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米国管理下の南西諸島情況雑件 沖縄関係第四卷

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BRINGING THE UNIONS TO HEEL? Concern over the new Japanese labour policy

FROM HESSELL TILTMAN

TOKIO, SEPTEMBER.

The new labour policy outlined by the Kishi Government has aroused concern in Japan lest the "emphasis" which the Government reportedly intends to place on this policy should turn out to consist mainly of the enforcement of repressive controls over the Japanese union movement in the alleged interests of public security.

As officially outlined, the new policy now under consideration by the ruling Liberal-Democratic party will aim at hastening the coming of a welfare state in Japan by creating equality in management-labour relations; encouraging a "healthy and democratic" trade union movement; creating full employment through long-term economic planning; expanding vocational training; and improving the workers' housing conditions.

But it would include strict enforcement of the present laws banning strikes by Government workers and punitive measures against unions which engage in unlawful activities. Unofficially, powerful forces within the conservative ranks and employers' associations would like to see the emphasis placed on making the labour movement "healthier" by taking a strong line towards the more pugacious unions and imposing further restrictions on union activities of a political or "revolutionary" nature.

The wage "gap"

The man charged by the Prime Minister with drafting and carrying out the new policy is Mr. Hirohide Ishida, the nation's eleventh Minister of Labour since 1950. A journalist until he entered politics ten years ago, Mr. Ishida has embarked upon his prickly assignment with energy and enthusiasm—and a penchant for plain speaking. Outlining his views to me, he made three clear-cut points:

1. The wage "gap" between large-scale and small industry in Japan is at present widening rather than narrowing—eight years ago the wage differential between the two types was 100 against 65; now it is 100 against 50.

2. Japan has two types of employers—the first is just as feudalistic as ever; the second lacks long-sighted policies and, because they fear the strength of the unions, consider only the protection of their own interests and nothing else.

3. At present the Government has no intention of revising the fundamental labour laws.

"Two ideals govern my thinking—to improve the conditions of workers in general and to promote good management-labour relations," he told me. "From the time of the Meiji era Japan—in order to develop as an industrial nation—had to proceed quickly with the result that Governments placed more emphasis on large-scale industry, and medium and small-scale industries have been neglected.

"Thus different sets of conditions were created with 'not good' working conditions

in medium industry; cheap labour conditions in small industry, and large-scale and public industries, on the other hand, enjoying considerably higher wages which, while less than those in other progressive countries, are favourable compared with Japan's small-scale units. The most important thing now is to minimise this gap. I would like to start by drafting a minimum wage bill.

"Our small-scale industries, in turn, are of two types—those having connections with large-scale industry and others that do not. In the case of the first group I contemplate introducing in the next Diet session the Medium and Small-Scale Associations Bill, which would provide that large industrial units which have connections with smaller firms should be required to give them certain protection. Providing assistance for the second group is difficult, but I would like to see them granted some measure of tax relief or help in forming associations of their own.

"I am also considering rationalising the country's wage policy in general. I have ordered an investigation to examine whether the present wage structure could be improved by wage scales being decided in accordance with the type of industry and prevailing efficiency rates.

"Another problem for over-populated Japan is that of unemployment. We have to foster an increase in the nation's financial and economic activities.

"I would like to institute a policy whereby all disturbing conditions in Japan's trade union movement could be adjusted. That movement has since the war gradually improved—becoming stronger and more democratic. But Marxist influences are still active in a certain segment of the unions—due perhaps to some extent to the policies adopted by the Occupation.

"I want to tackle this problem in three ways—by education; by establishing a clear demarcation line between legal and illegal union activities; and by acting against illegal union activities without any compromise. In doing that I would like to appeal to the courage of rank and file union members, so that unions will not be led by a small number of officials who want to overstep the bounds of the law. I hope that more courageous rank and file members will come to the surface and take an active interest in union affairs."

No compensation

Existing restrictions on trade union activities mainly affect three groups of labour. Public corporation workers, including those on the Government railways, are denied the right to take any direct action such as strikes or slowdowns, but the relevant Labour Relations Law specifically exempts the Government from honouring any arbitration award if it so decides. Civil servants have no rights of collective bargaining whatever and are dependent upon recommendations of the National Personnel Authority, which is susceptible to Government influence. In the case of electricity workers, the right to strike was taken away without any provision for compulsory arbitration.

The Government now appears committed to enforcing the penal clauses in the Labour Relations Law in respect of acts to which it had hitherto turned a blind eye—so much so that the unions concerned claim that the "illegal" activities in which they engage have become legal by custom, a fact which provides scope for an intensification of labour "struggles" in the future.

CHANGING PATTERN OF JAPANESE ECONOMY

"Cheapness" now no longer the watchword

FROM HESSELL TILTMAN

TOKIO, JANUARY.

Cheap Japanese goods are still with us. But cheapness—once widely regarded as an all-embracing explanation of Japan's success in overseas markets—is no longer the major economic factor it was in pre-war time. To-day quality counts for more.

The industries leading Japan's export drive, such as shipbuilding, textiles, and machinery, are mostly those paying high average wages. And the trend towards "quality" production is likely to continue, for beyond the present full order-books lies an increasingly serious challenge to the "rice standard" Japanese from the even lower standard—and cheaper—workers of China, India, and other Asian nations to whom the Japanese way of life, with two meals of rice and a family bath every day, remains out of reach.

In short, the old adage that a Chinese can live and thrive where a Japanese would starve is about to be tested as the new Asian proletariat created by the increasing industrialisation of mainland China and other parts of Asia is put to work.

The economic strength of Japan has rested primarily on three factors—the national will to work; a profound sense of unity between all sections of society in pursuit of the national good; and a rice-and-fish economy which gave Japan a price advantage over the West and was not challenged in Asia.

Paternalism

These advantages have been reinforced by others—the paternalism in industry which arises from the dislike of the average Japanese of being masterless; the prevalent subcontracting system enabling the main contractor to call the tune as to price; the docility of labour so far as working conditions are concerned; the widespread willingness of employees to work all the overtime possible, often at ordinary time rates; the widespread disregard of normal safety standards; the notable absence of restrictive practices imposed by trade unions; and, above all, the enormous reserve pool of labour which induces the attitude that a poor sort of job with poor conditions (by Western standards) is better than no job at all.

More important than wages, as many Japanese workers see it, is the fact that masters and workers are going to need each other to-morrow; so disputes are rarely pushed to the extreme, and strikes tend to be brief—or if not, may end with a company "loan" to help to make up lost pay with the tacit understanding the sums concerned will not be repaid. Hence Japanese unions usually keep demands within the realm of the possible in an impoverished nation.

Recent suggestions for a national minimum wage of £2 a week were regarded, even in some Socialist quarters, as unrealistic.

So the economy continues to be based, as before the war, on the oyabun-kobun (master and men) relationship, with paternalism and, in the best firms, cheap company housing, subsidised company stores, works canteens, and sometimes even fuel, free holidays, transportation, and medical care—all these augmenting low wages and bi-annual cash bonuses which rise and fall with profits, as the Japanese equivalent of "fair shares for all."

Middle of the road

Nevertheless, Japan is—by comparison with the rest of Asia—moving steadily towards a middle of the road economy. Some 47 per cent of the national income is now distributed as salaries and wages compared with 36.6 per cent in 1940, and per capita income shows a modest rise of some £12 a year compared with pre-war days. The gains continue, but the trend is unequally spread and partly offset by a wide variance in salary and wage incomes, with a large slice of the total work force on a bare subsistence level.

Progress towards higher wages is necessarily conditioned by national productivity per worker and the changing pattern in Japan's Asian markets. Productivity remains low by European standards—probably about 70 per cent of Japanese industry is still technically backward, and it takes three Japanese workers to achieve the output of one British factory worker.

In Asian markets, India and Hongkong (with lower wage scales) are competing for textile orders, while in Singapore to-day one can buy British, Japanese, and Chinese goods—and the article from Communist China often out-prices the Japanese one, just as Japanese textiles or sewing machines out-price the products of the West.

The new and disturbing competition facing Japan may be expected to continue and expand.

Thus, less than a century after the Japanese industrial revolution, the Asian pattern is in the process of a major change which could make much of the world's present economic thinking about Japan obsolete. Cheapness never was the only explanation of Japan's rise as a competitor of the West. Now it appears to be faced with the need to concentrate more on heavy capital goods and higher quality articles, leaving a greater share of the production of mass consumer items to its Asian rivals who command reservoirs of even cheaper semi-skilled labour.

What will continue to make Japan formidable as a competitor is the racial unity and national capacity for discipline and teamwork which carried the "Made in Japan" trade-mark to the ends of the earth and kept it there.

A RELUCTANT DRAGON Japanese Premier not so tough

From Hessel Tilman

TOKYO, JANUARY 21.

The policies likely to be pursued by the Ishibashi Government—which has been described as being composed of first-class economists and second-class politicians—are becoming clearer.

These policies promise to be less "tough" than was widely expected when Mr. Ishibashi took office last month. If the Premier is the political dragon that he is reputed to be, it seems that he will turn out to be a reluctant one, cautious in taking decisions which might influence unfavourably what the Japanese press has called "the jigoku boom" since Emperor Jimmu—the emperor who reputedly put the country on the map 26 centuries ago, with the Ihus, at his first meeting with the foreign press over taking office. Mr. Ishibashi called for a "softer and more spiritual association" with the United States, looking for its brains as to how Japan can make its "full contribution" as a member of the United Nations; and on the question of "completing the national independence," told me:

"The world to-day is not independent. Nations cannot do things according to their own wishes. Take the problem of defence: it is almost impossible to take decisions of Japan's own accord. This issue of independence is a spiritual problem; as for the Japanese, the most important thing is to make their own judgments."

Relations with China

The Foreign Minister, Mr. Kishi, has echoed the same theme. He assured correspondents recently that the Government has no intention of pressuring China to present that trade with the Chinese mainland would have commercial not official support; and that the idea that Japan "may become a sort of neutral and leave the free nations' group" is "pure misapprehension."

All of which suggests that Mr. Ishibashi intends to keep foreign policy in line with prevailing Japanese opinion but not to change substantially the present course in international affairs—a course which, while originally set partly on American initiative and in accordance with the hard facts of life, following defeat, has been continued since the recovery of national sovereignty in 1952 because it best conforms to considerations of national interest. High among those considerations is the fact that the nation's exports to the United States, up by nearly 20 per cent last year, represent a prosperity factor which Mr. Ishibashi is highly unlikely to forget.

The Government's prime aims are likely to include a continued economic expansion and full employment at home and a more relaxed economic approach, aimed at stabilising the exportation of trade without hindering the hair-raisingly delicate conditions and restraints of the solution of trade problems with America; the recognition of the East European Communist satellites; and resumed negotiations with South Korea in an effort to settle matters in dispute between the two countries.

All this would be part of the Government's stage-setting preparations for the dissolution of the Diet and the holding of a general election when the moment is deemed favourable for the ruling Liberal-Democratic party—possibly before the end of the year.

