

琉球大学学術リポジトリ

米国管理下の南西諸島状況雑件 啓発・広報(Ⅱ) (愛知大臣のフォーリン・アフェアーズ詩論文(2))

メタデータ	言語: 出版者: 公開日: 2019-02-01 キーワード (Ja): 愛知外務大臣, 論文 Japan's Legacy and Destiny of Change キーワード (En): Foreign Affairs 作成者: - メールアドレス: 所属:
URL	http://hdl.handle.net/20.500.12000/43481

F
I
N
A
L

T
E
X
T

Reprinted by permission from the October 1969 issue of Foreign Affairs.

Copy-Right 1969, Council on Foreign Relations N.Y.

JAPAN'S LEGACY AND DESTINY OF CHANGE

By Kiichi Aichi

FOR a nation whose founding is lost in the mists of antiquity, Japan is in many respects a very new country. Last year we celebrated the hundredth anniversary of the Meiji Restoration, which marked our entry into the modern world. This year the Ministry of Foreign Affairs, which I am honored to head, observed its centennial. By contrast, the United States, which is in every respect a young nation, possesses a number of institutions that are far older than many of Japan's. The Department of State, for example, is only a dozen years short of its bicentennial, and Harvard University, with its 333-year old history, is more than three times the age of my own alma mater, Tokyo University, now in its ninety-second year.

This newness of modern Japan, which makes it unique among the "advanced" nations, is also an essential key to our view of the world. To understand Japan's outlook and its vision of the future, it is necessary first to comprehend our country's brief and turbulent history as a modern state, and the effects these compressed events have had on the Japanese mind.

Two sets of events in particular have been decisive in their impact: the developments leading to the Meiji Restoration, which forcibly integrated Japan into the nineteenth-century jungle of world diplomacy, and total defeat in the Second World War, which profoundly changed Japan's direction as a modern nation-state.

The first of these traumatic national experiences is so recent that, until a decade or so ago, there were people still living with personal memories of the feudal Tokugawa era. Indeed, Japan's "age of discontinuity," to borrow Professor Peter Drucker's apt phrase, began not with the contemporary technological explosion, but with the arrival in 1853 of America's "black ships," which came to open up Japan, and were met on the beach at Kurihama by the feudal levy armed with matchlocks and pikes, "as on Bosworth field."

From that moment to the present, the lot of our people has been forced change—rapid, relentless and often violent—and painful adaptation to change.

At the moment of Japan's forced emergence from 250 years of peaceful seclusion, the world was indeed a jungle. Powerful, well-organized and ruthless Western states, armed with tools and weapons forged in the Industrial Revolution, were engaged either in imposing their will on the weaker lands of Asia and Africa or in reducing them outright to colonies and dependencies. Ailing China, long the cultural and political leader of Eastern Asia, was slowly being nibbled away by the Western powers. Korea, like Japan, lay dormant in seclusion, but vast areas of Southeast Asia were already under Western domination. Aggressive Tzarist Russia cast a long shadow over the Siberian wastes, touching the northern approaches of the Japanese islands. All-powerful Britain had recently thrashed the Chinese Empire in the Opium War (an event which deeply impressed our forefathers), and its fleets dominated the seas of Pacific Asia.

Japan itself had felt the bite of Western arms when warships from the West, in punitive action, reduced to ashes the ports of the recalcitrant Lords of Choshu and Satsuma, then the most powerful men in feudal Japan. Moreover, the civil war which preceded the restoration was marked by British and French intrigues. No wonder the Japanese people, sensing a threat to their very existence, began their long quest for military and diplomatic security.

The pattern this quest took, over the next 75 years, was largely determined by Japan's view of the world environment in which our country found itself. Clearly, isolation was no longer a realistic alternative; some form of participation in the outside world was required. In the eyes of the Japanese people this participation could be neither passive nor confined to a regional scale, in the shelter of some stable East Asian community of nations, capable together of keeping a regional balance of power while fending off alien intruders. No such community or capability existed. Finally, Japan's almost total lack of natural resources required for the building of a modern economy dictated active participation in world trade.

Thus our country felt it had no choice but to adapt aggressively to changed circumstances and, as a matter of survival, to embark on a perilous competition with the West in pursuit of ever-receding security frontiers.

During the first quarter-century of its modern history, Japan laid the foundations for future growth and security by selectively

GALLEY RACK-DD-97

2—Foreign Affairs (1510-590) 12-13x28 Caslon—Lino. No. 4
—neff—8-13-69

Westernizing the basic social, economic and political institutions, and by launching its own delayed industrial revolution. With the beginning of its second quarter-century, in the 1890s, those preparations bore fruit. In the environment of accelerated Western imperialism, our country developed into a strong military power, capable of defeating first the Chinese and then the Russians. Within 50 years of Commodore Perry's visit, Japan had attained membership in the world's Big Five. With these credentials, which involved transforming itself into the conquering image of the alien powers it once had feared, Japan plunged into its third quarter-century, which culminated in the holocaust of 1945.

The events of those first 75 years, which in retrospect unfolded with the inexorability of a Greek tragedy, exacted a great price in our nation's public spirit and personal sacrifice. For three-quarters of a century the state made enormous demands on the people, at the expense of social and political development, and the people responded faithfully. The slogan of the times, "Rich Country for Strong Arms," expressed the intensity of Japan's initial fear of the West, and symbolized the popular determination to overtake and surpass the West. Yet this single-minded course, whose supreme and final effort was the war in which Japanese arms were carried to far-flung reaches of Asia and the Pacific, ended in utter ruin in the ashes of Hiroshima and Nagasaki.

It is my belief that the trauma of utter defeat in 1945, and the restructuring of the international environment which followed, produced changes in my country as momentous as those initiated by the coming of the black ships in 1853. For the second time the Japanese state, society and world view were fundamentally transformed. No doubt the reforms introduced by the seven-year-long American Occupation gave great impetus to these changes, but in my view it was our people, painfully adapting once more to drastically altered circumstances, who shaped contemporary Japan.

In defeat the Japanese people were drawn into themselves as never before. The nation had suffered grievously from the war, was utterly disillusioned with the past and for the time being was consumed by the daily desperate struggle for a livelihood amid shortages and inflation. Even basic moral and social values had been shattered or discarded by the national catastrophe, and the

pain was as much spiritual as physical. The earlier quest for security—and then for power and glory—held no meaning or attraction in the nuclear age. Stripped of the trappings of a major power, exhausted in the home islands under the forcible protection of victorious America, and confronted with the mammoth tasks of economic reconstruction, our people had no stomach for involvement in the troubles surrounding them.

Asia was in turmoil in the immediate postwar years. The sparks of Asian nationalism, fanned in part by Japan's wartime forays, suddenly burst into flame throughout South and South-east Asia. China was in the birth throes of the Communist state, the dark clouds of the cold war were gathering rapidly, and the groundwork was being laid for today's three-way confrontation among the two superpowers, the United States and the Soviet Union, and Communist China. Related problems of divided Korea, Viet Nam and China, and the gap (so wide in Asia) between North and South, rich and poor, had already been defined and needed but a little time to sharpen into major concerns of our age.

Yet our people felt insulated from all this by our own powerlessness and by the fact that our security was under the protection of the United States, which had entered the Asian vacuum left by Japan's defeat. The people felt incapable as well as disinclined either to act or react in the face of the momentous events on their doorstep. Their overriding concern was economic recovery and the watchword was "Increase Production." What they yearned for was the modest prosperity of a middle-class nation, quietly content in its home islands, shunning unnecessary foreign involvement and, above all, renouncing war.

The postwar "peace" Constitution, though espoused by the American Occupation, evoked a deep response in the innermost feelings of the Japanese people. Few welcomed defeat and foreign occupation, but still fewer thirsted for revenge or yearned for the lost days of greatness of empire. In addition, the new Constitution discarded the old controls, designed to perpetuate an all-powerful state, and provided for individual freedom and civil liberties. Institutions were reformed or evolved anew in all fields, especially in education, labor-management relations and emphasis on mass consumption. All these innovations received wide popular support—among the older generations, who remembered the profitless restraints and sacrifices of the past, as

GALLEY RACK-DD-98

3—Foreign Affairs (1510-590) 12-13x28 Caslon—Lino. No. 4
—neff—8-13-69

well as among the younger generations, who now take for granted both their freedom and their progress toward prosperity.

The freedoms of the new open society well served the national quest for economic security. The energy which had gone into maintaining strong armaments was redirected into rebuilding and then expanding the industrial plant, and improving mass living standards. By dint of hard work, sound technology, efficient administration and prevailing social and political stability (despite occasional turmoil), the Japanese people made, in retrospect, their initial adjustment to the radically changed environment of the postwar world.

Moreover, the multilateral and increasingly free and open world economic system, built up by the West since the Second World War, and buttressed by global and regional institutions for coöperation, has provided the ideal environment for Japan and other nations to pursue their national economic objectives. It is neither the jungle of the late nineteenth century nor the protectionist thicket of the 1930s. Since postwar recovery, the expanding world economic system, secured from all-out war by the relatively stable superpower balance, has favored economic-minded countries, and Japan among them has prospered.

Japan's postwar recovery was speeded by early U.S. material assistance and, indirectly, by international developments such as the courageous United Nations defense of the Republic of Korea. By 1952, which also marked the end of the American Occupation, the rebuilt Japanese economy was beginning again to compete successfully in world markets. In subsequent years, Japan joined all the major international institutions—the United Nations and its agencies, the General Agreement on Tariffs and Trade, the International Monetary Fund and others.

Beginning in the mid-1950s, Japan set consistent records in rates of economic growth, progressing from bare subsistence to today's modest prosperity, in which its gross national product surpasses all but the United States in the free world. The goal of affluence, however, remains distant, since Japan's 1968 per capita income of \$1,110 ranks but twentieth in the world, a lag reflected in the low incomes of the smaller-scale manufacturing and agricultural enterprises, and in such unmet social-capital needs as roads, sewers, housing, parks and other public amenities that Western Europe and North America take for granted.

This concentration of the Japanese people, first on recovery

and then on building the bases for their economic security, has produced gratifying results. The economy continues to grow at one of the highest rates in the world; long-standing weaknesses in the traditional sectors of the economy are gradually being ameliorated; and future growth targets have been set high. In international trade the dynamic Japanese economy has long since outgrown the conceptual confines of a regional autarkic unit, implied in the defunct concept of a "Greater East Asia Co-prosperity Sphere." Although through trade, investment and economic assistance Japan is a major factor in the economic development of free Asia, the Japanese economy is effectively integrated into the global economic system, trading with the remotest corners of the world. (The United States is, of course, the leading partner, accounting for roughly one-third of Japan's two-way trade.)

A quarter-century after Hiroshima and the arrival of General Douglas MacArthur, Japan has established a strong base for future economic and social development, has earned membership among the world's leading industrial powers and finds itself accused, from time to time, of being an "economic animal."

II

The postwar quest for economic security has been that of an inward-looking people, forced for lack of resources to seek its livelihood in the outside world. Propelled by circumstances into external trade, the Japanese people have none the less remained politically aloof, apprehensive of any strife near their shores, and fearful lest they become involved in a conflict not of their own making. The public conviction has been that the main stress in Japan's foreign relations should be on what came to be known as "economic diplomacy," at least while affluence is yet to be attained at home. The Economic Affairs Bureau has long been regarded as the principal department in the Foreign Ministry. Nowhere in the popular psychology has there been an appetite for active political leadership in international affairs.

To be sure, the desire to remain aloof from political involvement has not meant lack of interest in the rest of the world. Our people have avidly absorbed foreign (mainly Western) trends and achievements in the cultural and recreational fields, as well as the economic, scientific and technological. Foreign travel has increased by leaps and bounds, in keeping with the

GALLEY RACK-DD-99

4-Foreign Affairs (1510-590) 12-13x28 Caslon-Lino. No. 4
-neff-8-13-69

improvement in living standards. International contacts and interchanges, both private and official, have been growing at an extraordinary rate, and public interest in world affairs (reported voluminously by the influential Japanese mass media) must be considered at least as great as in any other nation in the world. Reestablishment of the world-wide diplomatic network as soon as the Peace Treaty came into effect, and subsequent affiliation with all the major international organizations, were accepted as a matter of course, largely because this degree of involvement appeared directly related to national prosperity.

Apparently the concept of an inward-looking "little Japan," free of unnecessary foreign entanglement, has seemed preferable to the instinctively feared and discredited alternative of foreign adventurism. This may also explain the public attitude which accepted as necessary the vital and mutually beneficial Security Treaty with the United States, while at the same time displaying great uneasiness over any incident involving American bases and forces. Even those who have rejected the little-Japan concept speak in terms of an influential Japan, "great without armaments."

However, to dismiss this inward-lookingness as a temporary phenomenon due to horror at defeat and devastation, or to treat it as a form of naïveté that can be dispelled by governmental public relations, is to disregard the role this popular psychology has played in sustaining Japan's successful adaptation over the past 24 years.

A quarter-century in the short history of modern Japan is not an inconsiderable span. After all, it corresponds to one-third of the time elapsed between the Meiji Restoration and Hiroshima. A more realistic reading would be to assume that the inward-looking mentality has deep roots in the new Japan, especially when crowned with the aura of success. Japan has not only achieved reasonable prosperity, but has also enjoyed unbroken peace for the longest period since the Tokugawa era. During this time the people have not only rebuilt their economy, but have also busied themselves in the arts, in literature and other vital areas of civilized life, enriching their great heritage.

