

# How Tokyo is evaluating its relationship with Washington

“You see that building over there?” my friend asked me, pointing out the window to an oddly-shaped structure. “That’s the Education Ministry. It was one of the few buildings in all of Tokyo left intact throughout the bombings.”

As my friend spoke, we were standing in a restaurant on the top floor of Tokyo’s well-known Kasumigaseki Building. From there we could overlook much of the city; to the one side were the huge Imperial Palace grounds, which dominate Tokyo in much the same way Central Park dominates New York. In the distance to the other side was Tokyo Bay, leading to the huge port at Yokohama. With the city beautifully lit up at night, it was difficult for me to imagine conditions of war-time destruction. But my friend—a leading business executive in his mid-70s—clearly had no such problem. For him World War II was like yesterday.

“Look out over the entire city,” he said to me. “Virtually nothing you see right now existed at the end of the war. Most of Tokyo was rubble, and we had to rebuild it all.

“I know this well,” he continued, “because I worked in the Munitions Ministry here in Tokyo throughout the war. I would report to work early and stay until about six at night. Then I would return home, where I assumed the role of air-raid shelter coordinator for a district of the city. From 1943 until the end of the war, I got an average of three hours of sleep at night.”

## What is remembered

Upon listening to my friend, I realized how profound an impact the war still has on the people of Japan. The ease and clarity with which my friend spoke is typical of virtually every Japanese past the age of 45. Japan’s near destruction, and the occupation of the country by a foreign power for the first time in Japan’s 2,000-year history, has unalterably affected the thinking of this nation.

It is not only the sheer destructive nature of the war that

is vividly remembered. Personal, nagging aspects are recalled as well.

“You know,” my business friend said to me toward the end of dinner—laughing somewhat nervously that his story might sound trivial—“the thing that really sticks with me is the day my home in Tokyo was bombed. I had accumulated a large collection of foreign language books during my studies overseas, but had been unable to store them in a library for safekeeping. When my home was bombed, I quickly sifted through the rubble, hoping I might find my books. When I finally saw them, I moved some wood to get closer, but some dwindling flames suddenly expanded and ignited my books before I could get to them. I just stood there and watched them burn.”

For younger people—those who were children throughout the war—the memories are slightly different, largely because most children were evacuated from bombing target zones and sent to safer places. But the profound nature of their memories, memories very much on the surface of their minds, is entirely the same.

“The thing I remember the most is Aug. 15, 1945,” said the 47-year-old owner of a marketing firm in Tokyo. “That’s the day the Emperor spoke to us and announced the end of the war. You see,” he continued, “We had never heard the Emperor’s voice before. He was a god to us and had never before spoken to the Japanese people.

“That day, I was home from school, and my older relatives all gathered around the radio. The Emperor spoke at exactly 12:00. The entire nation was listening. “His announcement was a complete shock to us. We all thought we were winning the war! That’s what we had been told.”

As my friend spoke, his partner in the firm, who is also 47 years old, nodded in agreement. “I was in school when the announcement was made,” the partner said. “The teacher turned on the radio, and after the Emperor spoke, none of

us knew what to do. We just sat there quietly—including the teacher.’’

Both men emphasized the feeling of helplessness that existed throughout Japan at the end of the war. ‘‘I was so malnourished at the time that you could barely recognize me,’’ the marketing-firm owner said. ‘‘This was the condition throughout the country: many people were starving. I remember my mother came to visit me in the children’s shelter outside Tokyo that I had been evacuated to. She was completely desperate when she saw my condition. Actually, during the war she formed an organization of mothers to try and provide special food supplies for children.

‘‘When the war ended, and we knew the American troops would soon come, we had no idea what to expect. We did not know what they would do. But one of the first things the Americans did was to supply food. We are extremely grateful to America for that.

‘‘Also,’’ the owner continued, ‘‘I think MacArthur’s decision to keep the Emperor was very important. Without the Emperor’s presence to keep us together, I think Japan might have collapsed socially.’’