A prediction

Mr. Takeo Miki, the party's new secretary-general, told me: "Japan has a Cabinet which has the will to pursue definite policies. A general election is coming some time—it is difficult to say just when—but I predict the Ishibashi Cabinet will be in office for a long period." He was confident that "in time" the present warring factions in the party could be united. On communism he commented:

"Japan needs to be cautious in this matter. However, we cannot ignore the Communist nations. Communism in Japan is not illegal; what is needed is the strength to overcome it politically. In this connection it is especially important that the conditions of the people have no appreciations concerning communism in Japan."

JAPAN'S YEAR OF THRIVING TRADE Triumph of Diligence and Discipline

From Hessel Yilmann

Tokio, December 30. Japan is finishing the year in better economic shape than at any time during the past decade, although there is considerable uncertainty as to what the future may have in store.

The 1956 rice harvest was the second good crop in a row, bringing prosperity to the rural areas. Manufacturing and mining output is estimated at 19 per cent above the 1955 level, and according to official forecasts, by 1960 it will have reached a point 300 per cent higher than the 1934-6 average. What the "Japan Times" calls "this phenomenal economic improvement" raised the national income for the first six months of the year to 10.3 per cent above that for the same period of 1955, with earned incomes up by 14 per cent.

The advance in national wellbeing is well large across the face of the nation. The total working force is appreciably larger than a year ago. Many export industries are setting new records from shipbuilding with a backlog of construction orders amounting to 4,000,000 tons to metal 125, exports of which the Japanese promises for Japan's selected and manufacturing workers' traditional institution in Japan—and reaching record heights; the coalmines riding the crest of the boom, are paying bonuses nearly twice as large as those of last December and many commercial firms are distributing from £30 to £75 per employee.

Too Good to Last?

Total sales in the country's 163 department stores increased by 20 per cent over the year and are running at £200 millions annually with textile products accounting for about half of all sales. The average price of 225 leading Japanese stocks has reached a record post-war level, with the turnover on the Tokio Stock Exchange up to 50,000,000 shares on some days.

Largely because of population pressures land in Tokio has risen by some 1,000 per cent in price in the past eight years, and between 20 and 30 per cent since last January. More foreign visitors are spending more money than ever before, and Tokio's famous Imperial Hotel has begun construction of a new addition of fifteen floors and 450 guest-rooms at a cost of more than £3 millions. The flow of tourists is expected to be doubled within the next three or four years.

The improvement in the nation's economy has taken even experts by surprise and made the fears of former years look absurd. But, to many thoughtful Japanese the present conditions appear too good to last, and warning voices are increasingly heard concerning possible adverse repercussions of the Middle East crisis and sterling block difficulties on the economy.

Whatever 1957 may hold, however, the atmosphere in Tokio now resembles that of a boom town. And while good times last the Japanese are understandably intent after fifteen years of war, dislocation, destruction, and stalemated upon catching up with their hopes.

There is, of course, as invariably in Japan, a land of contrasts—another side to the picture. Not all are enjoying the Japanese equivalent of the life of Reilly. The improvement, though widely shared, has not reached all the way down to the grassroots of the social structure. Six million Japanese workers earn an average of £5.10s a month. Fully 10 per cent of the entire population continues to live a hand-to-mouth existence.

Productivity in manufacturing industries is low—only one-third that of Great Britain. The average city worker still spends over half of the family income on food, compared with 40 per cent before the war. But in spite of inequalities and

much dire need—and in spite of almost total political confusion—Japan is expected even a year ago, by anyone to-day doing better than anyone

It is a familiar pattern in this land of man-made upheavals, punctuated by impressive national achievements. Twice in recent years—before and after the surrender in 1945—the nation expected the worst and it did not happen. Twice—after the great 1923 earthquake and again in the war-time fire-raids (which totally destroyed 760,000 buildings in Tokio alone)—it was confronted with major catastrophe and won through largely by reason of an innate national discipline and a capacity for teamwork. Japan has made its full quota of mistakes; it has also proved its capacity to correct them—and to endure. Now, in the recharting of the country's course, only one criterion counts—the yardstick of national interest. Overpopulated and under-privileged as Japan is, any other calculation would represent a luxury the nation cannot afford.

The big question is whether 90,000,000 people—ranking thirteenth in income per head among nations and still increasing at the rate of one every 30 seconds—can be provided with a civilised standard of life. The answer still lies in the future and will depend primarily on the trend of world-wide trade. All that can be said is that at present the diligent, disciplined people of Japan are intent, as always, on going far on little. And, at least for the moment, they are not doing so badly.

MARX FAILS THE JAPANESE

Socialist party still divided

From Hessel Tilman.

TOKYO, JANUARY 29

Japan's Socialist party, whose Right and Left wings came together in piecemeal unity in October, 1965, has just taken a sharp turn to the Left.

The Left-wing elements, led by the party chairman, Mosaburo Suzuki, secured a majority on the Central Executive Committee and a resolution was adopted at the national convention defining Japan's Socialists as a "class party" supporting the "struggles of the masses"—thus repudiating, by implication, both stress upon parliamentarism and the moderate policies of the Right-wing and serving notice that in the ideological conflict between the neutralist General Council of Trade Unions (Sohyo) and the moderate Japan Trade Union Congress (Zenro), the weight of Japan's Opposition party will be ranged behind the trade union, Left.

Even more significant was the strength displayed by the Left: in one ballot on the policy resolution (pro-Russian, in reference to Okinawa), only thirteen members of the policy committee supported the Right-wing and the draft policy statement prepared by the Left-wing secured a majority of 41 votes.

These developments, which revealed a continuing wide divergence of opinion within the Socialist ranks, are—in the words of the "Japan Times"—expected to start delicate repercussions inside the party, which at present holds slightly more than one-third of the seats in the House of Representatives.

Relying on Marx

The convention underlined the fact that the merging of the rival wings of the Socialist party in 1955 did not solve the differences nor resolve the basic issue of whether Japan's Left-wing should aim to become a class party based on the proletariat or seek to become a national party representing all people who support its principles.

"The first approach," stated the "Japan Times" on the eve of the recent convention, "rests essentially on the Marxist dogma of a dictatorship of the proletariat; and upon the myth that all the 'proletariat' have identically the same interests." This approach lays less stress on the Parliamentary process for acquiring power, and more on non-Parliamentary bodies, such as labour unions.

The second approach places greater emphasis upon the Parliamentary route to power and the democratic process involved. It recognises that over 90 million people and governs in the interest of only one segment of that large population. It believes that the political domination of 60,000,000 people by a single class cannot be democratic, even if that one class, unless it has the "democratic" application of the "democracy" of Marx and the grave to other groups. And this they oppose.

The convention, by turning sharp Left, reached a crucial decision to accept the rôle urged upon it by the Left-wing trade unions and—in spite of the ten million people who voted for Socialists at the last general election—to convert the Japanese Socialist movement into what "Yomiuri Japan News" calls "a labour class group with the eventual aim of establishing a Socialist regime by revolutionary means. This is obviously based on the Marxist-Leninist idea of the class struggle" stated the newspaper. "It is an attitude hard to distinguish from that of the Japanese Communist party."

Made in Japan:

The Shape of Things to Come

By Hessel Tiltman

LOW-PRICED Japanese goods are still finding markets overseas in increasing volume and still pose problems for the higher-cost factories and mills of the West. But cheapness, once widely regarded as an all-embracing explanation of this nation's success in world trade, is no longer the major economic factor it was in prewar days.

Today quality, organization and industriousness count for more than price. The industries spearheading Japan's current export drive, such as shipbuilding, machinery and textiles, are mostly in the higher average wage brackets and factors other than cheap labor account for their success. And the emphasis on "quality" production and heavy industry is likely to continue, for beyond present full order-books lies an increasingly serious challenge to the "rice standard" Japanese from the even lower standard -- and cheaper -- workers of China, India and other Asian nations to whom the Japanese way of life would appear affluent.

In short, the old adage that a Chinese can live and thrive in conditions in which a Japanese would starve is about to be tested as the new Asian proletariat created by the increasing industrialization of that continent is put to work.

The economic strength of Japan, on which this country's swift postwar trade revival has been based, rests primarily upon three factors: the

national

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national will be work; a profound sense of "oneness" which unites employers and workers (and, indeed, all sections of society) in pursuit of the national good; and a rice-and-fish economy which for decades has given Japan a price-edge over the West and which was not previously challenged in Asia.

Reinforcing these economic advantages were others: the traditional paternalism wide-spread in industry which arises from the dislike of the average Japanese of being masterless; the widely prevalent subcontracting system enabling the main contractor to call the tune as to price; the docility of labor so far as working conditions are concerned; the wide-spread willingness -- even anxiety -- of employes to work all the overtime possible, often at plain time-rates; the widespread disregard of normal safety standards, which in general do not cost employers as much as in the West; the notable absence, as compared with the United States or Great Britain, of restrictive practices imposed by trade unions and, above all, the large reserve pool of labor which induces the attitude of mind that a poor job with poor conditions is better than no job at all.

Teamwork Stressed

Hence the inability of the Ministry of Labor to raise standards in industry and the low esteem in which that Government agency is widely held by also the stubborn continuance employers' organizations and industrialists generally. Hence in several industries such as stevedoring of "bossism" -- labor contractors who provide employers with men at an agreed daily wage, receive their pay, give each worker a proportion, and

pocket

pocket the balance.

More important than wages, as the average Japanese worker sees it, is the fact that masters and men are going to need each other tomorrow, wherefore disputes are rarely pushed to the extreme, and strikes tend to be brief or if not, may end with a company "loan" to help make up lost pay with the tacit understanding the sums concerned will not be repaid. Hence also the fact that Japanese unions for the most part keep demands within the realm of the possible in an impoverished nation. Thus recent suggestions for the enacting of a national minimum wage law of 8,000 yen monthly were widely regarded, even in some trade union quarters, as unrealistic in the light of the country's present economic circumstances. "A fine idea but one that would bankrupt the country" sums up much of the press comment upon that proposal.

So the economy continues to be based, as in prewar days, on the oyabun-kobun (master and men) relationship, with paternalism and in the best firms cheap company housing, subsidized company stores, works canteens and sometimes even fuel, and free holidays, transportation and medical care, augmenting low wages and biannual cash bonuses as the Japanese version of "fair shares for all." And most employes quite prepared to work ten hours daily if by so doing they can earn a larger pay-envelope at the end of the month and a bigger bonus at the end of the year.

Nevertheless, Japan is by gradual steps moving toward higher levels of individual well-being. Some 47 per cent of the rising national income is now distributed in salaries and wages compared with 36.6 per cent in

1940

1940, and per capita income shows a modest rise compared with prewar days. The gains continue, but the trend as yet is unequally spread and partly offset by a wide variance in salary and wage incomes, and by the fact that in large-scale industry the proportion of "temporary" labor (often paid only 50 to 60 per cent of the normal wage scale) to "permanent" employes is widening.

Asian Markets

The nation's progress toward increased well-being for its workers is necessarily conditioned by two vital factors: productivity per worker and the changing pattern in those Asian markets on which the country largely depends to keep its rice bowls filled.

Productivity remains low by European standards. A large slice of industry is still technically backward and in need of rationalization. And three Japanese workers are required to equal the output of one British factory operative.