There has been a revival of interest in traditional things which antedated the Meiji Restoration. The amazing interest in archeology has pushed back the frontiers of Japan's national origins, and together with the renewed enthusiasm for Japanese history,

especially pre-Meiji, there is a strong concentration on things Japanese. Inward-lookingness is apparently satisfying a deep-seated need in the Japanese people to find themselves and to reestablish their identity. In this sense it may have something in common with the fierce Meiji determination to keep Japan free from foreign domination.

Another remarkable result of Japan's postwar adaptation is the transformation apparent in the national personality as manifested in politics, in business, in labor relations and in the daily intercourse of all Japanese, regardless of station. The democratization of Japanese society is especially evident in politics, since even the most conservative bureaucrat now knows that the public cannot be "guided," but must be "persuaded" or "sold." He also knows that sales resistance on the part of the public is high, especially on "outward-looking" subjects such as military security and Japan's political role in the world. Governmental efforts at public relations have yet to produce a clear consensus on matters of foreign policy, although it must also be acknowledged that there are political forces in Japan that thrive on the lack of consensus.

Interestingly, the now well-established habit of free speech has opened up for discussion such dreaded and once-taboo subjects as nuclear weapons, especially in connection with the Non-proliferation Treaty, now under close study. There is evidence that serious discussion of "outward-looking" subjects has begun, although not yet on a widely popular basis. Indications are that the Japanese people are slowly becoming aware of further changes in their circumstances, at home and abroad, and are groping toward new forms of adaptation. Some people describe this trend as a revival of nationalism, although whether this assessment is accurate remains to be seen.

Japan is being challenged anew, domestically and internationally, and may be on the threshold of a new era of change and adaptation. If so, this period of change may well coincide with a generational change, brought about by the passage of time, in all areas of Japanese leadership.

Domestically Japan faces two great problems, both of which have become increasingly visible with the growth in prosperity. These are public hazards, which are the by-products of industrialization; and the lack of social capital, which is a legacy of prewar sacrifices followed by postwar concentration on produc-

GALLEY RACK-DD-100

5—Foreign Affairs (1510-590) 12-13x28 Caslon—Lino. No. 4
—neff—8-13-69

tion. Intense industrialization brought with it pollution and other blights that constitute a growing threat to the public safety. Industrialization also accelerated the urbanization of Japan, spawning huge and sprawling megalopolises while nearly emptying centuries-old villages. Urbanization, in turn, highlighted the inadequacy of public services and amenities during a time when the public was becoming more vocal about its right to enjoy life, and was insistently asking when it might live like the citizens of the second-greatest economy in the free world. In some cases, such as the lack of good access roads, the problem has threatened to become a bottleneck to the expansion of production.

Thus it is now acknowledged throughout Japan that the next stage in the quest for economic security must be to improve the physical environment. The next decade, it is widely agreed, should be devoted not simply to the expansion of production, but also to the creation of more social capital and the solution of the problems that prosperity has brought. The press is busy pointing out the shortcomings of our living conditions, while scholars and experts are full of suggestions on how best to solve these problems. *Political circles* Politicians sensitive to the trend espouse the people's demands and the Government is under daily pressure.

In short, the whole issue has more and more assumed the character of a national challenge, a fit subject to occupy national energies for the immediate future. *(a)* Some estimates of the effort required range as high as 60 to 70 percent of the national potential over a twenty-year period. It may also be presumed that concentration on these problems will strengthen, rather than weaken, the inward-looking tendencies of the Japanese people.

III

On the international front, Japan's adaptability is now being challenged by three striking developments. One is the greatly heightened impact of the Japanese economy on the rest of the world. Another is the changing role of the United States in Pacific Asia. The third is the growth among Asian nations of confidence in their own development efforts, coupled with a growing sense of regionalism. Together these trends highlight Japan's unique position in Asia, and call for considered Japanese responses.

Our economy, because of its sheer size and strength (by 1975 the gross national product is expected to be *more than* four times that of

1960, at constant prices), has become an international factor formidable in its own right. Whatever the subjective wishes of inward lookingness, Japan's economic influence could hardly be felt with greater intensity by her partners, principally the United States and most of the nations of Asia and the Pacific. Even the Soviet Union can no longer ignore Japan, especially in the light of the shift in Sino-Soviet relations.

Influence is but another name for responsibility, and the Japanese people are beginning to focus attention on how the nation will fulfill its new role in the company of such industrial powers as France, the United Kingdom and the Federal Republic of Germany. Clearly Japan can no longer be a passive agent in international affairs, particularly since economic power has become, in the eyes of the world, political power. The United States, for example, which objects to what it considers continuing restrictions on foreign access to Japanese markets, has raised this matter to the proportions of a major political issue.

It is unthinkable that Japan will not respond, in the spirit of give and take, to its international responsibilities in the economic field. To fail to do so would not only be damaging to the cooperative framework of the world economic system, but would also ultimately be contrary to our best interests, since our economic viability depends on the harmonious functioning of the multilateral cooperative system. Unwillingness to accommodate our interests to those of our partners—such as an overly cautious attitude in lowering barriers to foreign trade and investment—if pushed to an extreme, could result in isolation and alienation similar to that which Japan experienced in the bitter 1930s.

It is more profitable in the long run to defend our interests within the framework of the world system than outside it, and toward that end we should do our part in strengthening the system. Not all the demands of our trading partners are just and equitable, all the time, and each issue should be dealt with firmly on its merits, but only within the framework of the system.

Japan's second important challenge in external affairs is presented by the advent of what is called multipolarity in international relations, and the attendant changes in the relations of each of the two superpowers with its less powerful allies. This trend has not altered the fundamental structure of the U.S.-Soviet global equilibrium of force, but it has led the United States, after deep soul-searching in regard to the burdens it has carried in

GALLEY RACK D-76

6—Foreign Affairs (1510-590) 12-13x28 Caslon—Lino. No. 4
—neff—8-13-69

Viet Nam, to reexamine its role in the maintenance of international peace and stability, especially in Asia. As President Nixon has made clear, the United States, while intending to fulfill its treaty commitments, at the same time expects the nations of Asia to assume increasing responsibility for their own internal and external security, apart from cases involving the threat of nuclear weapons.

In this context, Japan seems now to have become highly visible to Americans as an Asian power with the potential for contributing to the security of the region. Obviously a simple transfer of peace-keeping responsibilities in Asia from the United States to Japan is out of the question because of Japan's constitutional limitation and the great disparity in both actual and potential military power between our two countries. Japanese public opinion is simply not prepared for such an undertaking; nor, I believe, would the other free nations of Asia welcome it. Responsible Americans will understand, I am sure, that any ill-conceived Japanese military contribution to Asian stability would accomplish little except to squander Japan's security capabilities, and our painstakingly built-up good will in Asian countries, as well as domestic support for the Self-Defense Forces.

In practical terms, moreover, it is reasonable to assume that for some time to come there will be no substitute for the continuing presence of American deterrent power to counter effectively any designs for large-scale military adventures in the area.

What is feasible, as President Nixon has suggested, is for the nations of Asia to enhance their ability to shoulder their own security responsibilities. Japan's Self-Defense Forces are now making an important contribution to the keeping of the peace in East Asia because of the vital role they play in guaranteeing the primary defense of Japan. As a result, the American military presence is able to devote itself to the ultimate mission which it alone is equipped to perform: the deterrence of major war. This same division of labor will be applicable to Okinawa, after reversion, when Japan will be prepared to assume full responsibility for local security against aggression. I wish also to stress that U.S. forces ~~will~~ remain on Okinawa to keep the peace in the region.

should

Japan's self-defense capability is considerable. Although Japanese defense forces may not constitutionally be deployed abroad, they constitute a very effective homeland defense—285,000 strong—with conventional firepower greater than that of the Imperial

forces at their wartime peak. Our defense expenditures, \$1,340,000,000 in the current fiscal year, are increasing annually at a rate of 14-15 percent, which corresponds to the growth of our gross national product. According to some private projections, this implies that in about ten years Japan's defense budget might roughly correspond to Communist China's today, including Chinese outlays both for conventional armaments and for the back-breakingly expensive nuclear-weapons development program. In short, we can now rely substantially on our own means for our national security, apart, of course, from total war, whether conventional or nuclear. This, in the framework of our treaty relations with the United States, is, I believe, a vital contribution to the peace and stability of our region.

In this connection there is what is known as the "problem of 1970," when Opposition forces plan an all-out effort, accompanied by mass movements, to press the Government to abrogate the Security Treaty, which after June of next year can be terminated on one year's notice by either Japan or the United States. Needless to say, our Government has no intention of doing so.

I am also convinced that Japan is performing another vital role in furthering Asian stability. This is in the form of our support to Asian nations in their efforts to achieve a viable national existence in economic and social fields. Their success in these areas is not only essential to their internal stability, but can also ensure, in the long run, their capacity to assume greater responsibility for their own security.

The nations of Asia, from Korea to the great Indian subcontinent, have been struggling since the end of World War II to establish viable states. Despite great obstacles, they have made progress, chiefly through their own efforts, but also with varying degrees of external aid. In many cases their progress has been possible because of the stability resulting from the American presence in Asia. There has been no real movement, during this same period, toward any lasting form of regional grouping that might one day lead to a community of nations such as has developed in Europe. This is understandable for historical reasons, and because of the great cultural, religious, ethnic and other differences which characterize Asia.

Nevertheless, successes in internal development of these nations have now led them to a stage where they are showing active interest in effective regional cooperation. Some countries in the

GALLEY RACK D-77

7—Foreign Affairs (1510-590) 12-13x28 Caslon—Lino. No. 4
—neff—8-13-69

area have been asking questions about the ability of Japan, as the region's leading economic power, to expand its assistance to nation-building efforts.

One of our responses to this fresh development was to set up the Ministerial Conference for the Development of Southeast Asia, which held its first meeting in 1966. That same year Japan made a decisive contribution to the capital of the Asian Development Bank, ensuring its early operation. At about the same time Japan lent its cooperation to the establishment of the Asian and Pacific Council, which held its fourth ministerial meeting in Japan earlier this year. These initiatives, combined with Japan's long-standing activities as a leading member of the United Nations Economic Commission for Asia and the Far East (where plans for the Asian Development Bank originated), have been accepted by our public as forms of constructive economic cooperation, and as manifestations of our willingness to play a useful role in promoting wider regional cooperation.

This is a cause in which I believe Japan can perform most effectively. To fail to respond to the expectations of our Asian neighbors would retard the development of a viable Asian community with Japan as an active and cooperating member. In the absence of such a community Japan would be excessively dependent on the United States to maintain the stability of its security frontiers. While the "little Japan" mood takes the U.S. presence for granted and treats it as a substitute for regional cohesion, it would be dangerous to count on this substitution as permanent. The sensible alternative is for our country to shoulder its external responsibilities in the framework of expanding regional cooperation.

An important element in this cooperation is Japanese economic and technical aid. Assistance, both private and Governmental, to Asian countries reached the level of \$559,000,000 last year, and the Government budget for aid to these countries in the current fiscal year has increased 42 percent to \$452,300,000. As I informed the assembled Southeast Asian Development Minister in Bangkok last April, and as my distinguished colleague Finance Minister Takeo Fukuda made clear to the Second Annual Meeting of the Asian Development Bank in Sydney that same month, we are prepared to increase our economic aid substantially. A Japanese Cabinet Minister's conference in July confirmed our intention to promote actively Asian development

in the coming decade. It is hoped that our present levels of aid to Asia will be doubled within five years.

Economic assistance, however, is only part of the task. What is also needed is a larger objective toward which all our diverse cooperative efforts may be directed. I personally believe, on the basis of our own historical experience and our view of the future, that no objective is more important than the construction in East Asia of a viable community of nations, embodying "unity in diversity." I believe we should help the nations of Asia to develop, aiming toward the attainment of a harmonious and stable whole, and in this context we should put at the disposal of other Asian countries our own experience at adaptation.

Japan's role should be one of service to each country in the region that is willing to accept it, and to the region as a whole. Needless to say, this is a role we can perform only with the agreement of our partners. A long series of talks, both bilateral and multilateral, must precede and accompany this undertaking, so there will be no doubts about the intentions of all concerned. This is a task that will take a very long time, and will involve great numbers of people, Japanese and others. It will certainly cost money and energy, and will no doubt produce much criticism and little praise. Careful planning will be required; plans and priorities will have to be geared to each country's particular conditions and, of course, to our capabilities. It will be a vast and demanding enterprise, but it is in our own interests to take vigorous part in it.

Comparing the domestic and external challenges Japan now faces, it is apparent that the two sets of problems are in competition with each other for the allocation of available resources and energies, and in capturing the interest and loyalties of the Japanese public. It would not be much of an exaggeration to speculate that, if nature were to take its course, the average Japanese would be far more interested in solving the knotty and multitudinous problems at home than in making the painful switch-over to an "outward-looking" frame of mind, in order to reach a consensus on Japan's role in the outside world. However, the Japanese mind is characterized by resilience and shrewdness, and has proved it is capable of adapting. Furthermore, as I have already observed, the recognition is steadily spreading that our external circumstances are changing.

It is becoming clearer that Japan must deal with *both* its

GALLEY RACK D-78
8—Foreign Affairs (1510-590) 12-13x28 Caslon—Lino. No. 4
—neff—8-13-69

external responsibilities and its domestic challenges. We must act domestically if we are going to prevent our home environment from becoming unfit for life, and we must act internationally to ensure that our external environment will be viable. Successful adaptation to these changing conditions requires a skillful blending of both responses. Obviously the domestic challenges will cost vastly more than the external. The problem of resource allocation can be solved, therefore, by working out a rational set of priorities to meet external requirements, leaving ample flexibility to cope with unforeseen problems in such a long-term undertaking.

