the deprivation in the private sector.

A final, most interesting theme related to societal frustration is the concept of a threshold effect whereby frustration is either tolerated or sublimated at the lower levels of frustration when options seem closed off that expression is found in violent revolutionary action.⁴⁰

A similar theme has been suggested by Brzezinski in what he termed "social metastability." He observed "that Japanese history has been punctuated by sudden -- even dramatic -- shifts." He further noted that Japanese stability appears to be extremely solid until suddenly a destabilizing chain reaction is set in motion by an unexpected input. His observations led him to conclude that serious strains are developing in Japanese society despite the outward manifestations of stability.⁴¹

The importance of the relationship between Japan's political continuity and stability with the United States is the potential of U.S. economic pressures to force the LDP into a politically untenable position, perhaps initiating a chain reaction of political unrest.

CHAPTER IV

FOOTNOTES

1. Thorough analyses of Japanese politics may be found in the following works which vary very little from one another: Fukui, Power, op. cit.; Scalapino and Masumi, Parties and Politics, op. cit.; Nobutake Ike, Japanese Politics, 2d edition (New York: Alfred A. Knopf, 1972); Robert E. Ward, Japan's Political System (Englewood Cliffs, N.J.: Prentice-Hall, Inc., 1967).

2. Interesting detailed accounts of Japanese society may be found in Takeshi Ishida, Japanese Society (New York: Random House, 1971); and Chie Nakane, Japanese Society (Berkeley and Los Angeles: University of California Press, 1970).

3. Scott C. Flanagan, "The Japanese Party System in Transition," Comparative Politics, III (January, 1971), p. 238.

4. Fukui, Power, op. cit., p. 24.

5. Gerald L. Curtis, "The 1969 General Election in Japan," Asian Survey, X (October, 1970), p. 862.

6. Political party policies can be found mainly in The Japan of Today, op. cit., pp. 21-25, and the works cited in footnote one of this chapter.

7. Japan Economic Yearbook, 1972, op. cit., p. 43.

8. Flanagan, "Transition," op. cit., p. 234.

9. Ibid., p. 236.

10. Chae-Jin Lee, "Socio-Economic Conditions and Party Politics in Japan: A Statistical Analysis of the 1969 General Election," Journal of Politics, 33 (February, 1971), 158-79.

11. Ward, Political System, op. cit., p. 38.

12. Gerald L. Curtis, "The 1969 General Election in Japan," Asian Survey, X (October, 1970), pp. 859-71.

13. Results of 1972 elections from Japan Times, December 12, 1972, p. 1. Results of 1960-69 from Lee, op. cit.

14. Ibid., pp. 1 and 2.

15. Flanagan, "Transition," op. cit., p. 245.

16. Japan Times, December 23, 1972, p. 1.

17. Japan Times Weekly, February 24, 1973, p. 4.
18. Japan Times, July 18, 1972, p. 1.; September 2, 1972, p. 1; September 5, 1972, p. 1; September 7, 1972, p. 1; and September 23, 1972, p. 2.
19. Far Eastern Economic Review, December 30, 1972, p. 31.
20. Ibid., March 5, 1973, p. 34.
21. John Toland, The Rising Sun (New York: Random House, 1970). See especially the first two chapters and the account of the military revolt in 1936.
22. For a detailed account see Scalapino and Masumi, Parties and Politics, op. cit.
23. See Ike, Japanese Politics, op. cit., chap. 10 and Lee W. Farnsworth, "Japan: The Year of the Shock," Asian Survey, XII, No. 1 (1972), p. 55.
24. Derek Davies, "A Crisis of Identity," Far Eastern Economic Review, February 26, 1973, p. 26.
25. Ivo K. Feierabend and Rosalind L. Feierabend, "Aggressive Behaviors within Politics, 1948-1962: A Cross-National Survey," Journal of Conflict Resolution, X, 3 (1966), 250.
26. Ted Gurr, "Psychological Factors in Civil Violence," World Politics, XX, 2 (1968), 253.
27. Feierabend, "Aggressive Behavior," op. cit., p. 250.
28. Ibid., p. 258.
29. Ibid., pp. 263-64.
30. Gurr, "Psychological Factors," op. cit., p. 265.
31. Ike, Japanese Politics, op. cit., p. 109.
32. Ted Gurr, "A Comparative Study of Civil Stife," Violence in America: Historical and Comparative Perspectives, ed. by Hugh Davis Graham and Ted Robert Gurr (Washington, D.C.: National Commission on the Causes and Prevention of Violence, 1966), p. 463.
33. See Reischauer, Japan, op. cit., chaps. 7-10; and Ike, Japanese Politics, op. cit., chap. 10.
34. Japan Economic Yearbook, 1972, op. cit., p. 47.
35. Ibid., p. 43.