For a second, the three of us—the two partners and myself—were all quiet. Then, the marketing firm owner looked at me and said, ‘‘Sometimes, I still find it hard to believe we have come so far in reconstruction. I remember so well the conditions in Japan at that time. Sometimes I don’t know what else to do but shake my head in disbelief at the progress we have made.’’

## Legacy of the war

For the Japanese, World War II and the subsequent occupation of Japan represent a fundamental branching point in their history. Many Japanese would say that the ‘‘lessons’’ of the war have been learned. On the one hand, Japanese are extremely proud of the remarkable achievements they have made in rebuilding their country, to the point that now, in many parts of the world, the term ‘‘Japanese’’ connotes a quality of product and workmanship to be emulated. At the same time, the Japanese fear their achievements are vulnerable to shocks from events occurring outside of Japan.

A widespread agreement now exists in Japan that, be it for reasons of poor geography, poor endowment of natural resources, or (some people say) racism prevailing in the West, Japan is not well positioned to promote its own independent political leadership role in the world. As one leading business executive told me: ‘‘If Japan is to remain an independent nation, we have no other option but to maintain an alliance with the United States. For this, we hope America can be revived.’’

But what can Japan do to help revive America, or what will Japan do if America is not revived? I asked these questions to many Japanese from different walks of life, and the answers received were vague at best, reflecting widespread indecision on these issues.

‘‘I simply do not know what we will do if America keeps going down,’’ the same executive said to me. ‘‘What I do know is that the American government has got to take strong action, and soon, to correct the problems in your country. The first thing the U.S. government must do is immediately lower interest rates. After that, the government must take action to revive capital investment. Without capital investment, there is no future for any country.

‘‘Now,’’ the executive continued, ‘‘if you ask me whether I think this will actually be done, I would have to say no. That’s why I am rather pessimistic. I fear America will just continue to sink. The problem, as I see it, is one of leadership. I spent time in your country during the 1930s, and I saw Roosevelt first-hand. But ever since Roosevelt, the quality of your leaders has been going down. I am sorry, but when I look at people like Ford, Carter, and Reagan, I must say that these people are nothing.’’

## Significance of the steel industry

Like many Japanese leaders, this executive has watched in shock the continuous deterioration of the American steel industry. For many Japanese, a nation’s steel industry personifies the strength of that nation, so the decline of the American steel industry is viewed in Japan as an ominous sign.

‘‘A short while ago I had the opportunity to talk with an old friend, who is a leader at U.S. Steel Corporation,’’ the executive told me. ‘‘U.S. Steel just purchased an oil company, so I said to my friend, ‘What the hell are you guys doing spending \$4 billion to buy Marathon Oil? Do you know what I could do with \$4 billion?’ I told him that the most modern steel plant in Japan, which is the most modern in the world, cost us only \$3.2 billion. U.S. Steel could have built an entire new plant for that \$4 billion, or modernized many existing ones. But my friend did not give me much of an answer. I think it’s clear that soon, U.S. Steel will no longer be a major steel producer.

‘‘This is typical of the situation in the United States right now,’’ he continued. ‘‘There is no capital investment taking place whatsoever. That is why I am so afraid America will just decline.’’

Another Japanese executive, the research director at a private bank, told me a similar story concerning the American steel industry. This executive, long familiar with the United States, told me that he recently talked with former officials of the Kennedy administration, who relayed to him the following story.

‘‘These men told me that in the early months of the Kennedy administration, the President made an offer to the American steel companies to provide government assistance of any kind that would help to revive the industry. According to these men—and they were involved in the discussions—the steel executives declined any help. They told Kennedy that nothing could be done to save American steel.’’

## Japan looks to the Third World

With the prospects of a declining America in mind, there is widespread perception in Japan that one of Japan's highest priorities is to maintain good relations with the developing countries. There is almost an instinctive reaction in leadership circles that Japan's true friends are in those countries.