So far I have barely touched on the most important problem: how to secure the support of the Japanese people. Obviously it is not enough to harangue the people on the need to divest themselves of inward-looking attitudes. Sales resistance to this approach is strong. In my view the only course is to appeal to the innate good sense of the Japanese people, nurturing carefully the tender shoots of dialogue that are already emerging in public discussion. Our Government owes our people a full explanation of the national interests involved in these endeavors. The public's voluntary support should be solicited. Leadership should be patient in explaining to the people, both through the Diet and directly, bearing in mind Prime Minister Eisaku Sato's recent observations to the Tokyo Foreign Correspondents Club: "It is clear that the [Japanese] people are no longer satisfied with a merely negative pacifism aiming only at the country's safety. However, at the same time, national objectives which are not in harmony with the way individual citizens view the world in today's modern society are not viable."

Since these are very long-range undertakings, it is both possible and desirable to devote considerable time and energy to encouraging public interest in outward-looking ideas, gradually weaning the public away from little-Japanism. At the same time, various aspects of the external program can be initiated through practical measures, where the Government has the authority, and where it does not, Diet approval can be sought. I am confident that the cumulative effects of both action and explanation will bring favorable public response.

IV

Finally, I should like to touch briefly on the future environ-

ment with which we must learn to deal anew. In carrying out the endeavors I have proposed it is obvious that Japan must be extremely sensitive to the requirements of the Asian countries with which we will be working. It is equally obvious that we should give careful thought to two of the three great entities of our region: Communist China and the United States. If the undertakings I have suggested get under way, we may expect that Pacific Asia in the 1970s will display increasingly complex relationships among the two superpowers, and Communist China and Japan.

The Chinese Communists at this moment show no predictability as to the future direction of their policies, internal or external, so I cannot foresee with confidence what their reaction will be. They must realize by now that none of the countries from the Japan Sea to the Indian Ocean, including the communist régimes, would welcome the establishment of a Chinese sphere of influence in this area. Whether China will interpret our intentions in hostile or indifferent terms remains to be seen. It seems safe to predict, however, that the Communist Chinese will have to take more notice of Japan as our national influence, in keeping with our responses to new challenges, continues to rise.

For our part, we will continue our present policies of maintaining diplomatic relations with the Republic of China and nongovernmental economic and cultural contacts with Peking, and, as long as there is any danger that the Republic of China may be evicted from the United Nations, of avoiding such an eventuality.

At the same time I am aware that, according to some, perpetuating the isolation of Peking is conducive neither to stability nor to peaceful development in Asia, and I am of the opinion that in coming years serious attention should be given to this problem. I privately think that the question of attaining a viable equilibrium in relations between nuclear-equipped Peking and ourselves will take at least another decade for a full answer. Suffice it to say that the Communist Chinese question is a fundamental one and, as such, figures in our domestic political life, where many elements are attempting to prove that we are being forced by the United States to follow its lead. It is hardly necessary for me to deny this allegation.

As I have already implied, the regional military balance in East Asia is essentially that between the United States, our ally,

RECEIVED

and Communist China. In the context of the U.S. deterrent, I am sure the United States will welcome my proposals to help the countries of the region with their nation-building, which after all is the foundation for their security and stability. In the case of certain countries, this might mean that when necessary they would be ready to take over with their own troops any part of the visible American presence which Washington, under its modified strategy, may transfer elsewhere.

Turning to current bilateral issues between Japan and the United States, strong public attention has been focused on the problems of the reversion of Okinawa and of economic relations between the two countries.

The problem of the return of Okinawa, which has been the subject of exchange visits to our respective countries by Secretary of State William P. Rogers and myself, will hopefully be resolved later this year when Prime Minister Sato plans to visit President Nixon. Resolution of this issue will be significant, not only in the obvious sense that a long-separated part of our people will return to the fold, and that this will have been accomplished through peaceful and friendly talks between our two governments; it will be significant also in the sense that the return of Okinawa will lift the last excuse in our public mind for clinging to our inwardlookingness. With Okinawa—so long a symbol of our defeat and impotence—back in our midst, our strength will have been made whole again, and we will be ready for our responsibilities. Here lies the importance of Okinawa to history.

In this connection, I should note that we are also actively trying to solve another important territorial problem, namely that of our Northern Islands, under Soviet occupation.

As for the very complicated economic problems, I have already touched briefly on some of their aspects, pointing out that Japan is prepared to play its part in maintaining and developing the world economic system, and that it is actively pursuing the liberalization of trade and capital investment, at the maximum speed consistent with domestic economic considerations. It is also self-evident that the difficult problems facing the multi-lateral economic system, both in monetary and trade fields, can be overcome only through the closest international cooperation, and with effective leadership from such economic giants as the United States and the European Economic Community. I should like to add that economic relations between the United States

and Japan have proved by their nature to be mutually profitable over the long run. We need each other. Thus there should be no issue between us that cannot be settled by honest and well-thought-out give and take.

Unique among the world's advanced nations, Japan has been obliged to make extraordinary adjustments and adaptations in the short span of a century. Though our national psyche may bear some scars, we have been resilient as a people, and so far, successful. Now we must respond to new problems, because if we fail to do so we may not be prepared when the next major challenge confronts us:

I, for one, am an optimist, and one of my favorite sayings is: "Listen to the call of the twenty-first century." It is my hope that with hard and sometimes painful work, my people by that time will have transcended the discontinuities of their past, and will be vital participants in the affairs of both the Asian and the world communities.

W. Van Slyck

CONFIDENTIAL

AUG 20 1969

REVISED

GALLEY RACK-DD-96

1—Foreign Affairs (1510-590) 12-13x28 Caslon—Lino. No. 4
—neff—8-13-69

JAPAN'S LEGACY AND DESTINY OF CHANGE

By Kiichi Aichi

FOR a nation whose founding is lost in the mists of antiquity, Japan is in many respects a very new country. Last year we celebrated the hundredth anniversary of the Meiji Restoration, which marked our entry into the modern world. This year the Ministry of Foreign Affairs, which I am honored to head, observed its centennial. By contrast, the United States, which is in every respect a young nation, possesses a number of institutions that are far older than many of Japan's. The Department of State, for example, is only a dozen years short of its bicentennial, and Harvard University, with its 333-year old history, is more than three times the age of my own alma mater, Tokyo University, now in its ninety-second year.

This newness of modern Japan, which makes it unique among the "advanced" nations, is also an essential key to our view of the world. To understand Japan's outlook and its vision of the future, it is necessary first to comprehend our country's brief and turbulent history as a modern state, and the effects these compressed events have had on the Japanese mind.

Two sets of events in particular have been decisive in their impact: the developments leading to the Meiji Restoration, which forcibly integrated Japan into the nineteenth-century jungle of world diplomacy, and total defeat in the Second World War, which profoundly changed Japan's direction as a modern nation-state.

The first of these traumatic national experiences is so recent that, until a decade or so ago, there were people still living with personal memories of the feudal Tokugawa era. Indeed, Japan's "age of discontinuity," to borrow Professor Peter Drucker's apt phrase, began not with the contemporary technological explosion, but with the arrival in 1853 of America's "black ships," which came to open up Japan, and were met on the beach at Kurihama by the feudal levy armed with matchlocks and pikes, "as on Bosworth field."

From that moment to the present, the lot of our people has been forced change—rapid, relentless and often violent—and painful adaptation to change.

At the moment of Japan's forced emergence from 250 years of peaceful seclusion, the world was indeed a jungle. Powerful, well-organized and ruthless Western states, armed with tools and weapons forged in the Industrial Revolution, were engaged either in imposing their will on the weaker lands of Asia and Africa or in reducing them outright to colonies and dependencies. Ailing China, long the cultural and political leader of Eastern Asia, was slowly being nibbled away by the Western powers. Korea, like Japan, lay dormant in seclusion, but vast areas of Southeast Asia were already under Western domination. Aggressive Tzarist Russia cast a long shadow over the Siberian wastes, touching the northern approaches of the Japanese islands. All-powerful Britain had recently thrashed the Chinese Empire in the Opium War (an event which deeply impressed our forefathers), and its fleets dominated the seas of Pacific Asia.

Japan itself had felt the bite of Western arms when warships from the West, in punitive action, reduced to ashes the ports of the recalcitrant Lords of Choshu and Satsuma, then the most powerful men in feudal Japan. Moreover, the civil war which preceded the restoration was marked by British and French intrigues. No wonder the Japanese people, sensing a threat to their very existence, began their long quest for military and diplomatic security.

The pattern this quest took, over the next 75 years, was largely determined by Japan's view of the world environment in which our country found itself. Clearly, isolation was no longer a realistic alternative; some form of participation in the outside world was required. In the eyes of the Japanese people this participation could be neither passive nor confined to a regional scale, in the shelter of some stable East Asian community of nations, capable together of keeping a regional balance of power while fending off alien intruders. No such community or capability existed. Finally, Japan's almost total lack of natural resources required for the building of a modern economy dictated active participation in world trade.

Thus our country felt it had no choice but to adapt aggressively to changed circumstances and, as a matter of survival, to embark on a perilous competition with the West in pursuit of ever-receding security frontiers.

During the first quarter-century of its modern history, Japan laid the foundations for future growth and security by selectively

Westernizing the basic social, economic and political institutions, and by launching its own delayed industrial revolution. With the beginning of its second quarter-century, in the 1890s, those preparations bore fruit. In the environment of accelerated Western imperialism, our country developed into a strong military power, capable of defeating first the Chinese and then the Russians. Within 50 years of Commodore Perry's visit, Japan had attained membership in the world's Big Five. With these credentials, which involved transforming itself into the conquering image of the alien powers it once had feared, Japan plunged into its third quarter-century, which culminated in the holocaust of 1945.

The events of those first 75 years, which in retrospect unfolded with the inexorability of a Greek tragedy, exacted a great price in our nation's public spirit and personal sacrifice. For three-quarters of a century the state made enormous demands on the people, at the expense of social and political development, and the people responded faithfully. The slogan of the times, "Rich Country for Strong Arms," expressed the intensity of Japan's initial fear of the West, and symbolized the popular determination to overtake and surpass the West. Yet this single-minded course, whose supreme and final effort was the war in which Japanese arms were carried to far-flung reaches of Asia and the Pacific, ended in utter ruin in the ashes of Hiroshima and Nagasaki.

It is my belief that the trauma of utter defeat in 1945, and the restructuring of the international environment which followed, produced changes in my country as momentous as those initiated by the coming of the black ships in 1853. For the second time the Japanese state, society and world view were fundamentally transformed. No doubt the reforms introduced by the seven-year-long American Occupation gave great impetus to these changes, but in my view it was our people, painfully adapting once more to drastically altered circumstances, who shaped contemporary Japan.

In defeat the Japanese people were drawn into themselves as never before. The nation had suffered grievously from the war, was utterly disillusioned with the past and for the time being was consumed by the daily desperate struggle for a livelihood amid shortages and inflation. Even basic moral and social values had been shattered or discarded by the national catastrophe, and the

pain was as much spiritual as physical. The earlier quest for security—and then for power and glory—held no meaning or attraction in the nuclear age. Stripped of the trappings of a major power, exhausted in the home islands under the forcible protection of victorious America, and confronted with the mammoth tasks of economic reconstruction, our people had no stomach for involvement in the troubles surrounding them.

Asia was in turmoil in the immediate postwar years. The sparks of Asian nationalism, fanned in part by Japan's wartime forays, suddenly burst into flame throughout South and Southeast Asia. China was in the birth throes of the Communist state, the dark clouds of the cold war were gathering rapidly, and the groundwork was being laid for today's three-way confrontation among the two superpowers, the United States and the Soviet Union, and Communist China. Related problems of divided Korea, Viet Nam and China, and the gap (so wide in Asia) between North and South, rich and poor, had already been defined and needed but a little time to sharpen into major concerns of our age.

Yet our people felt insulated from all this by our own powerlessness and by the fact that our security was under the protection of the United States, which had entered the Asian vacuum left by Japan's defeat. The people felt incapable as well as disinclined either to act or react in the face of the momentous events on their doorstep. Their overriding concern was economic recovery and the watchword was "Increase Production." What they yearned for was the modest prosperity of a middle-class nation, quietly content in its home islands, shunning unnecessary foreign involvement and, above all, renouncing war.

The postwar "peace" Constitution, though espoused by the American Occupation, evoked a deep response in the innermost feelings of the Japanese people. Few welcomed defeat and foreign occupation, but still fewer thirsted for revenge or yearned for the lost days of greatness of empire. In addition, the new Constitution discarded the old controls, designed to perpetuate an all-powerful state, and provided for individual freedom and civil liberties. Institutions were reformed or evolved anew in all fields, especially in education, labor-management relations and emphasis on mass consumption. All these innovations received wide popular support—among the older generations, who remembered the profitless restraints and sacrifices of the past, as

GALLEY RACK-DD-98

3—Foreign Affairs (1510-590) 12-13x28 Caslon—Lino. No. 4
—neff—8-13-69

well as among the younger generations, who now take for granted both their freedom and their progress toward prosperity.

The freedoms of the new open society well served the national quest for economic security. The energy which had gone into maintaining strong armaments was redirected into rebuilding and then expanding the industrial plant, and improving mass living standards. By dint of hard work, sound technology, efficient administration and prevailing social and political stability (despite occasional turmoil), the Japanese people made, in retrospect, their initial adjustment to the radically changed environment of the postwar world.