36. Ibid., p. 113.
37. Hunsberger, Industrial Giant, op. cit., pp. 31 and 32.
38. Brzezinski, Fragile Blossom, op. cit., p. 10.
39. Hunsberger, Industrial Giant, op. cit., p. 31.
40. Louis M. Terrell, "Societal Stress, Political Instability and Levels of Military Efforts," Journal of Conflict Resolution, XV, 3 (1971), 337-38.
41. Brzezinski, Fragile Blossom, op. cit., pp. 15-17.

CHAPTER V

SEARCH FOR WORLD STATUS

Any discussion of Japan's role in world affairs is incomplete without the inclusion of some of the psychological aspects of Japan's role seeking and quest for status among world members. It is probably this one aspect of U.S.-Japanese relations which completely eludes the comprehension of American decision-makers. And sadly there seems to be little effort to comprehend the great significance which status holds for the Japanese. Indeed, U.S. pronouncements and actions, at times, appear to be obtusely designed to deny the Japanese appropriate status. It is in this area where a communications gap persists and appears to be widening. A view of Japanese orientation and American ambivalence and vicissitudes should be helpful in understanding this failure in communications.

Official Japanese history published by the Ministry of Foreign Affairs reveals Japan's orientation toward the West and its headlong race for status. One might also note a strong central theme of pride and nationalism:

The Meiji Era (1868-1912) represents one of the most remarkable periods in the history of the world. Under Emperor Meiji, the country set out to achieve in only a few decades what had taken centuries to develop in the West -- the creation of a modern nation, with modern industries, modern political institutions and a modern pattern of society. ...The whole country threw itself with energy and enthusiasm into the study and adoption of modern Western civilization.¹

The same publication places great value in Japan's admission to full membership in the United Nations and further considers Japan's hosting the 18th Olympic Games and sponsorship of the Japan World Exposition in 1970 as both symbols and recognition of world status.²

The Preamble of the Constitution also embodies the essence of Japan's orientation where it states, in part, "...We desire to occupy an honored place in an international society..."³

And Japan's orientation remains the same today: "...the Japanese are now seeking their proper role within the framework of international cooperation."⁴

Conventional wisdom has led to the acceptance of the notion that Japan has often emulated the West and used Western values for purposes of goal achievement. Reischauer has observed that the Japanese "compared themselves not with non-Western nations but only with the most advanced countries of Western Europe and North America."⁵ This observation is borne out by a review of the Japan Economic Yearbook which compares Japanese statistics with those of only the Western nations.⁶

Herman Kahn in his comments on the Japanese mind, and borrowing heavily from Ruth Benedict's The Chrysanemum and the Sword, describes a strong pervasive nature of hierarchical structure in Japanese society. A rigid ordering of rank is exhibited among the Japanese and the concept of equality is alien.⁷ Kahn asserts, moreover, that the Japanese hold a mystic concept of "attaining one's rightful or proper status

in the international hierarchy."⁸

As we turn to review the U.S.-Japanese interchange in the context of Japan's status some insights may be available from Reischauer's perceptive observation that Japan at times has been worried by a "...threatening external environment that seemed to prevent Japan from taking her rightful place in the world -- and this they continued to blame largely on the United States."⁹