In Asian markets, Asian labor (with lower wage scales) is competing for textile orders, and competition is likely to increase. In Singapore today, one can buy British, Japanese and mainland Chinese goods and the article from Communist China is frequently as cheap, compared with Japanese products, as are Japanese textiles or sewing machines by comparison with the products of the West.

It appears clear that Japan will seek to minimize this new and disturbing competition by a switch in emphasis to those items which Asia cannot make for itself. Whether the consumer industries (and cottage

producers

producers) directly affected will endeavor to compete by higher production or lower costs remains to be seen. The margin for economies in wages is slim. The coming pressures already discernible in the widening gap between low and medium incomes are likely to delay improvement in the conditions of low-income workers, but that individual earnings will be reduced is doubtful: most of the workers concerned are already at or near the bare subsistence level.

Rising Standards

The choice would seem to lie not between present or lower wage rates but between the maintenance of present standards, mitigated as they are by the bonus system and fringe benefits, and a slowly rising level of well-being such as part of the nation in the favored industries is already enjoying and the rest hopes for.

Today's Japan is formidable as a competitor not because of cheap labor -- in terms of productivity, most Japanese labor is not cheap -- but because of the racial unity and pride of service and the highly-developed national capacity for teamwork. These are the qualities which originally carried the "Made in Japan" trademark to the ends of the earth and which made possible the national recovery from the stagnation of 1945. Directed into the right channels to meet the changing conditions in Asia, they are the factors which will enable Japan to meet the new challenge of cheap semiskilled Asian labor which is nearing.

The significance of Japan as an industrial nation is demonstrated by the workers who bow to the master even at the moment of going out on strike; the office employes who, when times are busy, return home at

10 p.m. without complaint; and by the national spirit and sense of mission which caused four Japanese army stragglers from the Pacific War who recently surrendered in the Philippines to come down from the hills, eleven years later, with clean uniforms and unshaken morale.

A nation which breeds such examples of pride of service is a nation to be reckoned with. Japan as a manufacturing country still has a long way to go before either its industrial organization or working conditions correspond to those even of the least advanced nations in the West. But the pattern is being set -- and "cheapness" is no longer the keyword.

Japanese BOOM!

THEY CALL IT THE YEAR OF THE ROOSTER

By FREDERICK ELLIS
Daily Express

The almond-eyed, smiling Japanese started their 1957 work year after a week's New Year marketing that was the most roisterous since they sued for peace in Tokyo Bay.

From the ruins of defeat -- for, unlike the Germans, the Japanese admit their licking -- the Nippons entered 1957 enjoying the biggest roaring boom ever. Everywhere are signs of bursting prosperity.

In Tokyo there is more of everything that spells prosperity to the professional economists now forecasting a bigger, better boom this year.

There are more cars; more T.V.'s though the £A90 price label limits sales; more sake rice wine, the national tippie drunk hot in thimble-sized measures.

More money is circulating, boosting the store sales to dizzy peaks.

Goods of all kinds, from cameras whose quality is even scaring the Germans, to heavy industrial machinery, to textiles, pour into the world markets, competing with British goods.

Proudly, the Japanese economist proclaims that a fifth more goods stamped "Made in Japan" spewed from the factories last year.

Japan has no credit squeeze, no petrol rationing, and millions are listed for spending by sleek industrialists on new plants and factories.

And the Japanese plan a £125 million tax slash.

As

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As I was chop-sticking my way through a Japanese dinner, with my shoes off, squatting on a cushion at a 15in high table, an American businessman guest asked me:

"Say, what's wrong with you British? First the Germans beat the living hide off you in export markets. Now it's the Japanese."

"Slaves" smiling

I stayed silent, allowing a long-resided Englishman to reply: "The Japanese work too damned hard."

And how they work! They do a six-day week of 48 hours, with overtime regarded as pleasurable.

The British excuse that the Japanese slave under the big stick of mass unemployment is just a myth.

Only 600,000-odd are on the dole roll out of a 90-million-plus population.

Export, export, export is the Japanese policy. And the shoddy goods of prewar are no more. The wily Japanese still copy, picking Anglo-American brains, but their goods stand the quality test in many markets.

On the outskirts of Osaka, the second largest city of Japan, I have been looking at what Lancashire likes to call a slave camp -- "with three bowls of rice a day." I drove through the gates of a great textile plant into a park-like setting with lawns and trees.

Dotted around were the workers' tennis courts, swimming pool,

baseball

baseball, softball, and volley-ball pitches with facilities for judo, fencing and archery.

All Japanese mills and plants operate on a semi-feudal system. Workers join for life, regarding themselves as part of the family.

In this Osaka plant all the workers, from the chairman downwards, live in. Everyone wears the company uniform.

Young workers sleep in dormitories. There are houses for married families.

Each gets three Japanese meals daily -- including that bowl of rice. But then the Japanese wilt without rice. It is their daily bread.

Really it is a mockery to judge Japanese textile wages by the oft-quoted basic wage of £18/15/ a month for girls, £25 a month for men.

Three meals a day cost the workers less than 1/6. Meals are the only deduction from wages.

The rest is spending money.

The hospital has 50 beds, doctors, dentists, nurses. There is a beauty parlour for the girls, a barber shop for the men. All on the firm.

There is no end to these perks -- club rooms, films, cut-price shops, even much-prized baths. And free buses.

Then there is a share bonus in this company, based on length of service.

The average last year was 200 shares, worth £25 on the stock market.

It will be a happy day when Lancashire mill girls go home with a handful of shares.

In

In a shipyard at Kobe I saw a massive challenge to British workmen -- a 38,000-ton tanker being built in eight months. And I heard the chief of the yard say: "The next one will take only five months."

Five months, that is, from keel laying to delivery. I reckon a British yard would take more than a year.

Bowing deep from the waist is an old Japanese custom. But I have been doing the bowing -- bowing my head in shame.

For in this New Year -- the Year of the Rooster in the Japanese calendar -- the Japanese are for the first time cock of the world's shipyards.

And again the perks

They have topped the British as the world's leading shipbuilders, doubling the ships put in the water last year to 1,650,000 tons, nearly 250,000 tons more than Britain's yards.

Sure, life is tough for the Japanese shipyard worker.

He lives in shantytown wooden houses resembling suburban garden huts, and not much bigger.

No British worker would welcome Japanese pay packets.

The average shipyard man gets 22/1 daily basic -- that is, under £7/10/ a week. But he gets a winter and summer bonus, making 14 months' pay a year.

He is also semi-feudal, getting cheap housing, cheap food, cheap goods like textiles, and other perks, like free cinema tickets and free

medical

medical services.

The Japanese success formula is dynamic management, sound planning, tremendous prefabrication, and hard work by the yardmen.

The Japanese are out eager for the trade in markets long Britain's, Britain is the nut in the crackers, with Japan one lever and Germany the other.

This twin trade offensive is the big challenge of 1957.

Baby Boom Taxing Japanese Economy

By Hessel Tiltman

Special to The Washington Post

TOKYO — Japan's population, which last year passed the 90 million mark, continues to expand at the rate of approximately one person every 30 seconds, posing a problem which, in the words of a Japanese Foreign Office bulletin, "is so serious that without fully and correctly understanding the problem it is virtually impossible to solve any of the many issues—economic, social and political—before the Japanese nation today."

In the 10-year period from 1955 to 1965, the number of Japanese in the working age brackets (15-64) will increase by an estimated 12 million. The population will not level off until 1990, when an estimated 108½ million people will be crowded into the four small islands of the Japanese homeland with an area approximately equal to the State of Montana.

Although Japan has the lowest birth rate in Asia, medical science has also given it one of the lowest death rates in the world—7.8 per 1000. As a result, the average life span of Japanese is 13 years longer than in 1947. And because of an abnormally high birth rate in the years immediately following the Pacific war, the nation's work force will expand 10 per cent a year between now and 1965.

THERE IS already a surplus of labor with close to 1 million persons unemployed; between 5 and 10 million "underemployed" and a rural population which has reached the saturation point. Experts estimate that the population engaged in agriculture could be reduced by half without any loss in food production.

This situation accounts for the fact that although real national income is now 50 per cent above prewar, per capita real income has risen to only 110 per cent of the prewar standard. Thus, the major contradiction of Japan's economy—a high rate of economic growth coupled

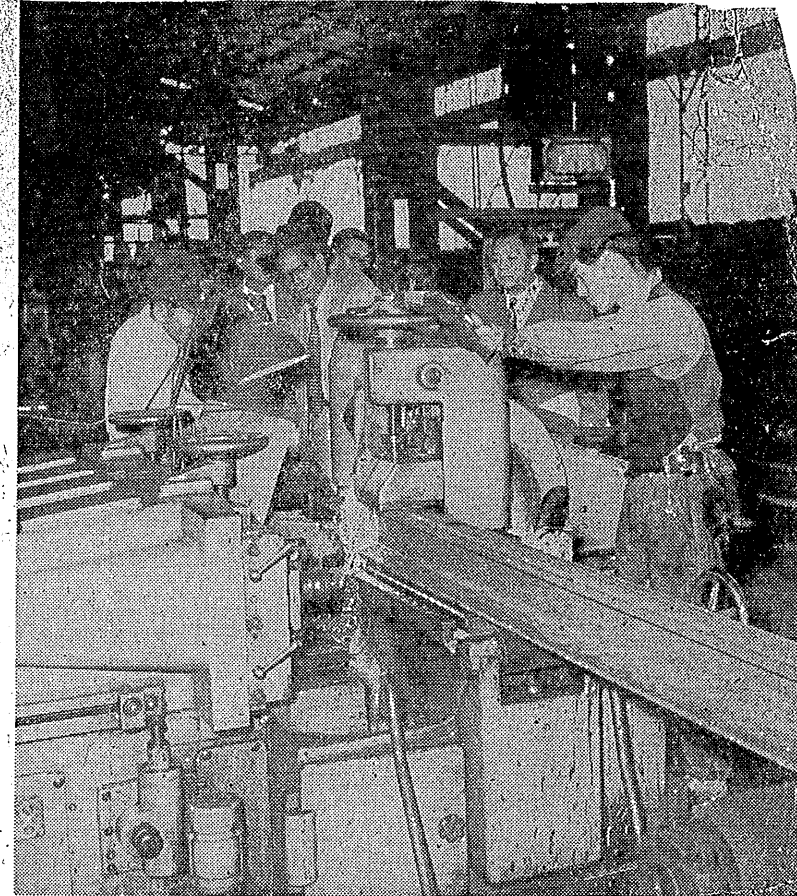
with a continuing low standard of living—remains unsolved.

While official labor statistics, which in Japan list workers who have even one hour's work in a week as "employed," tend to present a comparatively rosy picture, the blunt truth is less comforting. Between 1945 and 1955, Japan's population in the working age groups increased from 39,670,000 to 54,860,000; by 1965, the working age population will rise to 67,390,000. To achieve full employment within 10 years for the existing labor force plus the yearly crop of students leaving school would require an expansion of the national economy of 8.5 per cent annually, or more than double the 4 per cent average rate of economic growth in Japan between 1945 and 1948.

BIRTH CONTROL is not the answer; the new workers who will be seeking jobs between now and 1965 are already born. Emigration cannot offer a solution; Japan's emigration program for the next fiscal year calls for the settling overseas (in Central and South America) of only 13,000 persons. Apart from political considerations, the funds and shipping, which would be needed to resettle the equivalent of even one month's growth in the nation's labor force are not available.