Moreover, the multilateral and increasingly free and open world economic system, built up by the West since the Second World War, and buttressed by global and regional institutions for cooperation, has provided the ideal environment for Japan and other nations to pursue their national economic objectives. It is neither the jungle of the late nineteenth century nor the protectionist thicket of the 1930s. Since postwar recovery, the expanding world economic system, secured from all-out war by the relatively stable superpower balance, has favored economic-minded countries, and Japan among them has prospered.

Japan's postwar recovery was speeded by early U.S. material assistance and, indirectly, by international developments such as the courageous United Nations defense of the Republic of Korea. By 1952, which also marked the end of the American Occupation, the rebuilt Japanese economy was beginning again to compete successfully in world markets. In subsequent years, Japan joined all the major international institutions—the United Nations and its agencies, the General Agreement on Tariffs and Trade, the International Monetary Fund and others.

Beginning in the mid-1950s, Japan set consistent records in rates of economic growth, progressing from bare subsistence to today's modest prosperity, in which its gross national product surpasses all but the United States in the free world. The goal of affluence, however, remains distant, since Japan's 1968 per capita income of \$1,110 ranks but twentieth in the world, a lag reflected in the low incomes of the smaller-scale manufacturing and agricultural enterprises, and in such unmet social-capital needs as roads, sewers, housing, parks and other public amenities that Western Europe and North America take for granted.

This concentration of the Japanese people, first on recovery

and then on building the bases for their economic security, has produced gratifying results. The economy continues to grow at one of the highest rates in the world; long-standing weaknesses in the traditional sectors of the economy are gradually being ameliorated; and future growth targets have been set high. In international trade the dynamic Japanese economy has long since outgrown the conceptual confines of a regional autarkic unit, implied in the defunct concept of a "Greater East Asia Co-prosperity Sphere." Although through trade, investment and economic assistance Japan is a major factor in the economic development of free Asia, the Japanese economy is effectively integrated into the global economic system, trading with the remotest corners of the world. (The United States is, of course, the leading partner, accounting for roughly one-third of Japan's two-way trade.)

A quarter-century after Hiroshima and the arrival of General Douglas MacArthur, Japan has established a strong base for future economic and social development, has earned membership among the world's leading industrial powers and finds itself accused, from time to time, of being an "economic animal."

II

The postwar quest for economic security has been that of an inward-looking people, forced for lack of resources to seek its livelihood in the outside world. Propelled by circumstances into external trade, the Japanese people have none the less remained politically aloof, apprehensive of any strife near their shores, and fearful lest they become involved in a conflict not of their own making. The public conviction has been that the main stress in Japan's foreign relations should be on what came to be known as "economic diplomacy," at least while affluence is yet to be attained at home. The Economic Affairs Bureau has long been regarded as the principal department in the Foreign Ministry. Nowhere in the popular psychology has there been an appetite for active political leadership in international affairs.

To be sure, the desire to remain aloof from political involvement has not meant lack of interest in the rest of the world. Our people have avidly absorbed foreign (mainly Western) trends and achievements in the cultural and recreational fields, as well as the economic, scientific and technological. Foreign travel has increased by leaps and bounds, in keeping with the

GALLEY RACK-DD-99

4—Foreign Affairs (1510-590) 12-13x28 Caslon—Lino. No. 4
—neff—8-13-69

improvement in living standards. International contacts and interchanges, both private and official, have been growing at an extraordinary rate, and public interest in world affairs (reported voluminously by the influential Japanese mass media) must be considered at least as great as in any other nation in the world. Reestablishment of the world-wide diplomatic network as soon as the Peace Treaty came into effect, and subsequent affiliation with all the major international organizations, were accepted as a matter of course, largely because this degree of involvement appeared directly related to national prosperity.

Apparently the concept of an inward-looking "little Japan," free of unnecessary foreign entanglement, has seemed preferable to the instinctively feared and discredited alternative of foreign adventurism. This may also explain the public attitude which accepted as necessary the vital and mutually beneficial Security Treaty with the United States, while at the same time displaying great uneasiness over any incident involving American bases and forces. Even those who have rejected the little-Japan concept speak in terms of an influential Japan, "great without armaments."

However, to dismiss this inward-lookingness as a temporary phenomenon due to horror at defeat and devastation, or to treat it as a form of naïveté that can be dispelled by governmental public relations, is to disregard the role this popular psychology has played in sustaining Japan's successful adaptation over the past 24 years.

A quarter-century in the short history of modern Japan is not an inconsiderable span. After all, it corresponds to one-third of the time elapsed between the Meiji Restoration and Hiroshima. A more realistic reading would be to assume that the inward-looking mentality has deep roots in the new Japan, especially when crowned with the aura of success. Japan has not only achieved reasonable prosperity, but has also enjoyed unbroken peace for the longest period since the Tokugawa era. During this time the people have not only rebuilt their economy, but have also busied themselves in the arts, in literature and other vital areas of civilized life, enriching their great heritage.

There has been a revival of interest in traditional things which antedated the Meiji Restoration. The amazing interest in archeology has pushed back the frontiers of Japan's national origins, and together with the renewed enthusiasm for Japanese history,

especially pre-Meiji, there is a strong concentration on things Japanese. Inward-lookingness is apparently satisfying a deep-seated need in the Japanese people to find themselves and to reestablish their identity. In this sense it may have something in common with the fierce Meiji determination to keep Japan free from foreign domination.

Another remarkable result of Japan's postwar adaptation is the transformation apparent in the national personality as manifested in politics, in business, in labor relations and in the daily intercourse of all Japanese, regardless of station. The democratization of Japanese society is especially evident in politics, since even the most conservative bureaucrat now knows that the public cannot be "guided," but must be "persuaded" or "sold." He also knows that sales resistance on the part of the public is high, especially on "outward-looking" subjects such as military security and Japan's political role in the world. Governmental efforts at public relations have yet to produce a clear consensus on matters of foreign policy, although it must also be acknowledged that there are political forces in Japan that thrive on the lack of consensus.

Interestingly, the now well-established habit of free speech has opened up for discussion such dreaded and once-taboo subjects as nuclear weapons, especially in connection with the Non-proliferation Treaty, now under close study. There is evidence that serious discussion of "outward-looking" subjects has begun, although not yet on a widely popular basis. Indications are that the Japanese people are slowly becoming aware of further changes in their circumstances, at home and abroad, and are groping toward new forms of adaptation. Some people describe this trend as a revival of nationalism, although whether this assessment is accurate remains to be seen.

Japan is being challenged anew, domestically and internationally, and may be on the threshold of a new era of change and adaptation. If so, this period of change may well coincide with a generational change, brought about by the passage of time, in all areas of Japanese leadership.

Domestically Japan faces two great problems, both of which have become increasingly visible with the growth in prosperity. These are public hazards, which are the by-products of industrialization; and the lack of social capital, which is a legacy of prewar sacrifices followed by postwar concentration on produc-

GALLEY RACK D-76

6—Foreign Affairs (1510-590) 12-13x28 Caslon—Lino. No. 4
—neff—8-13-69

Viet Nam, to reexamine its role in the maintenance of international peace and stability, especially in Asia. As President Nixon has made clear, the United States, while intending to fulfill its treaty commitments, at the same time expects the nations of Asia to assume increasing responsibility for their own internal and external security, apart from cases involving the threat of nuclear weapons.

In this context, Japan seems now to have become highly visible to Americans as an Asian power with the potential for contributing to the security of the region. Obviously a simple transfer of peace-keeping responsibilities in Asia from the United States to Japan is out of the question because of Japan's constitutional limitation and the great disparity in both actual and potential military power between our two countries. Japanese public opinion is simply not prepared for such an undertaking; nor, I believe, would the other free nations of Asia welcome it. Responsible Americans will understand, I am sure, that any ill-conceived Japanese military contribution to Asian stability would accomplish little except to squander Japan's security capabilities, and our painstakingly built-up good will in Asian countries, as well as domestic support for the Self-Defense Forces.

In practical terms, moreover, it is reasonable to assume that for some time to come there will be no substitute for the continuing presence of American deterrent power to counter effectively any designs for large-scale military adventures in the area.

What is feasible, as President Nixon has suggested, is for the nations of Asia to enhance their ability to shoulder their own security responsibilities. Japan's Self-Defense Forces are now making an important contribution to the keeping of the peace in East Asia because of the vital role they play in guaranteeing the primary defense of Japan. As a result, the American military presence is able to devote itself to the ultimate mission which it alone is equipped to perform: the deterrence of major war. This same division of labor will be applicable to Okinawa, after reversion, when Japan will be prepared to assume full responsibility for local security against aggression. I wish also to stress that U.S. ^{should} forces will remain on Okinawa to keep the peace in the region.

Japan's self-defense capability is considerable. Although Japanese defense forces may not constitutionally be deployed abroad, they constitute a very effective homeland defense—285,000 strong—with conventional firepower greater than that of the Imperial

forces at their wartime peak. Our defense expenditures, \$1,340,000,000 in the current fiscal year, are increasing annually at a rate of 14-15 percent, which corresponds to the growth of our gross national product. According to some private projections, this implies that in about ten years Japan's defense budget might roughly correspond to Communist China's today, including Chinese outlays both for conventional armaments and for the back-breakingly expensive nuclear-weapons development program. In short, we can now rely substantially on our own means for our national security, apart, of course, from total war, whether conventional or nuclear. This, in the framework of our treaty relations with the United States, is, I believe, a vital contribution to the peace and stability of our region.

In this connection there is what is known as the "problem of 1970," when Opposition forces plan an all-out effort, accompanied by mass movements, to press the Government to abrogate the Security Treaty, which after June of next year can be terminated on one year's notice by either Japan or the United States. Needless to say, our Government has no intention of doing so.

I am also convinced that Japan is performing another vital role in furthering Asian stability. This is in the form of our support to Asian nations in their efforts to achieve a viable national existence in economic and social fields. Their success in these areas is not only essential to their internal stability, but can also ensure, in the long run, their capacity to assume greater responsibility for their own security.

The nations of Asia, from Korea to the great Indian subcontinent, have been struggling since the end of World War II to establish viable states. Despite great obstacles, they have made progress, chiefly through their own efforts, but also with varying degrees of external aid. In many cases their progress has been possible because of the stability resulting from the American presence in Asia. There has been no real movement, during this same period, toward any lasting form of regional grouping that might one day lead to a community of nations such as has developed in Europe. This is understandable for historical reasons, and because of the great cultural, religious, ethnic and other differences which characterize Asia.

Nevertheless, successes in internal development of these nations have now led them to a stage where they are showing active interest in effective regional cooperation. Some countries in the

GALLEY RACK D- 77

7—Foreign Affairs (1510-590) 12-13x28 Caslon—Lino. No. 4
—neff—8-13-69

area have been asking questions about the ability of Japan, as the region's leading economic power, to expand its assistance to nation-building efforts.

One of our responses to this fresh development was to set up the Ministerial Conference for the Development of Southeast Asia, which held its first meeting in 1966. That same year Japan made a decisive contribution to the capital of the Asian Development Bank, ensuring its early operation. At about the same time Japan lent its cooperation to the establishment of the Asian and Pacific Council, which held its fourth ministerial meeting in Japan earlier this year. These initiatives, combined with Japan's long-standing activities as a leading member of the United Nations Economic Commission for Asia and the Far East (where plans for the Asian Development Bank originated), have been accepted by our public as forms of constructive economic cooperation, and as manifestations of our willingness to play a useful role in promoting wider regional cooperation.

This is a cause in which I believe Japan can perform most effectively. To fail to respond to the expectations of our Asian neighbors would retard the development of a viable Asian community with Japan as an active and cooperating member. In the absence of such a community Japan would be excessively dependent on the United States to maintain the stability of its security frontiers. While the "little Japan" mood takes the U.S. presence for granted and treats it as a substitute for regional cohesion, it would be dangerous to count on this substitution as permanent. The sensible alternative is for our country to shoulder its external responsibilities in the framework of expanding regional cooperation.

An important element in this cooperation is Japanese economic and technical aid. Assistance, both private and Governmental, to Asian countries reached the level of \$559,000,000 last year, and the Government budget for aid to these countries in the current fiscal year has increased 42 percent to \$452,300,000. As I informed the assembled Southeast Asian Development Minister in Bangkok last April, and as my distinguished colleague Finance Minister Takeo Fukuda made clear to the Second Annual Meeting of the Asian Development Bank in Sydney that same month, we are prepared to increase our economic aid substantially. A Japanese Cabinet Minister's conference in July confirmed our intention to promote actively Asian development

in the coming decade. It is hoped that our present levels of aid to Asia will be doubled within five years.

Economic assistance, however, is only part of the task. What is also needed is a larger objective toward which all our diverse cooperative efforts may be directed. I personally believe, on the basis of our own historical experience and our view of the future, that no objective is more important than the construction in East Asia of a viable community of nations, embodying "unity in diversity." I believe we should help the nations of Asia to develop, aiming toward the attainment of a harmonious and stable whole, and in this context we should put at the disposal of other Asian countries our own experience at adaptation.

Japan's role should be one of service to each country in the region that is willing to accept it, and to the region as a whole. Needless to say, this is a role we can perform only with the agreement of our partners. A long series of talks, both bilateral and multilateral, must precede and accompany this undertaking, so there will be no doubts about the intentions of all concerned. This is a task that will take a very long time, and will involve great numbers of people, Japanese and others. It will certainly cost money and energy, and will no doubt produce much criticism and little praise. Careful planning will be required; plans and priorities will have to be geared to each country's particular conditions and, of course, to our capabilities. It will be a vast and demanding enterprise, but it is in our own interests to take vigorous part in it.