The most recent incident where Japan has been excluded from participating in world, and more particularly regional affairs was the International Conference convened in Paris in 1973 "to contribute to and guarantee peace in Indochina." The participating nations included the People's Republic of China, France, Great Britain, the Soviet Union, the four nations which were signatories to The Cease-Fire Agreement and the four nations of the International Commission of Control and Supervision.¹⁰ It is difficult to reconcile this exclusion with the hopeful note expressed in the Nixon-Tanaka communique from Hawaii whereby the two nations would work closer together.¹¹ The U.S. litany of Japan's greater participation in world and Asian affairs appears also to be out of synchronization with U.S. actions.

If one should link U.S. pronouncements on Japanese alliance and participation in tandem with U.S. actions relative to the same matters of concern, there would be apparent an oscillation between highs and lows which would characterize deteriorating communications. The significant points in this oscillation scheme would be the Nixon foreign policy messages

and the Nixon-Sato and Nixon-Tanaka communiques juxtaposed with the Nixon shocks and the recent exclusion from the International Conference. President Nixon's assertions of Japan's preeminent position in Asia and his public recognition of Japan as the U.S.'s most important ally in Asia contradict and directly clash with the concrete actions which have excluded Japan from the small group of the world's powers.

The Japanese hierarchical culture which has established status so high in life's values is a facet of Japanese life arcane to the typically ethnocentric perceptions of Americans. The importance of status to the Japanese is one of the "cultural transmitters" in international communications which Richard Merritt spoke of.¹²

Contradictions can still be found in official U.S. policy and it confounds even the most careful analysis. Henry Kissinger in a major foreign policy address on April 23, 1973 acknowledged Japan as a major power center and while the address was directed principally to the European Community, official policy recognized Japan's world role: "In many fields, 'Atlantic' solutions to be viable must include Japan.Japan must be a principal partner in our common enterprise."¹³

It appeared for a very short while that Japan was being truly recognized as a full member of the "powers" group. However, the nuance of President Nixon's foreign-policy message to Congress, May 3, 1973, typified Japan as being an irresponsible world member. The message spoke of Japan's "free ride" in security matters and insisted that Japan should assume responsibilities commensurate with her improved world economic

position.¹⁴

The most articulate conclusion to this theme is a selection of two quotes which capsule the problem of communications relative to Japan's search for status. The first quote is from Zbigniew Brzezinski who sees Japan's quest for status as a very crucial issue:

The American side, having failed to articulate clearly where it stands, oscillating between stealth and threat, neglecting to exploit the elements of honor and sentiment in the Japanese character, slighting Japan on grand issues of world affairs, is made to look alternatively as if it is almost entirely dependent on Japanese kindness or as if it does not care at all for the Japanese-American relationship.¹⁵

The second quote is from a selection of articles printed in book form by Asahi Shimbun for the purpose of improving U.S.-Japanese communications and to articulate Japanese viewpoints:

In 1971, during the short span of a single year, the Japanese-American relationship was buffeted so severely that even the most complacent observers of international affairs were filled with anxiety. Much of the sense of impending crisis felt by Japanese is due to the outdated manner in which the American government persists in regarding them. In its public statements the United States pays lip service to the fact that Japan is now a major world power -- a fact, pure and simple, and one that needs neither explanation nor qualification -- but its actions contradict its words and frequently relegate Japan to the subordinate position of a lesser partner, always ready to do America's bidding upon command.