In part, this reaction is caused by the ever-present Japanese requirements of natural resources, many of which are located in the developing countries. But a deeper source of this Japanese thought is the realization—still very much alive in the leadership—that until 100 years ago, Japan was also a thoroughly underdeveloped country.

“If the world comes down to questions of power,” an economist at a Tokyo research institute told me, “the only power we Japanese have is our technology. We can give this technology to other countries, and use this as the basis for friendly relations. The countries that really need our technology are the developing countries, so those are our true and potential friends.”

A Japanese well versed in foreign policy, who has extensive dealings with officials of the European Economic Community, made similar comments to me, noting an additional factor of racism in the West against Japan.

“You know, it's a funny thing,” he began, “but the racism directed against Japan is often also directed against the United States. Let me give you an example.

“I have a lot of dealings with Viscount Davignon, the EC Industry Commissioner. He is from an old Belgian aristocratic family. And you should hear him talk about Americans. He hates Americans—calls them *nouveaux*. Well, you can imagine what I am thinking when he says that kind of thing about Americans. If that's the way he sees Americans, I know very well he is looking at me and thinking, ‘What a barbarian.’

“In this sense, maybe the United States and Japan are in the same boat. I have always thought that the most important alliance in the world for economic development should be among the United States, Japan, India, and Australia, for the development of the Pacific region. That is the way to deal with those aristocratic racists.”

Numerous sources in Tokyo emphasized to me that, for geographical and cultural reasons, the region of Southeast Asia remains the most important developing-sector area for Japan.

Japanese government and business leaders are said to be studying ways to deepen Japanese political and economic ties with those countries. “We are particularly interested in ideas that we can implement on our own,” one government official informed me, “without the need of assistance or cooperation from other developed nations.”

The new factor in the thinking of these Japanese leaders is the attention being given to India in recent months. Prime Minister Indira Gandhi visited Tokyo several weeks ago for a short time, and Prime Minister Suzuki made a point of praising India's “omnidirectional foreign policy.” Were In-

dia and Japan to expand relations and cooperate on economic and political matters throughout Asia, it would be a powerful political combination, a model for North-South relations which in turn would lay the basis for easing of East-West tensions.

## America: the bottom line

For the Japanese, however, fundamental questions of policy will come down to what happens in the United States. A leading Japanese journalist put it to me succinctly: “I don't know when or how, but America just has to be revived. Otherwise we are in big trouble.”

One effort the Japanese are continuing to make to influence American policy is to coordinate with West Germany—as Washington's friends—and present policy alternatives to the White House. Well-informed journalists confirmed that Japan and Helmut Schmidt's West Germany are currently closely coordinating monetary policy, trying hard to avoid a default on Poland's debts to Western banks and to achieve a reduction in American interest rates.

However, since the election defeat of French President Giscard d'Estaing, a close ally of Schmidt, in 1981, Schmidt's power within the European Community has been reduced, and the role of the EC as a potential source of policies to revive the world economy has diminished. During this period, trade tensions between Japan and the EC, under the influence of people like Viscount Davignon, have grown. Current French President François Mitterrand is promoting an “independent Europe” policy line, with anti-American overtones, which serves to undercut Schmidt's efforts.

Moreover, some Japanese believe they may be running out of time to shift American policy, and they are particularly nervous about the instability of the international monetary system. The chief economist of one leading Japanese bank informed me that the recent turbulence in the Eurodollar market, including the collapse of West Germany's huge AEG industrial firm, has led many Japanese financial experts to fear an international banking collapse.

## An Asian initiative?

In this regard, an economist with a leading Tokyo research institute informed me that several organizations in Japan, led by the Finance Ministry, are quietly studying the idea of establishing an Asian regional monetary system, based on the Japanese yen, should an international monetary crisis occur. Japanese authorities based at the Manila headquarters of the Asia Development Bank are said to be intimately involved in this planning.

While no substitute for a global solution to growing international monetary instability, such an Asian regional system, could only exist politically if it were based on the principles of large-scale technology transfer from Japan to the area's developing countries. In this regard, these Japanese plans could evolve to a model for solving the global monetary crisis.