Comparing the domestic and external challenges Japan now faces, it is apparent that the two sets of problems are in competition with each other for the allocation of available resources and energies, and in capturing the interest and loyalties of the Japanese public. It would not be much of an exaggeration to speculate that, if nature were to take its course, the average Japanese would be far more interested in solving the knotty and multitudinous problems at home than in making the painful switch-over to an "outward-looking" frame of mind, in order to reach a consensus on Japan's role in the outside world. However, the Japanese mind is characterized by resilience and shrewdness, and has proved it is capable of adapting. Furthermore, as I have already observed, the recognition is steadily spreading that our external circumstances are changing.

It is becoming clearer that Japan must deal with *both* its

external responsibilities and its domestic challenges. We must act domestically if we are going to prevent our home environment from becoming unfit for life, and we must act internationally to ensure that our external environment will be viable. Successful adaptation to these changing conditions requires a skillful blending of both responses. Obviously the domestic challenges will cost vastly more than the external. The problem of resource allocation can be solved, therefore, by working out a rational set of priorities to meet external requirements, leaving ample flexibility to cope with unforeseen problems in such a long-term undertaking.

So far I have barely touched on the most important problem: how to secure the support of the Japanese people. Obviously it is not enough to harangue the people on the need to divest themselves of inward-looking attitudes. Sales resistance to this approach is strong. In my view the only course is to appeal to the innate good sense of the Japanese people, nurturing carefully the tender shoots of dialogue that are already emerging in public discussion. Our Government owes our people a full explanation of the national interests involved in these endeavors. The public's voluntary support should be solicited. Leadership should be patient in explaining to the people, both through the Diet and directly, bearing in mind Prime Minister Eisaku Sato's recent observations to the Tokyo Foreign Correspondents Club: "It is clear that the [Japanese] people are no longer satisfied with a merely negative pacifism aiming only at the country's safety. However, at the same time, national objectives which are not in harmony with the way individual citizens view the world in today's modern society are not viable."

Since these are very long-range undertakings, it is both possible and desirable to devote considerable time and energy to encouraging public interest in outward-looking ideas, gradually weaning the public away from little-Japanism. At the same time, various aspects of the external program can be initiated through practical measures, where the Government has the authority, and where it does not, Diet approval can be sought. I am confident that the cumulative effects of both action and explanation will bring favorable public response.

IV

Finally, I should like to touch briefly on the future environ-

ment with which we must learn to deal anew. In carrying out the endeavors I have proposed it is obvious that Japan must be extremely sensitive to the requirements of the Asian countries with which we will be working. It is equally obvious that we should give careful thought to two of the three great entities of our region: Communist China and the United States. If the undertakings I have suggested get under way, we may expect that Pacific Asia in the 1970s will display increasingly complex relationships among the two superpowers, and Communist China and Japan.

The Chinese Communists at this moment show no predictability as to the future direction of their policies, internal or external, so I cannot foresee with confidence what their reaction will be. They must realize by now that none of the countries from the Japan Sea to the Indian Ocean, including the communist régimes, would welcome the establishment of a Chinese sphere of influence in this area. Whether China will interpret our intentions in hostile or indifferent terms remains to be seen. It seems safe to predict, however, that the Communist Chinese will have to take more notice of Japan as our national influence, in keeping with our responses to new challenges, continues to rise.

For our part, we will continue our present policies of maintaining diplomatic relations with the Republic of China and nongovernmental economic and cultural contacts with Peking, and, as long as there is any danger that the Republic of China may be evicted from the United Nations, of avoiding such an eventuality.

At the same time I am aware that, according to some, perpetuating the isolation of Peking is conducive neither to stability nor to peaceful development in Asia, and I am of the opinion that in coming years serious attention should be given to this problem. I privately think that the question of attaining a viable equilibrium in relations between nuclear-equipped Peking and ourselves will take at least another decade for a full answer. Suffice it to say that the Communist Chinese question is a fundamental one and, as such, figures in our domestic political life, where many elements are attempting to prove that we are being forced by the United States to follow its lead. It is hardly necessary for me to deny this allegation.

As I have already implied, the regional military balance in East Asia is essentially that between the United States, our ally,

GALLEY RACK D- 79

9—Foreign Affairs (1510-590) 12-13x28 Caslon—Lino. No. 4
—neff—8-13-69

and Communist China. In the context of the U.S. deterrent, I am sure the United States will welcome my proposals to help the countries of the region with their nation-building, which after all is the foundation for their security and stability. In the case of certain countries, this might mean that when necessary they would be ready to take over with their own troops any part of the visible American presence which Washington, under its modified strategy, may transfer elsewhere.

Turning to current bilateral issues between Japan and the United States, strong public attention has been focused on the problems of the reversion of Okinawa and of economic relations between the two countries.

The problem of the return of Okinawa, which has been the subject of exchange visits to our respective countries by Secretary of State William P. Rogers and myself, will hopefully be resolved later this year when Prime Minister Sato plans to visit President Nixon. Resolution of this issue will be significant, not only in the obvious sense that a long-separated part of our people will return to the fold, and that this will have been accomplished through peaceful and friendly talks between our two governments; it will be significant also in the sense that the return of Okinawa will lift the last excuse in our public mind for clinging to our inwardlookingness. With Okinawa—so long a symbol of our defeat and impotence—back in our midst, our strength will have been made whole again, and we will be ready for our responsibilities. Here lies the importance of Okinawa to history.

In this connection, I should note that we are also actively trying to solve another important territorial problem, namely that of our Northern Islands, under Soviet occupation.

As for the very complicated economic problems, I have already touched briefly on some of their aspects, pointing out that Japan is prepared to play its part in maintaining and developing the world economic system, and that it is actively pursuing the liberalization of trade and capital investment, at the maximum speed consistent with domestic economic considerations. It is also self-evident that the difficult problems facing the multilateral economic system, both in monetary and trade fields, can be overcome only through the closest international cooperation, and with effective leadership from such economic giants as the United States and the European Economic Community. I should like to add that economic relations between the United States

and Japan have proved by their nature to be mutually profitable over the long run. We need each other. Thus there should be no issue between us that cannot be settled by honest and well-thought-out give and take.

Unique among the world's advanced nations, Japan has been obliged to make extraordinary adjustments and adaptations in the short span of a century. Though our national psyche may bear some scars, we have been resilient as a people, and so far, successful. Now we must respond to new problems, because if we fail to do so we may not be prepared when the next major challenge confronts us:

I, for one, am an optimist, and one of my favorite sayings is: "Listen to the call of the twenty-first century." It is my hope that with hard and sometimes painful work, my people by that time will have transcended the discontinuities of their past, and will be vital participants in the affairs of both the Asian and the world communities.

至急

アメリカ局長

参事官

北米才一課長



政第17153号

昭和44年8月29日

外務大臣殿

在米下田大使

アール・アール・アール原稿 (送付)

貴局米北1才1704号をもち送付方御申

越へのあ、左本件最終稿を別添え部送付

申上りす。

付属添付付属物送付

要項
首席事務官
南方
調査
漁業
航空
経済協力



GA-4

外務省

大臣秘書官(参事官) 千五

Mr. Van Slyck

CONFIDENTIAL

AUG 20 1969

REVISED

GALLEY RACK-DD-96

1-Foreign Affairs (1510-590) 12-13x28 Caslon-Lino. No. 4
-neff-8-13-69

JAPAN'S LEGACY AND DESTINY OF CHANGE

By Kiichi Aichi

FOR a nation whose founding is lost in the mists of antiquity, Japan is in many respects a very new country. Last year we celebrated the hundredth anniversary of the Meiji Restoration, which marked our entry into the modern world. This year the Ministry of Foreign Affairs, which I am honored to head, observed its centennial. By contrast, the United States, which is in every respect a young nation, possesses a number of institutions that are far older than many of Japan's. The Department of State, for example, is only a dozen years short of its bicentennial, and Harvard University, with its 333-year old history, is more than three times the age of my own alma mater, Tokyo University, now in its ninety-second year.

This newness of modern Japan, which makes it unique among the "advanced" nations, is also an essential key to our view of the world. To understand Japan's outlook and its vision of the future, it is necessary first to comprehend our country's brief and turbulent history as a modern state, and the effects these compressed events have had on the Japanese mind.

Two sets of events in particular have been decisive in their impact: the developments leading to the Meiji Restoration, which forcibly integrated Japan into the nineteenth-century jungle of world diplomacy, and total defeat in the Second World War, which profoundly changed Japan's direction as a modern nation-state.

The first of these traumatic national experiences is so recent that, until a decade or so ago, there were people still living with personal memories of the feudal Tokugawa era. Indeed, Japan's "age of discontinuity," to borrow Professor Peter Drucker's apt phrase, began not with the contemporary technological explosion, but with the arrival in 1853 of America's "black ships," which came to open up Japan, and were met on the beach at Kurihama by the feudal levy armed with matchlocks and pikes, "as on Bosworth field."

From that moment to the present, the lot of our people has been forced change—rapid, relentless and often violent—and painful adaptation to change.

At the moment of Japan's forced emergence from 250 years of peaceful seclusion, the world was indeed a jungle. Powerful, well-organized and ruthless Western states, armed with tools and weapons forged in the Industrial Revolution, were engaged either in imposing their will on the weaker lands of Asia and Africa or in reducing them outright to colonies and dependencies. Ailing China, long the cultural and political leader of Eastern Asia, was slowly being nibbled away by the Western powers. Korea, like Japan, lay dormant in seclusion, but vast areas of Southeast Asia were already under Western domination. Aggressive Tzarist Russia cast a long shadow over the Siberian wastes, touching the northern approaches of the Japanese islands. All-powerful Britain had recently thrashed the Chinese Empire in the Opium War (an event which deeply impressed our forefathers), and its fleets dominated the seas of Pacific Asia.

Japan itself had felt the bite of Western arms when warships from the West, in punitive action, reduced to ashes the ports of the recalcitrant Lords of Choshu and Satsuma, then the most powerful men in feudal Japan. Moreover, the civil war which preceded the restoration was marked by British and French intrigues. No wonder the Japanese people, sensing a threat to their very existence, began their long quest for military and diplomatic security.

The pattern this quest took, over the next 75 years, was largely determined by Japan's view of the world environment in which our country found itself. Clearly, isolation was no longer a realistic alternative; some form of participation in the outside world was required. In the eyes of the Japanese people this participation could be neither passive nor confined to a regional scale, in the shelter of some stable East Asian community of nations, capable together of keeping a regional balance of power while fending off alien intruders. No such community or capability existed. Finally, Japan's almost total lack of natural resources required for the building of a modern economy dictated active participation in world trade.

Thus our country felt it had no choice but to adapt aggressively to changed circumstances and, as a matter of survival, to embark on a perilous competition with the West in pursuit of ever-receding security frontiers.

During the first quarter-century of its modern history, Japan laid the foundations for future growth and security by selectively

GALLEY RACK--DD--97

2--Foreign Affairs (1510-590) 12-13x28 Caslon--Lino. No. 4
--neff--8-13-69

Westernizing the basic social, economic and political institutions, and by launching its own delayed industrial revolution. With the beginning of its second quarter-century, in the 1890s, those preparations bore fruit. In the environment of accelerated Western imperialism, our country developed into a strong military power, capable of defeating first the Chinese and then the Russians. Within 50 years of Commodore Perry's visit, Japan had attained membership in the world's Big Five. With these credentials, which involved transforming itself into the conquering image of the alien powers it once had feared, Japan plunged into its third quarter-century, which culminated in the holocaust of 1945.

The events of those first 75 years, which in retrospect unfolded with the inexorability of a Greek tragedy, exacted a great price in our nation's public spirit and personal sacrifice. For three-quarters of a century the state made enormous demands on the people, at the expense of social and political development, and the people responded faithfully. The slogan of the times, "Rich Country for Strong Arms," expressed the intensity of Japan's initial fear of the West, and symbolized the popular determination to overtake and surpass the West. Yet this single-minded course, whose supreme and final effort was the war in which Japanese arms were carried to far-flung reaches of Asia and the Pacific, ended in utter ruin in the ashes of Hiroshima and Nagasaki.

It is my belief that the trauma of utter defeat in 1945, and the restructuring of the international environment which followed, produced changes in my country as momentous as those initiated by the coming of the black ships in 1853. For the second time the Japanese state, society and world view were fundamentally transformed. No doubt the reforms introduced by the seven-year-long American Occupation gave great impetus to these changes, but in my view it was our people, painfully adapting once more to drastically altered circumstances, who shaped contemporary Japan.

In defeat the Japanese people were drawn into themselves as never before. The nation had suffered grievously from the war, was utterly disillusioned with the past and for the time being was consumed by the daily desperate struggle for a livelihood amid shortages and inflation. Even basic moral and social values had been shattered or discarded by the national catastrophe, and the

pain was as much spiritual as physical. The earlier quest for security—and then for power and glory—held no meaning or attraction in the nuclear age. Stripped of the trappings of a major power, exhausted in the home islands under the forcible protection of victorious America, and confronted with the mammoth tasks of economic reconstruction, our people had no stomach for involvement in the troubles surrounding them.

Asia was in turmoil in the immediate postwar years. The sparks of Asian nationalism, fanned in part by Japan's wartime forays, suddenly burst into flame throughout South and South-east Asia. China was in the birth throes of the Communist state, the dark clouds of the cold war were gathering rapidly, and the groundwork was being laid for today's three-way confrontation among the two superpowers, the United States and the Soviet Union, and Communist China. Related problems of divided Korea, Viet Nam and China, and the gap (so wide in Asia) between North and South, rich and poor, had already been defined and needed but a little time to sharpen into major concerns of our age.