The only solution in sight, if present Japanese living standards and a national income of something more than \$200 per capita are to be maintained, lies in the further expansion of Japanese industry and overseas trade.

Saburo Okita, chief of the planning division of the Economic Planning Board, told me that if Japanese industry is to absorb the graduating students who will be seeking employment, the gross national product must expand at least 6 or 7 per cent annually (compared with an average of around 9 per cent in the past 5 years) and



Foreign railway executives visiting Japan inspect one of the shops of the Yawata Iron and Steel Works. Japan's economy has boomed in the last five years, but more overseas markets must be found if she is to absorb the 12 million youths who will enter the working force of the nation by 1965.

Japan's exports must increase 10 to 11 per cent annually.

"PROSPECTS FOR Japan's export industries are encouraging for two reasons," Okita said. "First, in most other industrial countries, exporters of manufactured goods are now enjoying full employment and cannot expand easily, whereas Japan possesses a large reserve labor force and so long as demand exists can expand both production and exports."

"Second, in those countries where full employment conditions prevail, wages are likely to rise faster than

output, resulting in higher costs of production. So far, wage increases in Japan have been low when compared with improvement in output.

"On the other hand, two unfavorable factors exist. These are the difficulties which have developed in trading with mainland China—as Japan's natural trading partner—and the loss of other, nearby markets in Korea and Manchuria, which with mainland China today account for only 5 per cent of the nation's total exports compared with 40 per cent in prewar days; and existing conditions in south and south-

east Asian nations whose purchasing powers are limited and rate of development rather slow."

Largely due to this fact, Japan's exports to south and southeast Asia represented only 25 per cent of total exports in 1956, compared with 40 per cent of Japan's foreign trade in 1951. Thus, Japan is faced with the need to expand exports to other areas where it has to face severe competition.

"Nevertheless," Okita concluded, "it should be possible, in my view, for Japan to get through the critical next 10 years without any major economic crisis arising."

ASIA TO-DAY—2

The Three Giants

By Rawle Knox

It is in Rangoon that one most often hears expressed the wistful hope for a future alliance of the small nations of Asia. The Burmese are pre-

pared to say what all their small neighbours feel—that they lie almost suffocated between two great giants, China and India. In the background looms Japan, recently the conqueror and overlord, now the dominant manufacturer.

For these little countries, existence depends on the good behaviour of the giants. They cannot be blamed if, sometimes they seem too eager to swallow promises of good will. And whatever they may dislike about Western policy, they do appreciate the main Western strategy in Asia, which is to deflect any tendencies of India or Japan to make common cause with China.

India and Japan are the natural leaders of non-Communist Asia, but at present they are necessarily too bound up in their own affairs to spare much dispassionate thought for their neighbours.

The Hope of Western Diplomats

That the two countries will of their own accord come closer together is the frank hope of most Western diplomats in Asia. "If only," one of these said to me in Tokyo recently, "if only some of India's idealism would rub off on Japan, and some of Japan's hard-headed practicality on India, both countries would find themselves better off." There are faint signs, as Mr. Jawaharlal Nehru prepares to pay a return visit to the Japanese Premier, Mr. Nobusuke Kishi, that this process may be gradually beginning.

Mr. Nehru has won world-wide respect for his refusal to compromise political principles for economic gain, even though some of his theses have been hard for Western Governments to accept. Now India is in serious economic trouble. She has seen, for some time, in pursuing her ambitious second Five Year Plan, that a foreign exchange crisis was coming, but she had underestimated the speed of its advance. Mr. T. Krishnamachari, India's Finance Minister, is now talking in terms of a new American loan of 500 to 600 million dollars. American officials have only one comment upon this: "How on earth do they think we're going to get it through Congress? But they also suggest that possibly Mr. Nehru himself may have foreseen this difficulty."

More Discreet Diplomacy

In recent weeks he has certainly refrained from making the kind of foreign affairs speeches that might offend American susceptibilities. One shrewd American observer put it to me like this: "We don't expect India to change her foreign policy. We might like her to, but we'd be most embarrassed if it could be suggested that the change was due to economic pressure from the States. We do hope that India may see her way to pursuing her international aims with less publicity, more discreet diplomacy."

More discreetly and diplomatically he was echoing one of his Australian colleagues who said: "All that most Australians know about Krishna Menon is that they

Continuing our Correspondent's farewell look at the Asian scene before leaving for another assignment.

don't like him. They don't like him because they've only seen him on their home TV, and the TV doesn't show him unless he's denouncing Australian colonialism in New Guinea. Australians in general don't take much interest in foreign affairs, but they don't see why New Guinea is any of Krishna Menon's business."

Hitting out all over the world against colonialism has indeed cost India friends at times when she needed them.

The Game is Hard to Play

The new India is young and passionate, and that makes the diplomatic game hard to play, even for such an elder statesman as Mr. Nehru. Japan emerged from her feudal chrysalis three-quarters of a century ago and still has not really learned to play it. Early in her career as a great Power she made the decision to expand into South-East Asia by force of arms. She tried, and she failed. Her aim has not altered, but to-day she intends to make her conquests through trade.

Paradoxically, Japan is most admired in Asia for her wartime propaganda slogan "Asia for the Asians" (which to the wartime Japanese leaders, several of whom are in the present Cabinet, meant Asia for the Japanese). She is least trusted where she would most like to succeed, in the field of international trade. Such practices as pricing goods for reparations purposes at a higher rate than the similar article sold in a straight trade deal have made Asian countries take a long, hard look at the Japanese travelling salesman, much as most Asians admire and take pride in the Japanese industrial achievement.

Expansion or Starvation or

Japan, too, is suffering from economic sickness. Hers is a frigid, not the capital starvation that affects India. Japan's giddy export spree, which is still expanding, carried her until the middle of last year a comfortable export surplus. Dazzling profits led industry into a rush of new investment that overstrained communications, productive capacity and the supply of raw materials. Japan found herself early this year in the throes of a thoroughly Western-style crisis of over-investment, with her foreign exchange reserves running away like water.

In every other Asian country the chronic complaint is lack of capital. In the long run Japan's complaint is not serious, and the new financial restrictions of Mr. Kishi's Government are already restoring economic order. But Japan must still continue to expand her exports or starve amid her plentiful production. A few Japanese industrialists exist in a smoky dream of financing China's heavy industry, as once they did before. Mr. Kishi's Government has more sense. "I do not see much prospect of trade with China," Mr. Ichiro Kono, Japan's Economic Development Minister, told me. "South-East Asia holds out much better hopes."

In Tokyo, the noisy demand for trade with China is little more than a political firecracker to scare the Americans. But if the Japanese

really want to do business in South-East Asia they will need to trade with considerably more diplomacy, just as India may have to temper her diplomacy with practical discretion.

It is of some concern to the rest of Asia that India and Japan do not see eye to eye on a policy towards China. It is not easy to do political business with Tokyo, and commercial business with India. Indian policy, since the Communists arrived in Peking in 1949, has been to bring China into the comity of nations, to make her a member of the club. Western policy, followed fitfully by Japan, has been to isolate China.

India made her biggest practical gesture when Mr. Nehru graciously took a back seat at the Afro-Asian conference at Bandung in April, 1955, while Mr. Chou En-lai proceeded to charm all comers. Last winter, when Mr. Chou made a tour of China's neighbours, India was his operational base.

Would-be Friends Snubbed by China

The minor members of the Asian league watch Mr. Nehru's efforts with interest and hope, yet note that India herself does not neglect normal precautions. It is no coincidence that the Indian Ambassador in Katmandu is an experienced administrator whose previous posts have been at political trouble spots within India, or that so much time and care was spent last winter showing the visiting Dalai Lama what India had to offer. "India tells us we may trust China," a worried Laotian politician once said to me. "There are 360 million Indians. There are three million Laotians and we have no Himalayas between us and China, or between us and North Vietnam."

Strangely enough, the Chinese themselves are defacing the best efforts of those Asian leaders who want to meet them and make friends. This is not to underestimate the powerful impression of sincerity and humility, which Mr. Chou En-lai makes wherever he goes. But even Mr. Chou is not China, and often the rosy glow begins to fade soon after his Ilyushin aircraft flies him away.

The best chance China ever had of convincing Asia came in the closing days of last year, when Mr. Chou returned to New Delhi from Moscow. Mr. Chou had known before he left that Mr. Nehru had grave misgivings about Soviet intervention in Hungary. He might, many Asians thought, underline Mr. Nehru's views when he saw Mr. Khrushchev in Moscow. Yet, when he returned he merely recorded the gritty message of Moscow about reactionary elements, aided by imperialist agents, and about Hungary's treaty with Russia.

Not a Scratch on the Surface

Although the Indian Government accepted the Communist need to keep the structure of their world intact, non-Communist Asians generally felt disillusioned. Their views, which they knew they could trust Mr. Nehru to interpret, had not made even a scratch on the surface of Communist policy. Since then, in the little capitals of Asia, in the sweaty, jazy, slightly surprised capitals that are remodeling themselves with cheerful pride in new essays of concrete, many questions have been asked about China. What delays the settlement of the Sino-Burmese border problem? Why did the Communist-backed Pathet-Lao suddenly introduce the issue of Chinese aid to Laos just when negotiations with the Royal Lao Government were on the verge of success? What has happened to the promised Chinese aid to Cambodia? Why are the Communist Parties of Malaya and Burma still in armed revolt against their independent Governments? There is

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Fear, and Longing for Support

Because the little nations of Asia cannot really get to know China they must, *faute de mieux*, accept her word that she wants nothing but peace. But *ex cathedra* statements of good will from Peking are a poor substitute for the solidarity of an alliance, and Sato—because of his colonialist associations—does not fill the bill. The little nations would feel happier if India and Japan took a more realistic interest in their affairs. I have heard it said sadly in Cambodia, and in South Vietnam, that Indian concern for fellow Asian countries ceases when the colonialists leave—which is when the problems really begin.

Japan could be the rich uncle, but she, too, is strangely remote. She is, for instance, at the moment promoting a fund for South-East Asian development after only the most cursory discussions with the South-East Asian countries concerned about their needs and jobs. Few Asian leaders wish to declare themselves against China, for, apart from the folly of taunting someone far stronger than they, there is a very real admiration throughout Asia for what China is believed to have achieved since the departure of Generalissimo Chiang Kai-shek. But the fear of China lingers among the small nations, and with it is a longing for more solid and sympathetic backing from India and Japan.

JAPAN HAS NO CONSCRIPTION PROBLEM

Four times too many volunteers

FROM HESSELL TILTMAN

TOKIO, DECEMBER 15.

The Japanese Army will be increased by 10,000 men to a total of 170,000 during the next fiscal year and to 180,000 by 1960, if the Diet approves.

According to Mr Juichi Tsushima, director-general of the Defence Agency (a euphemism for Minister of Defence), the latter number will be adequate to replace the United States ground "security forces" now being withdrawn from Japan. The Government's decision accords with the recommendations of the National Defence Council that no reappraisal of defence policy is required at the moment. It is strongly opposed by the Socialist party and sections of the press. Thus "Yomiuri Japan News" recently complained that "some of the old politicians in the Liberal-Democratic (ruling) party seem to have been left far behind by the missile age."