The Japanese, with their sensitivity to fine hierarchical distinctions, have long resented their subservience to the United States.¹⁶

CHAPTER V

FOOTNOTES

1. Ministry of Foreign Affairs, The Japan of Today, op. cit., p. 13.
2. Ibid., p. 14.
3. Ibid., p. 17.
4. Ibid., p. 5.
5. Reischauer, Japan, op. cit., p. 253.
6. Japan Economic Yearbook, 1972, op. cit., p. 47.
7. Kahn, Emerging Superstate, op. cit., p. 21.
8. Ibid., p. 24.
9. Reischauer, Japan, op. cit., p. 316.
10. Facts on File (1973), p. 48.
11. New York Times, September 2, 1972, p. 3.
12. Merritt, "Transmission of Values," op. cit.
13. U.S. News and World Report, May 7, 1973, p. 65.
14. New York Times, May 4, p. 1; May 6, 1973, Sec. 4, p. 4; see also Washington Post, May 4, 1973, pp. A22-A23; and U.S., President, 1973, op. cit.
15. Brzezinski, "Global Engagement," op. cit., p. 276.
16. The Pacific Rivals: A Japanese View of Japanese-American Relations (New York and Tokyo: Weatherhill/Asahi), pp. 313-314.

CHAPTER VI

CONCLUSIONS

An appraisal of the evidence at hand leads me to the following conclusions:

Foremost, Japan's future course in international affairs will remain closely allied to the United States, unless forced away by precipitate or calculated action by the U.S.

Second, the parameters of the security issue indicate that Japan will not pursue an aggrandized militarism and will maintain a strictly defensive force within the constraints of the constitution.

Given the variables of the security dimension, Japan's best and most rational alternative is to maintain the security treaty and follow her current military doctrine which delimits the size and makeup of her forces.

The obstacles to and inhibitors of an expanded military are too numerous for Japan to develop a force of strategic capabilities, barring any perception of a radically changed international environment. Foremost, there is the constitutional proscription of Article IX which receives universal support. Any attempt to amend the constitution would meet headlong with public opprobrium born of the profound aversion to war and militarism felt by the Japanese people.

Besides domestic disapproval a move toward an expanded Japanese military would encounter the strongest castigation and loathing from her regional neighbors. Japanization of

Eastn Asian defense is immensely antithetical to the perceived security of the East Asian nation-states.

Entreaties and cajoling by the United States for Japan to measurably expand her military capabilities and participate in East Asian defense will bear little fruit so long as Japan believes in the American commitment of nuclear protection. Such a commitment, on a rational level, is one which the U.S. is compelled to maintain within the present context of the international environment, and stated U.S. policy.

Third, economically Japan will continue to pursue her premier goal of economic growth with heavy reliance on trade with the advanced nations; however, there will be a more responsible approach to the problems of international cooperation commensurable with Japan's economic preeminence in the world.

The structure of Japan's economy dictates a healthy trade relationship with the developed nations of the West. Paradoxically this very structure places her in direct competition with these nations, however, Japan will pragmatically take whatever measures are necessary to ensure a viable export trade so vital to the growth of her economy.

Japan is slowly and somewhat begrudgingly undertaking measures to liberalize her protective trade restrictions, as must be done to maintain access to the Western market so necessary for the export trade of industrial and sophisticated products. Although there are domestic political roadblocks to a liberalization policy, the Japanese have characteris-

tically been of a single minded purposefulness when the welfare of the nation is concerned and Japan will ultimately grow to maturity in economic interaction with the world.

With thirty percent of export trade going to the U.S. Japan's economy is interdependent upon that of the United States. Japan will take measures to maintain that trade despite the poor communications. Even though Japan will liberalize investment and trade practices, the super-efficiency of her industry and marketing managers will probably result in a trade advantage.

Measures need to be taken on an international level and on American shores to realistically assess world trade and the world monetary system before the acrimony of dysfunctional communications grows to become the impetus of a trade war. Such a denouement would constitute the cataclysmic event which could force Japan away from the American alliance. Neither nation can afford such a scenario.