Yet our people felt insulated from all this by our own powerlessness and by the fact that our security was under the protection of the United States, which had entered the Asian vacuum left by Japan's defeat. The people felt incapable as well as disinclined either to act or react in the face of the momentous events on their doorstep. Their overriding concern was economic recovery and the watchword was "Increase Production." What they yearned for was the modest prosperity of a middle-class nation, quietly content in its home islands, shunning unnecessary foreign involvement and, above all, renouncing war.

The postwar "peace" Constitution, though espoused by the American Occupation, evoked a deep response in the innermost feelings of the Japanese people. Few welcomed defeat and foreign occupation, but still fewer thirsted for revenge or yearned for the lost days of greatness of empire. In addition, the new Constitution discarded the old controls, designed to perpetuate an all-powerful state, and provided for individual freedom and civil liberties. Institutions were reformed or evolved anew in all fields, especially in education, labor-management relations and emphasis on mass consumption. All these innovations received wide popular support—among the older generations, who remembered the profitless restraints and sacrifices of the past, as

GALLEY RACK-DD-98

3—Foreign Affairs (1510-590) 12-13x28 Caslon—Lino. No. 4
—neff—8-13-69

well as among the younger generations, who now take for granted both their freedom and their progress toward prosperity.

The freedoms of the new open society well served the national quest for economic security. The energy which had gone into maintaining strong armaments was redirected into rebuilding and then expanding the industrial plant, and improving mass living standards. By dint of hard work, sound technology, efficient administration and prevailing social and political stability (despite occasional turmoil), the Japanese people made, in retrospect, their initial adjustment to the radically changed environment of the postwar world.

Moreover, the multilateral and increasingly free and open world economic system, built up by the West since the Second World War, and buttressed by global and regional institutions for cooperation, has provided the ideal environment for Japan and other nations to pursue their national economic objectives. It is neither the jungle of the late nineteenth century nor the protectionist thicket of the 1930s. Since postwar recovery, the expanding world economic system, secured from all-out war by the relatively stable superpower balance, has favored economic-minded countries, and Japan among them has prospered.

Japan's postwar recovery was speeded by early U.S. material assistance and, indirectly, by international developments such as the courageous United Nations defense of the Republic of Korea. By 1952, which also marked the end of the American Occupation, the rebuilt Japanese economy was beginning again to compete successfully in world markets. In subsequent years, Japan joined all the major international institutions—the United Nations and its agencies, the General Agreement on Tariffs and Trade, the International Monetary Fund and others.

Beginning in the mid-1950s, Japan set consistent records in rates of economic growth, progressing from bare subsistence to today's modest prosperity, in which its gross national product surpasses all but the United States in the free world. The goal of affluence, however, remains distant, since Japan's 1968 per capita income of \$1,110 ranks but twentieth in the world, a lag reflected in the low incomes of the smaller-scale manufacturing and agricultural enterprises, and in such unmet social-capital needs as roads, sewers, housing, parks and other public amenities that Western Europe and North America take for granted.

This concentration of the Japanese people, first on recovery.

and then on building the bases for their economic security, has produced gratifying results. The economy continues to grow at one of the highest rates in the world; long-standing weaknesses in the traditional sectors of the economy are gradually being ameliorated; and future growth targets have been set high. In international trade the dynamic Japanese economy has long since outgrown the conceptual confines of a regional autarkic unit, implied in the defunct concept of a "Greater East Asia Co-prosperity Sphere." Although through trade, investment and economic assistance Japan is a major factor in the economic development of free Asia, the Japanese economy is effectively integrated into the global economic system, trading with the remotest corners of the world. (The United States is, of course, the leading partner, accounting for roughly one-third of Japan's two-way trade.)

A quarter-century after Hiroshima and the arrival of General Douglas MacArthur, Japan has established a strong base for future economic and social development, has earned membership among the world's leading industrial powers and finds itself accused, from time to time, of being an "economic animal."

II

The postwar quest for economic security has been that of an inward-looking people, forced for lack of resources to seek its livelihood in the outside world. Propelled by circumstances into external trade, the Japanese people have none the less remained politically aloof, apprehensive of any strife near their shores, and fearful lest they become involved in a conflict not of their own making. The public conviction has been that the main stress in Japan's foreign relations should be on what came to be known as "economic diplomacy," at least while affluence is yet to be attained at home. The Economic Affairs Bureau has long been regarded as the principal department in the Foreign Ministry. Nowhere in the popular psychology has there been an appetite for active political leadership in international affairs.

To be sure, the desire to remain aloof from political involvement has not meant lack of interest in the rest of the world. Our people have avidly absorbed foreign (mainly Western) trends and achievements in the cultural and recreational fields, as well as the economic, scientific and technological. Foreign travel has increased by leaps and bounds, in keeping with the

GALLEY RACK-DD-99

4—Foreign Affairs (1510-590) 12-13x28 Caslon—Lino. No. 4
—neff—8-13-69

improvement in living standards. International contacts and interchanges, both private and official, have been growing at an extraordinary rate, and public interest in world affairs (reported voluminously by the influential Japanese mass media) must be considered at least as great as in any other nation in the world. Reestablishment of the world-wide diplomatic network as soon as the Peace Treaty came into effect, and subsequent affiliation with all the major international organizations, were accepted as a matter of course, largely because this degree of involvement appeared directly related to national prosperity.

Apparently the concept of an inward-looking "little Japan," free of unnecessary foreign entanglement, has seemed preferable to the instinctively feared and discredited alternative of foreign adventurism. This may also explain the public attitude which accepted as necessary the vital and mutually beneficial Security Treaty with the United States, while at the same time displaying great uneasiness over any incident involving American bases and forces. Even those who have rejected the little-Japan concept speak in terms of an influential Japan, "great without armaments."

However, to dismiss this inward-lookingness as a temporary phenomenon due to horror at defeat and devastation, or to treat it as a form of naïveté that can be dispelled by governmental public relations, is to disregard the role this popular psychology has played in sustaining Japan's successful adaptation over the past 24 years.

A quarter-century in the short history of modern Japan is not an inconsiderable span. After all, it corresponds to one-third of the time elapsed between the Meiji Restoration and Hiroshima. A more realistic reading would be to assume that the inward-looking mentality has deep roots in the new Japan, especially when crowned with the aura of success. Japan has not only achieved reasonable prosperity, but has also enjoyed unbroken peace for the longest period since the Tokugawa era. During this time the people have not only rebuilt their economy, but have also busied themselves in the arts, in literature and other vital areas of civilized life, enriching their great heritage.

There has been a revival of interest in traditional things which antedated the Meiji Restoration. The amazing interest in archeology has pushed back the frontiers of Japan's national origins, and together with the renewed enthusiasm for Japanese history,

especially pre-Meiji, there is a strong concentration on things Japanese. Inward-lookingness is apparently satisfying a deep-seated need in the Japanese people to find themselves and to reestablish their identity. In this sense it may have something in common with the fierce Meiji determination to keep Japan free from foreign domination.

Another remarkable result of Japan's postwar adaptation is the transformation apparent in the national personality as manifested in politics, in business, in labor relations and in the daily intercourse of all Japanese, regardless of station. The democratization of Japanese society is especially evident in politics, since even the most conservative bureaucrat now knows that the public cannot be "guided," but must be "persuaded" or "sold." He also knows that sales resistance on the part of the public is high, especially on "outward-looking" subjects such as military security and Japan's political role in the world. Governmental efforts at public relations have yet to produce a clear consensus on matters of foreign policy, although it must also be acknowledged that there are political forces in Japan that thrive on the lack of consensus.

Interestingly, the now well-established habit of free speech has opened up for discussion such dreaded and once-taboo subjects as nuclear weapons, especially in connection with the Non-proliferation Treaty, now under close study. There is evidence that serious discussion of "outward-looking" subjects has begun, although not yet on a widely popular basis. Indications are that the Japanese people are slowly becoming aware of further changes in their circumstances, at home and abroad, and are groping toward new forms of adaptation. Some people describe this trend as a revival of nationalism, although whether this assessment is accurate remains to be seen.

Japan is being challenged anew, domestically and internationally, and may be on the threshold of a new era of change and adaptation. If so, this period of change may well coincide with a generational change, brought about by the passage of time, in all areas of Japanese leadership.

Domestically Japan faces two great problems, both of which have become increasingly visible with the growth in prosperity. These are public hazards, which are the by-products of industrialization; and the lack of social capital, which is a legacy of prewar sacrifices followed by postwar concentration on produc-

8

GALLEY RACK--DD--100

5--Foreign Affairs (1510-590) 12-13x28 Caslon--Lino. No. 4
--neff--8-13-69

RECEIVED

tion. Intense industrialization brought with it pollution and other blights that constitute a growing threat to the public safety. Industrialization also accelerated the urbanization of Japan, spawning huge and sprawling megalopolises while nearly emptying centuries-old villages. Urbanization, in turn, highlighted the inadequacy of public services and amenities during a time when the public was becoming more vocal about its right to enjoy life, and was insistently asking when it might live like the citizens of the second-greatest economy in the free world. In some cases, such as the lack of good access roads, the problem has threatened to become a bottleneck to the expansion of production.

Thus it is now acknowledged throughout Japan that the next stage in the quest for economic security must be to improve the physical environment. The next decade, it is widely agreed, should be devoted not simply to the expansion of production, but also to the creation of more social capital and the solution of the problems that prosperity has brought. The press is busy pointing out the shortcomings of our living conditions, while scholars and experts are full of suggestions on how best to solve these problems. *Political circles* Politicians sensitive to the trend espouse the people's demands and the Government is under daily pressure.

In short, the whole issue has more and more assumed the character of a national challenge, a fit subject to occupy national energies for the immediate future. *absorb the greater part of ever-expanding* Some estimates of the effort required range as high as 60 to 70 percent of the national potential over a twenty-year period. It may also be presumed that concentration on these problems will strengthen, rather than weaken, the inward-looking tendencies of the Japanese people.

III

On the international front, Japan's adaptability is now being challenged by three striking developments. One is the greatly heightened impact of the Japanese economy on the rest of the world. Another is the changing role of the United States in Pacific Asia. The third is the growth among Asian nations of confidence in their own development efforts, coupled with a growing sense of regionalism. Together these trends highlight Japan's unique position in Asia, and call for considered Japanese responses.

Our economy, because of its sheer size and strength (by 1975 the gross national product is expected to be *more than* four times that of

9

1960, at constant prices), has become an international factor formidable in its own right. Whatever the subjective wishes of inward lookingness, Japan's economic influence could hardly be felt with greater intensity by her partners, principally the United States and most of the nations of Asia and the Pacific. Even the Soviet Union can no longer ignore Japan, especially in the light of the shift in Sino-Soviet relations.

Influence is but another name for responsibility, and the Japanese people are beginning to focus attention on how the nation will fulfill its new role in the company of such industrial powers as France, the United Kingdom and the Federal Republic of Germany. Clearly Japan can no longer be a passive agent in international affairs, particularly since economic power has become, in the eyes of the world, political power. The United States, for example, which objects to what it considers continuing restrictions on foreign access to Japanese markets, has raised this matter to the proportions of a major political issue.

It is unthinkable that Japan will not respond, in the spirit of give and take, to its international responsibilities in the economic field. To fail to do so would not only be damaging to the cooperative framework of the world economic system, but would also ultimately be contrary to our best interests, since our economic viability depends on the harmonious functioning of the multi-lateral cooperative system. Unwillingness to accommodate our interests to those of our partners—such as an overly cautious attitude in lowering barriers to foreign trade and investment—if pushed to an extreme, could result in isolation and alienation similar to that which Japan experienced in the bitter 1930s.

It is more profitable in the long run to defend our interests within the framework of the world system than outside it, and toward that end we should do our part in strengthening the system. Not all the demands of our trading partners are just and equitable, all the time, and each issue should be dealt with firmly on its merits, but only within the framework of the system.

Japan's second important challenge in external affairs is presented by the advent of what is called multipolarity in international relations, and the attendant changes in the relations of each of the two superpowers with its less powerful allies. This trend has not altered the fundamental structure of the U.S.-Soviet global equilibrium of force, but it has led the United States, after deep soul-searching in regard to the burdens it has carried in

10

GALLEY RACK D-76

6—Foreign Affairs (1510-590) 12-13x28 Caslon—Lino. No. 4
—neff—8-13-69

RECEIVED

Viet Nam, to reexamine its role in the maintenance of international peace and stability, especially in Asia. As President Nixon has made clear, the United States, while intending to fulfill its treaty commitments, at the same time expects the nations of Asia to assume increasing responsibility for their own internal and external security, apart from cases involving the threat of nuclear weapons.

In this context, Japan seems now to have become highly visible to Americans as an Asian power with the potential for contributing to the security of the region. Obviously a simple transfer of peace-keeping responsibilities in Asia from the United States to Japan is out of the question because of Japan's constitutional limitation and the great disparity in both actual and potential military power between our two countries. Japanese public opinion is simply not prepared for such an undertaking; nor, I believe, would the other free nations of Asia welcome it. Responsible Americans will understand, I am sure, that any ill-conceived Japanese military contribution to Asian stability would accomplish little except to squander Japan's security capabilities, and our painstakingly built-up good will in Asian countries, as well as domestic support for the Self-Defense Forces.

In practical terms, moreover, it is reasonable to assume that for some time to come there will be no substitute for the continuing presence of American deterrent power to counter effectively any designs for large-scale military adventures in the area.

What is feasible, as President Nixon has suggested, is for the nations of Asia to enhance their ability to shoulder their own security responsibilities. Japan's Self-Defense Forces are now making an important contribution to the keeping of the peace in East Asia because of the vital role they play in guaranteeing the primary defense of Japan. As a result, the American military presence is able to devote itself to the ultimate mission which it alone is equipped to perform: the deterrence of major war. This same division of labor will be applicable to Okinawa, after reversion, when Japan will be prepared to assume full responsibility for local security against aggression. I wish also to stress that U.S. forces ~~will~~ should remain on Okinawa to keep the peace in the region.