The minimum

The Defence Agency displays no doubts or hesitations concerning the future pattern of defence, however. Mr Tsushima told me:

"The National Defence Council decided on increases of 20,000 in the ground force, making 180,000 in all; of our sea forces to 124,000 tons; and of the Air Force to 1,030 planes of various types. The Socialists think that the coming of the inter-continental ballistic missile and space satellites has made the nation's self-defence forces obsolete, but Prime Minister Kishi and I have insisted that the fundamental principle on which present defence plans are based should not be altered, and that the build-up programme represents the minimum requirement for national self-defence.

"I would emphasise that the build-up is solely for the purpose of self-defence, not aggression. And in formulating our plans we always have to bear in mind the economic and financial capacity of the nation. The Socialist Opposition insists that there is no point in increasing the ground forces; however, the Government must take into consideration our national security and ability to defend the homeland.

"We agree that equipment should be improved side by side with the increase in manpower. We are conducting research and studies in the development of modern weapons—for instance, into guided missiles. For this purpose a research institute was created three years ago, and plans are in hand to increase its budget to

enable research and development to be accelerated in the next fiscal year."

Types of new equipment in which the Defence Agency was particularly interested were defensive missiles, communications equipment, and submarines, which are now building in Japan. Japan is making no attempt to keep abreast of developments in connection with nuclear and thermo-nuclear bombs, being interested in nuclear power only as applied to peaceful purposes. Japan had built some of the world's largest warships before the Pacific war, but destroyers and frigates were more useful for defensive purposes than larger vessels.

Commenting on Japanese press statements that difficulties might be encountered in securing the planned increase in manpower by voluntary recruitment (the reintroduction of conscription would require the amendment of the Constitution), Mr Tsushima said that volunteers for the forces in this fiscal year so far had been 4.2 times the number required.

In the case of the Air Force, in spite of a recent disturbing increase in accidents, there were ten applicants for each vacancy. And between 60 and 70 per cent of men serving in the forces signed on for a second term at the end of their first. Laws intended to prevent any re-emergence of a military caste were "working well."

Military secrets

Admitting that there exists a "divergence of opinion" in Japan on the question of rearmament, Mr Tsushima expressed his belief that "most Japanese support the strengthening of the forces," and pointed out that a recent public opinion poll showed that only 8 per cent of those questioned opposed the present system and all but "a very small percentage" supported the necessity of increasing the self defence forces.

On the politically explosive issue of the need for the tightening of the present security law for the protection of military secrets—which is believed to be a major reason why the United States has not yet responded to Japan's request, made last year, for guided missiles for study purposes—Mr Tsushima was non-committal.

Although the authoritative "Japan Times" recently declared that a bill aimed at protecting military secrets was to be presented at the next regular session of the Diet and "it appears that the present law is inadequate and that further legislation is essential," Mr Tsushima told me the Government "has not yet reached a decision regarding a new anti-espionage law."

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RUSSIANS FISH IN TROUBLED WATERS

Japan declines to be bullied

From Hessel Tiltman

TOKIO, FEBRUARY 26.

In seeking to make guarantees of safe fishing in northern waters contingent upon a final peace settlement which would involve the surrender of Japan's territorial claims, Moscow's strong-arm tactics appear likely to boomerang.

The Japanese have previously displayed great restraint and patience under continuing Soviet intransigence in negotiating issues between the two nations—from the Soviet refusal to return the Russian-occupied Southern Kuriles and other islands that form an integral part of the Japanese homeland to Moscow's insistence on a twelve-mile limit to territorial waters.

For the first time the Japanese are displaying signs of overcoming their fears of the Soviet Union, and are viewing its unco-operative attitude objectively.

The "Japan Times," which is widely regarded as reflecting Japanese official opinion, characterised Russia's attitude and actions as "singularly unsympathetic," and accused Moscow of using the fishery issue as an instrument "to try to bludgeon Japan into a peace treaty."

The basic facts concerning the fisheries issue can be simply stated. Japan is dependent upon fish caught in North Pacific waters for a significant proportion of its food supply. By insisting on a twelve-mile limit for Russian territorial waters, and seizing fishing vessels which violate this unilaterally proclaimed restriction, the Soviet Union has placed part of the nation's annual fish catch in jeopardy.

The Russians have also hinted at their intention to ban fishing vessels from the Sea of Okhotsk, north of Japan, on the ground that this step is necessary for the protection of fish resources—this in spite of the fact that Japan has repeatedly urged joint fish surveys to be conducted in the North Pacific, only to be met, states the "Japan Times," with "shifty evasions on the part of the Soviet authorities."

Some Japanese who not long ago were loudly demanding a rapprochement with the Soviets are now voicing equally loud demands that the Kishi Cabinet stand fast and decline to be intimidated. If Moscow does not change its tactics, the repercussions could prove more important than the fate of the disputed islands for the livelihood of a few thousand fishermen.

March 2, 1958

Japan's Embracing a Refrigerator Economy

By Hessel Tiltman
Special to The Washington Post

TOKYO—It has often been said that Japan has a unique capacity for embracing new ideas and techniques without changing in essence. This was true when, at the end of the last century, the nation adopted the forms of a modern industrial state while retaining the thought patterns and traditions of its feudal past.

It was true of prewar Japan, which clung to "Japonism" at home even as the nation was demonstrating its industrial capacity in world markets and emerging as a major power. It explains the persistence of the ancient myths concerning the origins of the country and the divinity of its emperors, and the belief in the invincibility of the Yamato spirit, which resulted in the nation embarking on a war which it patently had not the necessary material resources to win.

It is true no longer. The industrial transformation begun in the Meiji era is being followed by a quickening of social change in the present Showa era, with prospects pointing to important political developments in the course of the next two decades. The evidence of the social changes which are refashioning Japan in the image of the West are written large across the face of the land.

WESTERN WAYS are, to an ever increasing extent, replacing the ancient patterns. The accent is on greater well-being, with the desire to own a house, a car or a TV set as the new gods. Relations between management and workers in factories are still far from being all they should be; but they are more human than in prewar days.

The Self Defense Forces are today a part of the population, not beings separate and apart as in prewar time. High school students are less well-behaved than in the heavily regimented Thirties, but they are more advanced, their interests are wider and they talk freely.

Young couples walk hand in hand

along Tokyo's Ginza and Palace Plaza where before the Pacific war such conduct would have caused them to be hauled before the local police chief for a lecture on "morals." The mental barriers between Japanese and foreigners are breaking down as the Japanese model their lives ever more on the West.

AND, MORE IMPORTANT than social habits, today's mental climate is healthier. The prewar conviction that the Japanese were superior to other peoples has given place to a growing belief that they are as good as anyone else—a claim which no one who knows the industrious, disciplined, friendly people of Japan would deny.

The ambition to dominate Asia has been replaced by an ambition to own a car. The national urge to shut the country off in a sulkily isolation, nourishing illusions about Japan being a "land of the gods," has been replaced by a widespread desire to imitate the easy informality and social freedoms of the Western way of life.

The young explain what is happening by saying that "people are becoming more realistic." Stephen Spender, the British poet and critic, after visiting Tokyo last year, summed up the trend by saying that "postwar Japan is a place of undirected good intentions, idealism, pacifism and a leaderless wish to go in any direction the opposite of that pursued by the military in the 1930s."

ONE REASON why postwar Japan is thus embracing Western ways is the mental claustrophobia among an advanced people cooped up in overcrowded islands from which escape by foreign travel is within the reach of only a small minority. The rest are stuck in Japan and can share in other civilizations only at second-hand. So there exists a widespread urge to bring the West to Japan.

Hence the intense interest in Western importations, from baseball teams and film stars to authors and critics. The latter are often accorded a de-

gree of respect unknown in their own countries.

A second reason for the current popularity of foreign ways is the widespread feeling of insecurity among the young generation, which tends to see no other future than a continuing struggle for a comfortable existence in an overcrowded land. In a recent public opinion poll of high school students, the majority aspired only "to be healthy and live in peace."

IN THUS SEEKING to achieve a degree of economic and social well-being nearer to that of the West, the new generation has set itself a big task. The gap between the two is revealed by a few basic statistics.

A recent government survey found that the average 1956 monthly income of urban workers' households was around \$84 and expenditures were \$76.25, leaving a balance of \$7.75 monthly, highest for any postwar year. Officials estimate that the minimum needed to provide a reasonable standard of living is \$14 monthly per person, or around \$64 for the average family of 4.41 persons.

The household of a typical unskilled worker in a provincial city near Tokyo consists of husband and wife, two children and an aged relative. Their basic income (derived from the husband's employment and parttime work by the wife) is between \$55.50 and \$64 monthly.

THE FAMILY'S circumstances disclosed three major reasons why it is possible to "live Japanese" on such incomes: low rents, cheap food and the absence of "frills," including adequate heat, furniture and other "conveniences" generally regarded as essentials in the West.

The family in question lives in a wood-and-paper shack comprising two rooms and a kitchen. The furniture consists of a low table, some cushions on which to sit on the *tatami*, or straw-matted floors; a single chest, and the *futons*, or padded quilts, which are spread on the floor at night for sleep-

ing. The only plumbing is a cold water tap; the only heating is a *hibachi*, or charcoal brazier.

Like virtually every house in Japan, however humble, it is lighted by electricity at a cost of about \$3 monthly. For this home, little larger or better constructed than an American woodshed, the family pays a rent of \$5.50 monthly.

A twice-weekly visit to the local bathhouse costs \$2.50 monthly for the family. The husband's fares to and from work are, as usual in Japan, paid by his firm, which also provides medical care free for its employees and at cheap rates for dependents.

For clothes, household goods and any "luxuries," the family depends on the bonuses traditionally distributed in June and December by all Japanese enterprises, both government-owned and private; in the case of this family, these totaled \$139 in 1956.

THESE ITEMS, along with 83 cents monthly for a daily newspaper, virtually complete the austerity budgets of Japan's lower-paid workers with the important exception of food. What may be termed the national diet—rice and fish garnished with vegetables, edible seaweed and pickles and seasoned with soy sauce—costs about 55 cents daily per person in these inflationary times.

This diet, it should be emphasized, is not a product of poverty but of tradition; well-to-do Japanese, able to afford a "Western" diet, insist on a native meal at least once every other day.

Higher up the social scale, among "white collar" workers, family incomes are larger but the margin available to satisfy newly discovered needs is usually still small. Yet sales of refrigerators and washing machines are brisk.

If no political or economic setback occurs to reverse the trend, prospects are that the "social revolution by consent" now in progress will, within measurable time, produce a Japan considerably nearer to the nations of the West.

Sunday, March 2, 1958



One of the loudest manifestations of Japan's Western inclinations is the hi-fi craze which has swept the country. Some 200 coffee houses in Tokyo alone have hi-fi juke boxes, of which the above is probably the most elaborate illustration.