Fourth, the Liberal Democratic Party will maintain its political hegemony, diverting resources to meet the demands of a more politically competent populace. However, there still remains the potential for a sudden reversal of political fortune should some cataclysmic event or series of events occur.

The sustention of the U.S.-Japanese alliance is contingent upon the longevity and continuity of power of the Liberal Democratic Party. Japan's politicians are as shrewd as any and they have taken measure of the growing awariness among the

populace of the utility of the vote. The LDP is diverting resources and commencing programs to improve the standards of living among the Japanese.

Although traditional voting patterns appear to be changing, the LDP still maintains its majority. However, LDP leaders cannot afford to be coerced by international stimuli into a situation which proves unpalatable to the populace. Confronted with the dilemma of choosing between votes and international pressures, any politician would need be a Solomon to make the right choice. Such a scenario carried through with either choice could ultimately lead to political instability.

The potential for political instability is present in Japan, particularly if events precipitated a downward economic spiral, or the expectations of the people in a growing economy were not satisfied with perceived achievements.

Finally, it is manifest that improved communications would enhance the U.S.-Japan relationship, however, poor communications notwithstanding, Japan will not embark upon a course independent of the U.S. alliance, precluding perceptions which portend isolation from a security and economic standpoint.

Japan has heretofore been comfortable with the American alliance. The alliance serves both security and economic needs and on a rational level Japan will strive to maintain the alliance notwithstanding some slight to the cultural aspects of status. However, the hierarchical facet of status affects all the Japanese people upon whose votes the LDP is dependent. The U.S. cannot continue to demean Japan's world status if a

healthy relationship is to persist, nor can the U.S. continue to transmit signals which permit doubt as to the sincerity of the American commitment in East Asia.

The entire U.S.-Japan relationship is underscored by an apparent conflict of national goals. Neither nation can afford a zero-sum game situation, consequently there is an imperative for compromise and improvement on both sides of the Pacific. The first step would be better communications.

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PACIFIC COMMUNICATIONS:
U.S.-JAPAN INTERACTION AND PROSPECTS

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AN ABSTRACT OF A MASTER'S THESIS

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Japanese-American relations have been in a state of crisis since the Nixon "shocks" of 1971, oscillating between highs and lows which, on first hand, appear to confuse issues and purposes. Since the end of the Occupation, Japan has oriented her international affairs very closely to American foreign policy. There has never been a serious question over Japan's foreign policy orientation previous to the crises of recent years, however, these crises now make U.S.-Japanese relations a critical question. Japan's emergence as an economic giant and general recognition of a multipolar world highlight the significance of these relations.

The purpose of this thesis is to examine American-Japanese relations in an effort to evaluate the future course of Japan's foreign policy orientation. The paramount issues are security, economics, Japan's political stability and Japan's search for international status. The variables of each issue are analyzed from the viewpoint of how communications affect perceptions and ultimately bear upon the interaction between the two nations.

An appraisal of the evidence at hand leads to the following conclusions:

First, Japan's future course in international affairs will remain closely allied to the United States unless forced away by precipitate or calculated action by the U.S.

Second, the parameters of the security issue indicate that Japan will not pursue an aggrandized militarism and will maintain a strictly defensive force within the constraints

of the constitution.

Third, economically, Japan will continue to pursue her premier goal of economic growth with heavy reliance on trade with the advanced nations; however, there will be a more responsible approach to the problems of international cooperation commensurable with Japan's economic preeminence in the world.

Fourth, the Liberal Democratic Party will maintain its political hegemony, diverting resources to meet the demands of a more politically competent populace. However, there still remains the potential for a sudden reversal of political fortune should some cataclysmic event or series of events occur.

Finally, it is manifest that improved communications would enhance the U.S.-Japan relationship; however, poor communications notwithstanding, Japan will not embark upon a course independent of the U.S. alliance, precluding perceptions which portend isolation from a security and economic standpoint.