Japan's self-defense capability is considerable. Although Japanese defense forces may not constitutionally be deployed abroad, they constitute a very effective homeland defense—285,000 strong—with conventional firepower greater than that of the Imperial

11

forces at their wartime peak. Our defense expenditures, \$1,340,000,000 in the current fiscal year, are increasing annually at a rate of 14-15 percent, which corresponds to the growth of our gross national product. According to some private projections, this implies that in about ten years Japan's defense budget might roughly correspond to Communist China's today, including Chinese outlays both for conventional armaments and for the back-breakingly expensive nuclear-weapons development program. In short, we can now rely substantially on our own means for our national security, apart, of course, from total war, whether conventional or nuclear. This, in the framework of our treaty relations with the United States, is, I believe, a vital contribution to the peace and stability of our region.

In this connection there is what is known as the "problem of 1970," when Opposition forces plan an all-out effort, accompanied by mass movements, to press the Government to abrogate the Security Treaty, which after June of next year can be terminated on one year's notice by either Japan or the United States. Needless to say, our Government has no intention of doing so.

I am also convinced that Japan is performing another vital role in furthering Asian stability. This is in the form of our support to Asian nations in their efforts to achieve a viable national existence in economic and social fields. Their success in these areas is not only essential to their internal stability, but can also ensure, in the long run, their capacity to assume greater responsibility for their own security.

The nations of Asia, from Korea to the great Indian subcontinent, have been struggling since the end of World War II to establish viable states. Despite great obstacles, they have made progress, chiefly through their own efforts, but also with varying degrees of external aid. In many cases their progress has been possible because of the stability resulting from the American presence in Asia. There has been no real movement, during this same period, toward any lasting form of regional grouping that might one day lead to a community of nations such as has developed in Europe. This is understandable for historical reasons, and because of the great cultural, religious, ethnic and other differences which characterize Asia.

Nevertheless, successes in internal development of these nations have now led them to a stage where they are showing active interest in effective regional cooperation. Some countries in the

12

GALLEY RACK D-77
7—Foreign Affairs (1510-590) 12-13x28 Caslon—Lino. No. 4
—neff—8-13-69

13

area have been asking questions about the ability of Japan, as the region's leading economic power, to expand its assistance to nation-building efforts.

One of our responses to this fresh development was to set up the Ministerial Conference for the Development of Southeast Asia, which held its first meeting in 1966. That same year Japan made a decisive contribution to the capital of the Asian Development Bank, ensuring its early operation. At about the same time Japan lent its cooperation to the establishment of the Asian and Pacific Council, which held its fourth ministerial meeting in Japan earlier this year. These initiatives, combined with Japan's long-standing activities as a leading member of the United Nations Economic Commission for Asia and the Far East (where plans for the Asian Development Bank originated), have been accepted by our public as forms of constructive economic cooperation, and as manifestations of our willingness to play a useful role in promoting wider regional cooperation.

This is a cause in which I believe Japan can perform most effectively. To fail to respond to the expectations of our Asian neighbors would retard the development of a viable Asian community with Japan as an active and cooperating member. In the absence of such a community Japan would be excessively dependent on the United States to maintain the stability of its security frontiers. While the "little Japan" mood takes the U.S. presence for granted and treats it as a substitute for regional cohesion, it would be dangerous to count on this substitution as permanent. The sensible alternative is for our country to shoulder its external responsibilities in the framework of expanding regional cooperation.

An important element in this cooperation is Japanese economic and technical aid. Assistance, both private and Governmental, to Asian countries reached the level of \$559,000,000 last year, and the Government budget for aid to these countries in the current fiscal year has increased 42 percent to \$452,300,000. As I informed the assembled Southeast Asian Development Minister in Bangkok last April, and as my distinguished colleague Finance Minister Takeo Fukuda made clear to the Second Annual Meeting of the Asian Development Bank in Sydney that same month, we are prepared to increase our economic aid substantially. A Japanese Cabinet Minister's conference in July confirmed our intention to promote actively Asian development

13

in the coming decade. It is hoped that our present levels of aid to Asia will be doubled within five years.

Economic assistance, however, is only part of the task. What is also needed is a larger objective toward which all our diverse cooperative efforts may be directed. I personally believe, on the basis of our own historical experience and our view of the future, that no objective is more important than the construction in East Asia of a viable community of nations, embodying "unity in diversity." I believe we should help the nations of Asia to develop, aiming toward the attainment of a harmonious and stable whole, and in this context we should put at the disposal of other Asian countries our own experience at adaptation.

Japan's role should be one of service to each country in the region that is willing to accept it, and to the region as a whole. Needless to say, this is a role we can perform only with the agreement of our partners. A long series of talks, both bilateral and multilateral, must precede and accompany this undertaking so there will be no doubts about the intentions of all concerned. This is a task that will take a very long time, and will involve great numbers of people, Japanese and others. It will certainly cost money and energy, and will no doubt produce much criticism and little praise. Careful planning will be required; plans and priorities will have to be geared to each country's particular conditions and, of course, to our capabilities. It will be a vast and demanding enterprise, but it is in our own interests to take vigorous part in it.

Comparing the domestic and external challenges Japan now faces, it is apparent that the two sets of problems are in competition with each other for the allocation of available resources and energies, and in capturing the interest and loyalties of the Japanese public. It would not be much of an exaggeration to speculate that, if nature were to take its course, the average Japanese would be far more interested in solving the knotty and multitudinous problems at home than in making the painful switch-over to an "outward-looking" frame of mind, in order to reach a consensus on Japan's role in the outside world. However, the Japanese mind is characterized by resilience and shrewdness, and has proved it is capable of adapting. Furthermore, as I have already observed, the recognition is steadily spreading that our external circumstances are changing.

It is becoming clearer that Japan must deal with *both* its

GALLEY RACK D-78

8—Foreign Affairs (1510-590) 12-13x28 Caslon—Lino. No. 4
—neff—8-13-69

external responsibilities and its domestic challenges. We must act domestically if we are going to prevent our home environment from becoming unfit for life, and we must act internationally to ensure that our external environment will be viable. Successful adaptation to these changing conditions requires a skillful blending of both responses. Obviously the domestic challenges will cost vastly more than the external. The problem of resource allocation can be solved, therefore, by working out a rational set of priorities to meet external requirements, leaving ample flexibility to cope with unforeseen problems in such a long-term undertaking.

So far I have barely touched on the most important problem: how to secure the support of the Japanese people. Obviously it is not enough to harangue the people on the need to divest themselves of inward-looking attitudes. Sales resistance to this approach is strong. In my view the only course is to appeal to the innate good sense of the Japanese people, nurturing carefully the tender shoots of dialogue that are already emerging in public discussion. Our Government owes our people a full explanation of the national interests involved in these endeavors. The public's voluntary support should be solicited. Leadership should be patient in explaining to the people, both through the Diet and directly, bearing in mind Prime Minister Eisaku Sato's recent observations to the Tokyo Foreign Correspondents Club: "It is clear that the [Japanese] people are no longer satisfied with a merely negative pacifism aiming only at the country's safety. However, at the same time, national objectives which are not in harmony with the way individual citizens view the world in today's modern society are not viable."

Since these are very long-range undertakings, it is both possible and desirable to devote considerable time and energy to encouraging public interest in outward-looking ideas, gradually weaning the public away from little-Japanism. At the same time, various aspects of the external program can be initiated through practical measures, where the Government has the authority, and where it does not, Diet approval can be sought. I am confident that the cumulative effects of both action and explanation will bring favorable public response.

IV

Finally, I should like to touch briefly on the future environ-

ment with which we must learn to deal anew. In carrying out the endeavors I have proposed it is obvious that Japan must be extremely sensitive to the requirements of the Asian countries with which we will be working. It is equally obvious that we should give careful thought to two of the three great entities of our region: Communist China and the United States. If the undertakings I have suggested get under way, we may expect that Pacific Asia in the 1970s will display increasingly complex relationships among the two superpowers, and Communist China and Japan.

The Chinese Communists at this moment show no predictability as to the future direction of their policies, internal or external, so I cannot foresee with confidence what their reaction will be. They must realize by now that none of the countries from the Japan Sea to the Indian Ocean, including the communist régimes, would welcome the establishment of a Chinese sphere of influence in this area. Whether China will interpret our intentions in hostile or indifferent terms remains to be seen. It seems safe to predict, however, that the Communist Chinese will have to take more notice of Japan as our national influence, in keeping with our responses to new challenges, continues to rise.

For our part, we will continue our present policies of maintaining diplomatic relations with the Republic of China and nongovernmental economic and cultural contacts with Peking, and, as long as there is any danger that the Republic of China may be evicted from the United Nations, of avoiding such an eventuality.

At the same time I am aware that, according to some, perpetuating the isolation of Peking is conducive neither to stability nor to peaceful development in Asia, and I am of the opinion that in coming years serious attention should be given to this problem. I privately think that the question of attaining a viable equilibrium in relations between nuclear-equipped Peking and ourselves will take at least another decade for a full answer. Suffice it to say that the Communist Chinese question is a fundamental one and, as such, figures in our domestic political life, where many elements are attempting to prove that we are being forced by the United States to follow its lead. It is hardly necessary for me to deny this allegation.

As I have already implied, the regional military balance in East Asia is essentially that between the United States, our ally,

REMOVED

and Communist China. In the context of the U.S. deterrent, I am sure the United States will welcome my proposals to help the countries of the region with their nation-building, which after all is the foundation for their security and stability. In the case of certain countries, this might mean that when necessary they would be ready to take over with their own troops any part of the visible American presence which Washington, under its modified strategy, may transfer elsewhere.

Turning to current bilateral issues between Japan and the United States, strong public attention has been focused on the problems of the reversion of Okinawa and of economic relations between the two countries.

The problem of the return of Okinawa, which has been the subject of exchange visits to our respective countries by Secretary of State William P. Rogers and myself, will hopefully be resolved later this year when Prime Minister Sato plans to visit President Nixon. Resolution of this issue will be significant, not only in the obvious sense that a long-separated part of our people will return to the fold, and that this will have been accomplished through peaceful and friendly talks between our two governments; it will be significant also in the sense that the return of Okinawa will lift the last excuse in our public mind for clinging to our inward-lookingness. With Okinawa—so long a symbol of our defeat and impotence—back in our midst, our strength will have been made whole again, and we will be ready for our responsibilities. Here lies the importance of Okinawa to history.

In this connection, I should note that we are also actively trying to solve another important territorial problem, namely that of our Northern Islands, under Soviet occupation.

As for the very complicated economic problems, I have already touched briefly on some of their aspects, pointing out that Japan is prepared to play its part in maintaining and developing the world economic system, and that it is actively pursuing the liberalization of trade and capital investment, at the maximum speed consistent with domestic economic considerations. It is also self-evident that the difficult problems facing the multi-lateral economic system, both in monetary and trade fields, can be overcome only through the closest international cooperation, and with effective leadership from such economic giants as the United States and the European Economic Community. I should like to add that economic relations between the United States

and Japan have proved by their nature to be mutually profitable over the long run. We need each other. Thus there should be no issue between us that cannot be settled by honest and well-thought-out give and take.

Unique among the world's advanced nations, Japan has been obliged to make extraordinary adjustments and adaptations in the short span of a century. Though our national psyche may bear some scars, we have been resilient as a people, and so far, successful. Now we must respond to new problems, because if we fail to do so we may not be prepared when the next major challenge confronts us.

I, for one, am an optimist, and one of my favorite sayings is: "Listen to the call of the twenty-first century." It is my hope that with hard and sometimes painful work, my people by that time will have transcended the discontinuities of their past, and will be vital participants in the affairs of both the Asian and the world communities.

JAPAN'S LEGACY AND DESTINY
OF CHANGE

By Kiichi Aichi

Reprinted From

FOREIGN
AFFAIRS

AN AMERICAN QUARTERLY REVIEW



OCTOBER 1969

FOREIGN AFFAIRS

AN AMERICAN QUARTERLY REVIEW



OCTOBER 1969

To Cap the Volcano	McGeorge Bundy	1
Japan's Legacy and Destiny of Change	Kiichi Aichi	21
Realism in British Foreign Policy	Edward Heath	39
Can Military Spending Be Controlled?	Jonathan B. Bingham	51
Communications by Satellite	Sig Mickelson	67
What Forces for NATO? And From Whom? Alain C. Enthoven and K. Wayne Smith		80
Agrarian Reform in Latin America	Frances M. Poland	97
Some Dilemmas of Counterinsurgency George K. Tanham and Dennis J. Duncanson		113
The New World of Asia	George Thomson	123
International Liquidity and Foreign Aid	Edward R. Fried	139
War in Southern Africa	Russell Warren Howe	150
North Korea's New Offensive	Joungwon A. Kim	166
Recent Books on International Relations	John G. Stoessinger	180
Source Material	Donald Wasson	199

HAMILTON FISH ARMSTRONG
Editor

PHILIP W. QUIGG
Managing Editor

Editorial Advisory Board

McGEORGE BUNDY
ALFRED M. GRUENTHER
GEORGE F. KENNAN

HENRY A. KISSINGER
WILLIAM L. LANGER

JOHN J. McCLOY
PHILIP E. MOSELY
ISIDOR I. RABI

Reprints of FOREIGN AFFAIRS articles are available at the following prices: 1 to 24 - 50¢; 25 to 99 - 45¢; 100 to 299 - 40¢; 300 to 499 - 35¢; 500 to 999 - 30¢; 1000 to 2499 - 25¢; 2500 to 4999 - 20¢; 5000 and over - 15¢. For further information write FOREIGN AFFAIRS Reprint Department, 58 East Sixty-Eighth Street, New York, N.Y. 10021.