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On Soviet-Japanese Relations

Japan and the Soviet Union remained in a technical state of war for years after World War II. It was under the Soviet-Japanese Joint Communiqué of December 12, 1956 that this abnormal situation was terminated and the two countries resumed diplomatic relations. However, owing to disagreement of view regarding a territorial issue a peace treaty is yet to be concluded. As regards the territorial issue, while Japan demands the restitution of the island group of Habomai and Shikotan which constitutes a part of Hokkaido, and of the South Kuriles, including Etorofu and Kunashiri, which have always been Japanese territory. But the Soviet Union continues to occupy these islands, refusing to recognize Japan's just claim. While the Japanese government is prepared to negotiate a peace treaty with the Soviet Government in order to normalize the relations of the two countries, an indication on the part of Moscow of its willingness to accede to Japan's legitimate territorial demand is our prerequisite to such negotiations.

2. The Offshore Fishery Question.

Because the territorial issue regarding the above-mentioned islands remains unsettled, and because the Soviet Union sets the limit of its territorial waters at 12 miles, Japan's fishing areas north of Hokkaido are drastically narrowed, subjecting the fishery operations therein to severe restrictions. To the Japanese engaged in these waters, who are petty fishermen of Hokkaido, such limitations of fishing grounds pose a question of life and death.

Now the fishery resources in the areas such as shellfish and seaweeds are the more abundant the closer to the land. Accordingly, our fishermen tend to operate on the high sea within 3 to 12 miles from the coast. But, if they are spotted by Soviet patrol, both men and boats are seized on the charge of trespassing on Soviet territorial waters. To date 661 fishing boats have been so seized, of which 115 are still detained. The result is dire distress to the poor fishermen's families, who are deprived of their precious boats as well their bread winners.

In June last year, the Japanese government, with a view to preventing such incidents and ensuring the safety of fishing operation, proposed to the Soviet government to open negotiation on this matter. Japan took the position that under the existing circumstances where the dispute over the Habomai-Shikotan and Kunashiri-Etorofu island groups remained unsettled, this question of safe fishing be set apart from the territorial issue, and an agreement be reached as a modus vivendi pending the conclusion of a peace treaty. To our repeated urgings the Soviet government finally replied on August 16 that, "With due consideration of the request of the Japanese government and in view of the benefit of developing the Soviet-Japanese relationship of neighborly amity," it was prepared to enter into negotiation. Thereupon, the Japanese government submitted to the Soviet government a draft agreement under the date of August 29. More than a dozen times thereafter in Moscow and in Tokyo we pressed for an answer and the opening of negotiation. But the Soviet government pursued dilatory tactics under one pretext or another. In February this year at long last the Soviet government replied: "Though much time has

elapsed since the Soviet-Japanese Joint Declaration, the Japanese government has failed to show its readiness to conclude a peace treaty. In view of this fact, the Soviet government considers that the conditions are not yet ripe for the deliberation of this fishery question."

It is to be regretted that the Soviet Union after once agreeing to negotiation, has reversed its stand by entangling this fishery question with the peace treaty question. Our position is, as stated above, that Japan is prepared to conclude a peace treaty at any time if the Soviet Union indicates its willingness to recognize our legitimate claim regarding the territorial issue; that under the existing circumstance where an agreement on the territorial issue is impossible, we propose to negotiate on the offshore fishery question apart from the peace treaty question and to establish a modus vivendi for preventing the recurrence of such untoward incidents as the Soviet seizure of Japanese fishing boats and detention of Japanese fishermen, which are detrimental to the friendly relations between Japan and the Soviet Union. In this position of ours there can be no change.

3. The Question of High Sea Fishery in the Northwest Pacific.

The Treaty between Japan and the Union of Soviet Socialist Republic relating to Fishery on High Sea in the Northwest Pacific Ocean provides for an annual meeting of the Soviet-Japanese Northwest Pacific Fishery Commission to deliberate on the joint measures to be taken for the conservation and development of fishery resources in the treaty areas on high sea of the Northwest Pacific. The second meeting of this Commission has been in session at Moscow since January 13 this year. The task of

the Commission involves many problems, of which the most important item is the fixing of the total annual volume of salmon and trout catches. Whereas the Japanese side from the start proposed 145,000 tons, the Soviet Union after long withholding its figure plan, has only recently made a counter-proposal of 80,000 tons. We can not agree with the Soviet view that the fishery resources are being exhausted. Nor do we consider the Soviet proposal scientifically warranted. With respect to the restrictions on crab and herring fisheries, too, the two sides are sharply divided on account of Moscow's severe propositions. Moreover, the Soviet Union is proposing to ban all fishing in vast areas including the entire Okhotsk Sea, the east side area of Kamchatka Peninsula, and the areas all around the Kuriles and along the west coast of Sakhalien. Japan, while maintaining that high sea fishing should not be prohibited without scientific data and researches, is ready to consider the setting up of no-fishing areas on a scientific basis in certain specific rivers and their estuaries.

The fishery resources of the Northwest Pacific Ocean are, of course, vitally important to Japanese industries, in fact to the very subsistence of our nation. We are fully aware of the need of rational and effective regulations for the conservation and development of fishery resources in these waters. On the other hand, we maintain that any such measures should be equitable as well as scientifically sound; that they should never be unilaterally or arbitrarily instituted.

For WASHINGTON POST
from Hessel Tiltman, Tokyo.

by Hessel Tiltman. Tokyo dateline.

Russia's action in demanding conclusion of a peace treaty - involving territorial concessions - from Japan as the price of a fisheries agreement which would halt the seizure by the Soviet authorities of Japanese boats and crews operating in waters adjacent to Russian-held islands off the coast of Hokkaido appears calculated to have important repercussions on Japanese public opinion.

Prior to this "bombshell" development, the Japanese, while feeling free to criticize any aspect of U.S. policy towards that country - experience indicating that ruffling the feathers of the godd-natured American eagle is a safe pastime - had displayed extreme ~~restraint~~ ^{restraint} and patience under continuing Soviet intransigence in negotiations concerning outstanding issues between the two nations - from the Soviet refusal even to discuss the return of the Russian-occupied Southern Kuriles to Moscow's insistence on a 12-mile limit to territorial ~~waters~~ waters which, with Japan and Russian-held territories in some cases so close together, faced Japanese fishermen with the alternative of risking Russian capture and jail sentences or violating "Russian waters" - or fishing on their own dry land.

In seeking to make guarantees of safe fishing in northern waters contingent upon a final peace settlement on Russia's own terms, Moscow's strong-arm tactics appear likely to boomerang. For the first time the Japanese are displaying signs of overcoming their fear of the Soviet Union and viewing that nation's un-cooperative attitude objectively.

Japan's relations with the Soviet Union have undergone three distinct phases in the past twenty years. During the first phase, in the late Thirties, Russia was "the inevitable enemy"; unending friction erupted along the Manchukuo-Siberian border;

Tiltman - second sheet

Japanese army men in Manchuria were abjured to "sleep with guns by your ~~side~~ side as you know not the day nor hour when the Russian bear will strike"; and General Kenkichi Uyeda, Commander-in-Chief of the Kwantung Army and Japanese Ambassador to Manchusku, told me "at any moment the Soviet army may assume an aggressive attitude towards the Manchukuoan Empire, which the Japanese Army is pledged to defend".

The second phase began with the entry of the Soviet Union into the Pacific war against a tottering Japan; the disappearance of large numbers of Japanese surrendered personnel into the silence of Siberia; the Russian annexation of Saghalien and the Kuriles; the occupation (at a time when the Allies were too busy to notice) of the Habomais and Shikotan, small islands close to Hokkaido which had always formed an integral part of that ^{Japanese} province; ~~and~~ the Soviet offer to occupy Hokkaido - a step which, had the offer not been politely declined by General Macarthur, would have resulted in the same division and crippling of Japan as occurred in the case of Germany and Korea and the Soviet Union's refusal to sign the San Francisco peace treaty.

The third phase opened with the regaining of the national independence. Faced with continuing Soviet "unfriendliness" - evidenced by the seizure of Japanese fishing vessels and crews in waters adjacent to Hokkaido; delays in repatriating (or even accounting for) Japanese held in Russian prison camps; and the Soviet refusal to discuss Japan's territorial claims during the long-drawn out negotiations aimed at ending the nominal state of war between the two countries - the Japanese ~~displayed notable restraint,~~ carefully ^{refrained} ~~refraining~~ from any rude comments regarding the tough attitude adopted by Moscow. Instead, Prime Minister Ichiro Hatoyama, in line with an election pledge to make peace with the Soviet Union, opened negotiations in which the Russians yielded nothing except an agreement to resume diplomatic relations in advance of a peace

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Tiltman - third sheet.

treaty, thus legalizing the presence of the previously-illegal Soviet Embassy in Tokyo and providing themselves with a listening-post in Japan.

With the recent Soviet demand for the conclusion of a peace treaty, involving territorial concessions by Japan which that country is not prepared to make, as the ^{pre-requisite} ~~price~~ of a fisheries agreement, and further Russian demands for a reduction in the size of Japan's salmon catch in northern waters and the closing of additional stretches of the high seas to Japanese fishing fleets, a new phase has opened.

For the first time since the Russian "squeeze play" began, there has been an outburst of indignation in the Japanese press, which has characterised Russia's demands as "high-handed" and "mean", and involving - in the words of YOMIURI JAPAN NEWS - "devious trickery" which is "unacceptable to Japan".

Commenting that Soviet pressure for a peace treaty "is obviously based on the theory of bullying the weaker party", the YOMIURI JAPAN NEWS declared "Japanese national pride will hardly allow the nation to submit to such treatment".

The JAPAN TIMES, which is widely regarded as reflecting official opinion, characterised Russia's attitude and actions as "singularly unsympathetic" and accused Moscow of using the fishery issue as an instrument "to try to bludgeon Japan into a peace treaty, and a peace treaty which would make every concession to Russian ideas for future Japan-Soviet relations".

"Soviet Russian intransigence over fishing issues in the North Pacific is like a many-headed hydra" declared the newspaper. "Japan may feel momentarily from time to time that she is in line to attain agreement on at least one point, but it is only to find the Russians raising further issues to prevent a settlement".

Tiltman - fourth sheet.

Faced with a Soviet stand which the JAPAN TIMES declared "may be summed up in a single word: unreasonable", the Japanese attitude on the all-important territorial issue which is blocking the conclusion of a peace treaty between the two countries, was outlined to me by Foreign Minister Aichiro Fujiyama as follows: "While Japan demands the restitution of the Habomai group of islands and Shikotan which constitute a part of Hokkaido, and of the South Kuriles, including Etorofu and Kunashiro, which have always been Japanese territory, the Soviet Union continues to occupy these islands, refusing to recognise Japan's just claim. While the Japanese Government is prepared to negotiate a peace treaty with the Soviet Government in order to ^{normalize} ~~normalize~~ relations between the two countries, an indication on the part of Moscow of its willingness to accede to Japan's legitimate territorial demand is our pre-requisite to such negotiations".

Due to this unsolved ~~territorial~~ territorial issue, and because the Soviet Union sets the limit of its territorial waters at twelve miles, Japan's fishing areas north of Hokkaido have been drastically narrowed, subjecting fishery operations therein to crippling restrictions. To Japanese engaged in fishing in these waters, such limitations pose a question of economic life and death. The marine resources of that area being more abundant close to land, the Japanese fishing boats tend to operate in waters between three to twelve miles of the coasts; if spotted by Soviet patrol vessels, both boats and crews are seized on the charge of trespassing in Soviet territorial waters. To date, 661 fishing boats have been so seized, of which 115 are still detained by the Russian authorities.

Last June, the Japanese Government, with a view to preventing such incidents and ensuring the safety of fishing operations in waters adjacent to Hokkaido, proposed to the Soviet Government that

Tiltman - fifth sheet

negotiations be opened on the matter, and an agreement reached on the question of safe fishing pending the conclusion of a peace treaty. To this proposal the Soviet government, following two months silence, replied in August that "with due consideration of the request of the Japanese government and in view of the benefit of developing the Soviet-Japanese relationship of neighborly amity", it was prepared to negotiate. Thereupon, the Japanese submitted a draft agreement. More than a dozen times during the ensuing six months the Japanese Government pressed the Soviet Union for an answer and the opening of negotiations. Without result. It was not until last February that, at long last, the Soviet authorities replied with their "bombshell" announcement that "Though much time has elapsed since the Soviet-Japanese Joint Declaration, the Japanese Government has failed to show its readiness to conclude a peace treaty. In view of this fact, the Soviet government considers that the conditions are not yet ripe for the deliberation of this fishery question".

"It is to be regretted" Foreign Minister Fujiyama told me, "that the Soviet Union after once agreeing to negotiation, has reversed its stand by entangling this fishery question with the peace treaty question. Japan's position is that we are prepared to conclude a peace treaty at any time if the Soviet Union indicates its willingness to recognize our legitimate claim regarding the territorial issue; that under the existing circumstance where an agreement on the territorial issue is impossible, we propose to negotiate on the off-shore fishery question apart from the peace treaty issue and to establish a modus vivendi for preventing the recurrence of such untoward incidents as the Soviet seizure of Japanese fishing boats and detention of Japanese fishermen, which are detrimental to the friendly relations between Japan and the Soviet Union. In this position of ours, there can be no change".

Tiltman - sixth sheet

In regard to the third issue involved - the question of the Japanese fishing catch in the northwest Pacific - a treaty between the two nations provides ^{for} an annual meeting of the Soviet-Japanese Northwest Pacific Fishery Commission to deliberate on the joint measures to be taken for the conservation and development of fishery resources in the treaty areas of the high seas in the northern Pacific. The task of the commission, which has been in session in Moscow since January 13 last, involves many problems, of which the most important is the fixing of the total annual volume of the Salmon and salmon trout catches. ~~At~~ At the current meeting, the Japanese side from the start proposed that the figure be agreed at 145,000 tons. The Soviet Union, after long delay, recently came out with a counter-proposal of 80,000 tons. Japan finds itself unable to agree with the Soviet contention that the fishery resources are being exhausted, nor does Tokyo consider the Soviet proposal in accordance with ~~some~~ scientific facts. With respect to crab and herring fishing, also, the two sides are sharply divided. Recently, the Soviet Union has further proposed the banning of all fishing in large sea areas including the Okhotsk Sea, the east side of Kamchatka peninsula, and waters around the Kuriles chain and along the ~~west~~ west coast of Saghalien. Japan, while maintaining that fishing on the high seas should not be prohibited without prior scientific research and data, has expressed its willingness to consider the setting up of no-fishing areas on a scientific basis in certain specific rivers and their estuaries.

On this point, Foreign Minister Fujiyama pointed out that the fishery resources of the northwest Pacific are vitally important to Japan's economy, and in fact to the dietary needs of the nation.

"We are fully aware of the need of rational and effective regulations for the conservation and development of fishery resources in these waters" Mr. Fujiyama told me. "On the other hand, we

Tiltman - seventh sheet

maintain that any such measures should be equitable as well as scientifically sound; that they should never be unilaterally or arbitrarily instituted".

Such is the Japanese stand on the three major issues currently in dispute. That stand adds up to the fact that while Tokyo would welcome a settlement of these issues on terms which take into due account Japan's just claims and rights - and has sent Minister of Agriculture and Forestry Menunori Akagi to Moscow to head the Japanese delegation at the resumed fishery negotiations - the present attitude of the Soviet Union is arbitrary and unreasonable. And the Japanese Government, reflecting public sentiment in that country, has no intention of swapping the conclusion of a peace treaty on the Kremlin's terms in return for the right to fish without fear on the high seas.

If Moscow does not change its tactics - of which there is at present no sign - the repercussions of that fact could prove far more significant, in the scales of history, than the fate of the disputed islands, or the livelihood of the Japanese fishermen concerned.

Japan Feels Twinges of Our Slump

By Hessel Tiltman

Special to The Washington Post

TOKYO—After three good years which saw the nation's exports double in volume, the repercussions of the United States business slowdown are beginning to be felt in Japan. And government economists are wondering just how far the "economic adjustment" will go before an upturn heralds the passing of the threat of worse things to come for overcrowded, underprivileged Nippon.

To date, the time-lag between economic and employment conditions in Japan and external influences has served to minimize the impact of the American slowdown. But the danger signals are there, including production lags in some sectors of the economy, and the fact that since large-scale industry is now taking on no new workers, the general employment situation is deteriorating.

Government statistics indicate that the number of those registered as totally unemployed increased by some 30 per cent—to 570,000—between December and February. But such statistics are likely to conceal more than they reveal in Japan, a country in which a worker employed for only one hour daily is not considered to be unemployed.

MORE SIGNIFICANT is a recent report to the Cabinet by the Population Problem Council—the result of two years' study—which estimated that even before the full effects of tight money policies in Japan and the American trade recession had become felt, 4.3 million persons had no formal labor contracts, were employed by the hour or day, or earned less than the minimum needed to live. Add to this the teen-agers who entered the labor market upon completing their schooling in recent weeks, and the problem is worsened. According to the Mainichi Shimbun, only about half of all those graduating from junior and senior high schools last March found work.

The direct repercussions of the United States trade recession on Japan's economy were summed up by Saburo Okita, director of the planning bureau of the Economic Planning Board and the official who supplies

economic forecasts to the Japanese cabinet.

"So far," he said, "they are not very apparent or serious, but they may become more so in coming months if the economic situation in the United States does not show improvement. There has, of course, been some impact on certain sectors of the economy: new orders for machinery and ships for export have declined sharply and the general economic condition is sluggish. But overall export figures are maintaining an upward trend, although at a slower rate than formerly. If the present deflationary tendency in the world economy continues, we expect that exports will gradually level off."

The Japanese press takes a more somber view of economic prospects. The influential Japan Times says, "No further increase in the nation's exports can be hoped for unless the trade of the entire world continues to go up. As things stand, however, the world economy is still following a downward curve . . . the slipping economy in the United States has dealt a telling blow to Japanese exports such as textile goods, tableware, canned provisions, ceramic ware, toys and plywood. There is only a remote chance that American import curbs will be relaxed appreciably."

And the Asahi Evening News reported that Japanese business circles "do not expect times to get better suddenly. They feel the current situation will continue at least until the end of the year."

PLANNING BUREAU DIRECTOR OKITA said that Japan has a "bicycle economy." If it is running smoothly, he said, it is stable. But if it stops, factors making for instability appear. He added:

"Japan's work force is currently expanding at the rate of 2 per cent annually. To take care of the increase, the country will be faced with a worsening labor problem."

"Employment figures to date," he observed, "disclose nothing more than a leveling-off tendency. But if present recessionary tendencies should continue over a long period, the effects upon the country's economy could be disastrous. Similar conditions appeared in 1954, when industrial production leveled off. But on that occasion, an upturn took

place due to world market conditions."

In one respect, the nation's economy has taken a healthier turn in recent months: because of a sharp decline in imports, the balance of payments has improved. One reason for this has been a decline in import prices and shipping freights, which has contributed to reducing Japan's external payments.

"On the other hand," Okita pointed out, "because of a previous rapid increase in imports, Japan had to adopt stringent corrective measures a year ago which still remain in force. And although these have produced a substantial improvement in the balance of payments, industrial activity has shown a tendency to level-off or slightly decline."

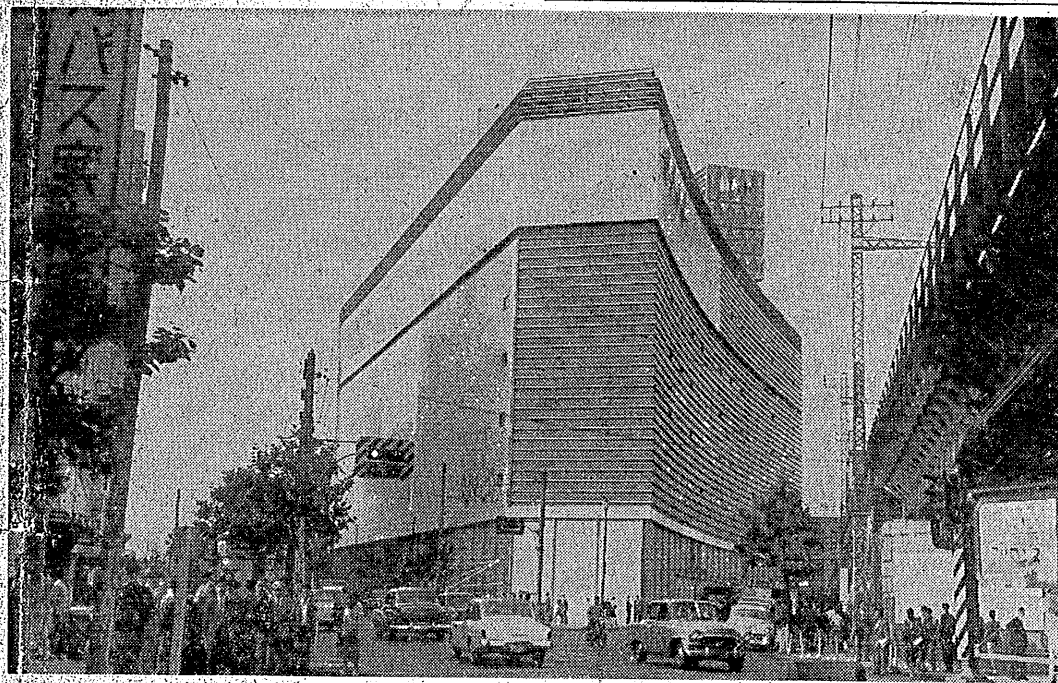
THE MINIMUM economic targets which the country must reach to absorb an expanding labor force and secure a gradual improvement in economic conditions were set forth in a long-range economic plan last December.

This plan (described by Okita as "more or less of a forecast intended to provide background information for making current decisions") set the nation's economic goals for the five-year period to the end of the 1962 fiscal year as follows:

To realize and maintain a 6.5 per cent annual rate of economic growth; to provide jobs for a total of 4,980,000 additional workers, and to bring about a 38 per cent increase in per capita consumption levels. The scale of exports in fiscal year 1962 necessary to attain these targets is estimated in the plan to be 82 per cent larger than the 1956 level.

The biggest question mark posed by this plan is what its authors term the "considerably high" increase in exports over the next five years in the face of enforced voluntary sales quotas in some fields and the recent slowdown in the expansion rate—which rose by 14 per cent last year compared with increases of more than 20 per cent in each of the three previous years.

"As Japan's economy expands, imports have a tendency to increase," says the official outline of the plan. "To balance this tendency, exports must also increase. Since Special United States Procurement is expected to decrease



This modernistic structure, a 9-story auditorium in the heart of Tokyo, is representative of a growing, changing Japan. But the United States recession,

writes Hessel Tiltman, is being felt there now and some fear that the business slowdown may seriously affect Japan's five-year growth plan.

further during the period covered by the plan, the deficit must be filled by increased exports . . . Thus, if the Japanese economy is to achieve a balanced expansion, exports must increase at a rate higher than the increase in imports. It is admittedly a difficult task to realize a large-scale export expansion continually but the solution of the unemployment problem makes it mandatory to set the export target high.

The volume of exports in fiscal 1962 must be increased by \$1927 million as compared with the fiscal 1956 figure in order to meet the increased imports, reduced special procurements and increased deficit in the invisible trade accounts and also to realize a \$150 million surplus in overall international ac-

counts. If deferred payments for export and other accounts are included, exports . . . must total \$4730 million or an 82 per cent increase over the 1956 figure, which means a 10.5 per cent annual increase. This rate of increase is more than twice as high as the anticipated growth of world trade—4.5 per cent."

Those who best know Japan and the nation's capacity to measure up to an economic challenge will not dismiss the plan's export target as impracticable. Twice before in recent history—when the international silk market collapsed during the world depression in the Thirties, and again in 1954-57—Japan doubled its volume of exports in a space of three years.

But the apprehension aroused in

Tokyo and Osaka by the current United States recession underlines the extent of Japan's dependence on a continuing high volume of international trade for its well-being. Japan has scant reserves of economic "fat" on which to live through lean times and even a relatively minor—to date—slowdown in business activity is a matter of deep concern.

The Japanese government is counting on an upturn of industrial activity in the United States, with the consequent beneficial effects spreading to other nations, before the targets set in the five-year plan are seriously endangered.

The next three months should show whether such hopes are justified.

Troubled waters

There is not much room for live stock in the mountainous islands of Japan, but there are 90,000,000 people who need protein in their diet. Such animal protein as they get comes mainly from the sea: more than one in six of all the fish landed in the world are caught by Japanese fishermen. The population of Japan is increasing, but their fishing grounds, since the war, have been shrinking. This is so serious for their economy that they are vulnerable to any threat to restrict their fishing grounds still further, and this the Soviet Government knows. Some seventy thousand fishermen on the northern island of Hokkaido depend for their living on what they can catch off their own coasts and those of South Sakhalin and the Southern Kuriles. These islands, ruled before the war by Japan, are now in Soviet hands, and because the U.S.S.R. claims twelve miles of territorial waters around its shores many small fishermen can earn a living only by what the Russians take to be poaching. This leads constantly to incidents: over six hundred fishing boats have been seized by Soviet patrols and over a hundred of them are still detained. Last summer the Japanese Government asked Moscow to recognise the right of Hokkaido fishermen to fish on a small scale within twelve miles of the coasts of the Southern Kuriles and the Soviet Government agreed to enter into negotiations. But in February it announced that as the Japanese Government had "not yet expressed any readiness" to discuss a peace treaty (to end the war declared in 1945), "the Soviet Government considers that conditions are not yet ripe for opening talks on the fisheries question." Japan says that the two matters are not related. She will not open negotiations for a peace treaty until the Soviet Government agrees to return the South Kuriles (and other islands that once formed part of Hokkaido); the Russians show no inclination to do so. So there is deadlock at the expense of the Hokkaido fishermen.

A quite distinct argument on fishing between Japan and the Soviet Union has two things in common with the first: negotiations have reached deadlock and Russia, not Japan, is negotiating from strength. In both disputes the Soviet Government controls what Japan wants and Japan has little with which to bargain or to coerce. The second dispute concerns the more distant fishing grounds in the North-western Pacific. Negotiations have been dragging on in Moscow since January on what shall be the maximum total catch of salmon and salmon trout this year. (There are other points at issue to complicate the controversy.) The Russians claim that an agreement concluded in May, 1956, provided that in order to conserve stocks hauls should be restricted to 80,000 tons in a bad year and 100,000 tons in a good year. This is a bad year. The Japanese deny the agreement, and are sticking out for 145,000 tons or at least 125,000 tons this year. The Russians also want to forbid all fishing in the Sea of Okhotsk (the waters bounded by the coast of Siberia, Kamchatka, and the Kuriles). It is not clear how they can justify unilateral action here under international law: the Sea of Okhotsk can hardly be called an "historic bay" as the Russians claimed. Peter the Great Bay to be when they closed it to fishing last year to the fury of the Japanese. But again the Russians say that a Japanese negotiator has already agreed to it, and again the Japanese deny it. The fishing season starts early this month, and so a settlement must be reached soon. But there seems little to force the Russians to give in except magnanimity or the desire for a good name. Lest the non-Communist Powers should feel smug, however, they should remember that the Rhee line was set to exclude Japanese from rich grounds round Korea, and that Britain and America have closed wide areas of the Pacific for the testing of bombs, with even less justification in international law than the Russians can claim in the Sea of Okhotsk.

WILD WORDS FROM PEKING BEFORE JAPAN'S ELECTION

Chinese "offensive" may boomerang

From Hessel Tiltman

TOKIO, MAY 16. China's recent "offensive" against the Japanese Government—which culminated in the seizure by the Chinese navy of fourteen Japanese fishing vessels, the cutting of all trade ties with Japan, and a statement by the Chinese Foreign Minister that if Mr. Kishi, the Japanese Premier, thinks China has to trade with Japan he is an "idiot"—has injected a new and potentially explosive issue into an otherwise dull election campaign.

Peking's suspiciously timed upsurge of stern words and sterner actions against the Kishi administration was ostensibly touched off by an incident at a Nagasaki department store when a Japanese hauled down a Communist Chinese flag, but most Japanese view China's blaspas as designed to assist the Japan Socialist party (which favours recognition of Communist China) on polling day. A Japanese Foreign Office statement bluntly characterised the new series of pin-pricks as "amounting to interfering in Japan's internal affairs."

While holding firmly to its basic policy of not recognising the Chinese government at this time, the Japanese Government has reaffirmed its readiness to continue to cultivate trade and cultural exchanges with China.

"Telegram of apologies"

The Kishi cabinet's position has not been helped, however, by the reactions of the non-Governmental organisations which—in the absence of formal diplomatic relations between the two countries—conduct unofficial and private contacts with the Peking regime.

After the seizure of the fishing boats the Sino-Japanese Fisheries Council, which is responsible for the operating of the Sino-Japanese fishing agreement, not only failed to protest, but—in the words of "Asahi Shimbun"—of its own accord sent a telegram of apologies amounting virtually to a national humiliation for Japan, and has further

asked that a special mission be sent to convey Japan's apologies. The Japan International Trade Promotion Association has called upon the Kishi administration for an "immediate" change in the Government's attitude towards China so that friendly relations can be restored.

Expressing similar alarm, the Japan-China Export-Import Association announced it would abandon its former stand of non-interference in political matters and urge the Government to carry out the recently concluded—and now stalemated—fourth private trade agreement between the two countries.

Strong-arm tactics

The Japanese press, on the other hand, is becoming increasingly critical of Peking's strong-arm tactics. Thus the "Mainichi Shimbun" commented that "trade is certainly a life-and-death matter for those engaged in it, nevertheless, it does not supersede the national interests as a whole."

The editor of the influential "Japan Times" wrote: "The question is what effects the Communist Chinese criticism of Kishi will have on the voting public. It may turn out that the Liberal-Democratic party will profit from the Red Chinese problem if the Socialists go too far in utilising the issue, or if Peking resorts to words and actions which may hurt the pride of Japan."

The average Japanese voter is too confused by the babble of conflicting voices to react sharply to "interference" from China. And the one hundred Japanese trading firms that sent representatives to the meeting of the Japan International Trade Promotion Association are highly unlikely to cast their votes for Socialist candidates in protest against Mr. Kishi's policy of sitting tight in the face of Chinese bullying.

It is likely that the flag incident and other matters in dispute will be taken up in a calmer atmosphere once the election campaign is over. Further wild words and actions on the part of Peking before the polls open, calculated to "hurt the pride of Japan," may well boomerang and serve to improve the electoral prospects of Mr. Kishi and his followers.

ONE VOICE—TWO POLICIES Reducing Japanese Babel

From Hessel Tiltman

TOKIO, JUNE 29. The Japanese Government has reaffirmed that the Foreign Minister, Mr. Aichiro Fujiyama, is the only responsible spokesman for the Cabinet on foreign policy—and that no change is contemplated in Japan's "wait-and-see" approach to Communist China for the time being.

The announcement followed wide publicity given to a statement, made "in a personal capacity," by the Chief Cabinet Secretary, Mr. Munenori Akagi, that Communist China and Nationalist China were separate independent countries, and advocating the gradual normalisation of diplomatic ties with the Communists. Mr. Akagi's statement was promptly labelled "unofficial" and he was warned, it was reported, "not to talk too much." Adding to the confusion, Mr. Tatsunosuke Takasaki, Minister for International Trade, was reported to have told a press conference that the situation had reached such an alarming stage that the Government could no longer take a wait-and-see attitude and he hoped to reopen trade relations between the two nations "as soon as possible."

The conflict of opinion thus disclosed was no novelty in Japan; on several occasions in recent years members of the Cabinet have voiced views on foreign affairs contradictory to those of the responsible Minister. In this respect, matters were ordered better in pre-war Japan. Then Government statements on policy were channelled through a single official—the Official Spokesman of the Foreign Office—who never contradicted himself.

There is still a spokesman in the Foreign Office who meets frequently

both the Japanese and foreign press; but his voice is apt to be drowned by statements made by Ministers and officials—often on matters far removed from the jurisdiction of their own departments.

Mr. Fujiyama was handpicked by the Prime Minister, Mr. Kishi, a close friend, to head the Foreign Ministry, and he is the only Minister in the first Kishi Cabinet to be reappointed to the new Administration. Thus, on this occasion Mr. Kishi moved swiftly to reassert the Minister's authority as the only interpreter of Cabinet policies regarding Communist China and other international questions.

Nevertheless Japan's precise policy towards Peking continues to be hazy—with Mr. Fujiyama stating, on the one hand, that Japan should strive to establish "good" neighbourly relations with Communist China through the resumption of trade and cultural relations, and on the other informing a parliamentary questioner at the same time that "for the time being" Japan's best policy was to continue its present wait-and-see attitude. This caused the "Japan Times" to remark: "He appeared to contradict himself: first a we'll-do-something statement followed by a we'll-do-nothing proclamation."

Informed sources here interpreted these apparently contradictory remarks as indicating that while the ruling party leaders discounted any major switch in policy, they were anxious to effect a reconciliation with Peking and secure the resumption of trade and cultural relations.

There is still no sign that Communist China is willing. The latest blast from that direction—a statement published in the Communist newspaper "Ta Kung Pao" and broadcast by Peking Radio—branded Mr. Kishi as an "enemy of the Asian people who was openly trying to revive Japanese militarism through the enforcement of a dictatorship."