Vol. 48, No. 1. Copyright 1969, Council on Foreign Relations, Inc. Printed in the U.S.A.

JAPAN'S LEGACY AND DESTINY OF CHANGE

By Kiichi Aichi

FOR a nation whose founding is lost in the mists of antiquity, Japan is in many respects a very new country. Last year we celebrated the hundredth anniversary of the Meiji Restoration, which marked our entry into the modern world. This year the Ministry of Foreign Affairs, which I am honored to head, observed its centennial. By contrast, the United States, which is in every respect a young nation, possesses a number of institutions that are far older than many of Japan's. The Department of State, for example, is only a dozen years short of its bicentennial, and Harvard University, with its 333-year old history, is more than three times the age of my own alma mater, Tokyo University, now in its ninety-second year.

This newness of modern Japan, which makes it unique among the "advanced" nations, is also an essential key to our view of the world. To understand Japan's outlook and its vision of the future, it is necessary first to comprehend our country's brief and turbulent history as a modern state, and the effects these compressed events have had on the Japanese mind.

Two sets of events in particular have been decisive in their impact: the developments leading to the Meiji Restoration, which forcibly integrated Japan into the nineteenth-century jungle of world diplomacy, and total defeat in the Second World War, which profoundly changed Japan's direction as a modern nation-state.

The first of these traumatic national experiences is so recent that, until a decade or so ago, there were people still living with personal memories of the feudal Tokugawa era. Indeed, Japan's "age of discontinuity," to borrow Professor Peter Drucker's apt phrase, began not with the contemporary technological explosion, but with the arrival in 1853 of America's "black ships," which came to open up Japan, and were met on the beach at Kurihama by the feudal levy armed with matchlocks and pikes, "as on Bosworth field."

From that moment to the present, the lot of our people has been forced change—rapid, relentless and often violent—and painful adaptation to change.

At the moment of Japan's forced emergence from 250 years of peaceful seclusion, the world was indeed a jungle. Powerful, well-organized and ruthless Western states, armed with tools and weapons forged in the Industrial Revolution, were engaged either in imposing their will on the weaker lands of Asia and Africa or in reducing them outright to colonies and dependencies. Ailing China, long the cultural and political leader of Eastern Asia, was slowly being nibbled away by the Western powers. Korea, like Japan, lay dormant in seclusion, but vast areas of Southeast Asia were already under Western domination. Aggressive Tsarist Russia cast a long shadow over the Siberian wastes, touching the northern approaches of the Japanese islands. All-powerful Britain had recently thrashed the Chinese Empire in the Opium War (an event which deeply impressed our forefathers), and its fleets dominated the seas of Pacific Asia.

Japan itself had felt the bite of Western arms when warships from the West, in punitive action, reduced to ashes the ports of the recalcitrant Lords of Choshu and Satsuma, then the most powerful men in feudal Japan. Moreover, the civil war which preceded the restoration was marked by British and French intrigues. No wonder the Japanese people, sensing a threat to their very existence, began their long quest for military and diplomatic security.

The pattern this quest took, over the next 75 years, was largely determined by Japan's view of the world environment in which our country found itself. Clearly, isolation was no longer a realistic alternative; some form of participation in the outside world was required. In the eyes of the Japanese people this participation could be neither passive nor confined to a regional scale, in the shelter of some stable East Asian community of nations, capable together of keeping a regional balance of power while fending off alien intruders. No such community or capability existed. Finally, Japan's almost total lack of natural resources required for the building of a modern economy dictated active participation in world trade.

Thus our country felt it had no choice but to adapt aggressively to changed circumstances and, as a matter of survival, to embark on a perilous competition with the West in pursuit of ever-receding security frontiers.

During the first quarter-century of its modern history, Japan laid the foundations for future growth and security by selectively

Westernizing the basic social, economic and political institutions, and by launching its own delayed industrial revolution. With the beginning of its second quarter-century, in the 1890s, those preparations bore fruit. In the environment of accelerated Western imperialism, our country developed into a strong military power, capable of defeating first the Chinese and then the Russians. Within 50 years of Commodore Perry's visit, Japan had attained membership in the world's Big Five. With these credentials, which involved transforming itself into the conquering image of the alien powers it once had feared, Japan plunged into its third quarter-century, which culminated in the holocaust of 1945.

The events of those first 75 years, which in retrospect unfolded with the inexorability of a Greek tragedy, exacted a great price in our nation's public spirit and personal sacrifice. For three-quarters of a century the state made enormous demands on the people, at the expense of social and political development, and the people responded faithfully. The slogan of the times, "Rich Country for Strong Arms," expressed the intensity of Japan's initial fear of the West, and symbolized the popular determination to overtake and surpass the West. Yet this single-minded course, whose supreme and final effort was the war in which Japanese arms were carried to far-flung reaches of Asia and the Pacific, ended in utter ruin in the ashes of Hiroshima and Nagasaki.

It is my belief that the trauma of utter defeat in 1945, and the restructuring of the international environment which followed, produced changes in my country as momentous as those initiated by the coming of the black ships in 1853. For the second time the Japanese state, society and world view were fundamentally transformed. No doubt the reforms introduced by the seven-year-long American Occupation gave great impetus to these changes, but in my view it was our people, painfully adapting once more to drastically altered circumstances, who shaped contemporary Japan.

In defeat the Japanese people were drawn into themselves as never before. The nation had suffered grievously from the war, was utterly disillusioned with the past, and for the time being was consumed by the daily desperate struggle for a livelihood amid shortages and inflation. Even basic moral and social values had been shattered or discarded in the national catastrophe, and the

pain was as much spiritual as physical. The earlier quest for security—and then for power and glory—held no meaning or attraction in the nuclear age. Stripped of the trappings of a major power, exhausted in the home islands under the forcible protection of victorious America, and confronted with the mammoth tasks of economic reconstruction, our people had no stomach for involvement in the troubles surrounding them.

Asia was in turmoil in the immediate postwar years. The sparks of Asian nationalism, fanned in part by Japan's wartime forays, suddenly burst into flame throughout South and Southeast Asia. China was in the birth throes of the Communist state, the dark clouds of the cold war were gathering rapidly, and the groundwork was being laid for today's three-way confrontation among the two superpowers, the United States and the Soviet Union, and Communist China. Related problems of divided Korea, Viet Nam and China, and the gap (so wide in Asia) between North and South, rich and poor, had already been defined and needed but a little time to sharpen into major concerns of our age.

Yet our people felt insulated from all this by our own powerlessness and by the fact that our security was under the protection of the United States, which had entered the Asian vacuum left by Japan's defeat. The people felt incapable as well as disinclined either to act or react in the face of the momentous events on their doorstep. Their overriding concern was economic recovery and the watchword was "Increase Production." What they yearned for was the modest prosperity of a middle-class nation, quietly content in its home islands, shunning unnecessary foreign involvement and, above all, renouncing war.

The postwar "peace" Constitution, though espoused by the American Occupation, evoked a deep response in the innermost feelings of the Japanese people. Few welcomed defeat and foreign occupation, but still fewer thirsted for revenge or yearned for the lost days of greatness of empire. In addition, the new Constitution discarded the old controls designed to perpetuate an all-powerful state, and provided for individual freedom and civil liberties. Institutions were reformed or evolved anew in all fields, especially in education, labor-management relations and emphasis on mass consumption. All these innovations received wide popular support—among the older generations, who remembered the profitless restraints and sacrifices of the past, as

well as among the younger generations, who now take for granted both their freedom and their progress toward prosperity.

The freedoms of the new open society well served the national quest for economic security. The energy which had gone into maintaining strong armaments was redirected into rebuilding and then expanding the industrial plant, and improving mass living standards. By dint of hard work, sound technology, efficient administration and prevailing social and political stability (despite occasional turmoil), the Japanese people made, in retrospect, their initial adjustment to the radically changed environment of the postwar world.

Moreover, the multilateral and increasingly free and open world economic system, built up by the West since the Second World War and buttressed by global and regional institutions for coöperation, has provided the ideal environment for Japan and other nations to pursue their national economic objectives. It is neither the jungle of the late nineteenth century nor the protectionist thicket of the 1930s. Since postwar recovery, the expanding world economic system, secured from all-out war by the relatively stable superpower balance, has favored economic-minded countries, and Japan among them has prospered.

Japan's postwar recovery was speeded by early U.S. material assistance and, indirectly, by international developments such as the courageous United Nations defense of the Republic of Korea. By 1952, which also marked the end of the American Occupation, the rebuilt Japanese economy was beginning again to compete successfully in world markets. In subsequent years, Japan joined all the major international institutions—the United Nations and its agencies, the General Agreement on Tariffs and Trade, the International Monetary Fund and others.

Beginning in the mid-1950s, Japan set consistent records in rates of economic growth, progressing from bare subsistence to today's modest prosperity, in which its gross national product surpasses all but the United States in the free world. The goal of affluence, however, remains distant, since Japan's 1968 per capita income of \$1,110 ranks but twentieth in the world, a lag reflected in the low incomes of the smaller-scale manufacturing and agricultural enterprises, and in such unmet social-capital needs as roads, sewers, housing, parks and other public amenities that Western Europe and North America take for granted.

This concentration of the Japanese people, first on recovery

and then on building the bases for their economic security, has produced gratifying results. The economy continues to grow at one of the highest rates in the world; long-standing weaknesses in the traditional sectors of the economy are gradually being ameliorated; and future growth targets have been set high. In international trade the dynamic Japanese economy has long since outgrown the conceptual confines of a regional autarkic unit, implied in the defunct concept of a "Greater East Asia Co-prosperity Sphere." Although through trade, investment and economic assistance Japan is a major factor in the economic development of free Asia, the Japanese economy is effectively integrated into the global economic system, trading with the remotest corners of the world. (The United States is, of course, the leading partner, accounting for roughly one-third of Japan's two-way trade.)

A quarter-century after Hiroshima and the arrival of General Douglas MacArthur, Japan has established a strong base for future economic and social development, has earned membership among the world's leading industrial powers and finds itself accused, from time to time, of being an "economic animal."

II

The postwar quest for economic security has been that of an inward-looking people, forced for lack of resources to seek its livelihood in the outside world. Propelled by circumstances into external trade, the Japanese people have none the less remained politically aloof, apprehensive of any strife near their shores, and fearful lest they become involved in a conflict not of their own making. The public conviction has been that the main stress in Japan's foreign relations should be on what came to be known as "economic diplomacy," at least while affluence is yet to be attained at home. The Economic Affairs Bureau has long been regarded as the principal department in the Foreign Ministry. Nowhere in the popular psychology has there been an appetite for active political leadership in international affairs.

To be sure, the desire to remain aloof from political involvement has not meant lack of interest in the rest of the world. Our people have avidly absorbed foreign (mainly Western) trends and achievements in the cultural and recreational fields, as well as the economic, scientific and technological. Foreign travel has increased by leaps and bounds, in keeping with the

improvement in living standards. International contacts and interchanges, both private and official, have been growing at an extraordinary rate, and public interest in world affairs (reported voluminously by the influential Japanese mass media) must be considered at least as great as in any other nation in the world. Reestablishment of the worldwide diplomatic network as soon as the Peace Treaty came into effect, and subsequent affiliation with all the major international organizations, were accepted as a matter of course, largely because this degree of involvement appeared directly related to national prosperity.

Apparently the concept of an inward-looking "little Japan," free of unnecessary foreign entanglement, has seemed preferable to the instinctively feared and discredited alternative of foreign adventurism. This may also explain the public attitude which accepted as necessary the vital and mutually beneficial Security Treaty with the United States, while at the same time displaying great uneasiness over any incident involving American bases and forces. Even those who have rejected the little-Japan concept speak in terms of an influential Japan, "great without armaments."

However, to dismiss this inward-lookingness as a temporary phenomenon due to horror at defeat and devastation, or to treat it as a form of naïveté that can be dispelled by governmental public relations, is to disregard the role this popular psychology has played in sustaining Japan's successful adaptation over the past 24 years.

A quarter-century in the short history of modern Japan is not an inconsiderable span. After all, it corresponds to one-third of the time elapsed between the Meiji Restoration and Hiroshima. A more realistic reading would be to assume that the inward-looking mentality has deep roots in the new Japan, especially when crowned with the aura of success. Japan has not only achieved reasonable prosperity, but has also enjoyed unbroken peace for the longest period since the Tokugawa era. During this time the people have not only rebuilt their economy, but have also busied themselves in the arts, in literature and other vital areas of civilized life, enriching their great heritage.

There has been a revival of interest in traditional things which antedated the Meiji Restoration. The amazing interest in archaeology has pushed back the frontiers of Japan's national origins, and together with the renewed enthusiasm for Japanese history,

especially pre-Meiji, there is a strong concentration on things Japanese. Inward-lookingness is apparently satisfying a deep-seated need in the Japanese people to find themselves and to reestablish their identity. In this sense it may have something in common with the fierce Meiji determination to keep Japan free from foreign domination.

Another remarkable result of Japan's postwar adaptation is the transformation apparent in the national personality as manifested in politics, in business, in labor relations and in the daily intercourse of all Japanese, regardless of station. The democratization of Japanese society is especially evident in politics, since even the most conservative bureaucrat now knows that the public cannot be "guided," but must be "persuaded" or "sold." He also knows that sales resistance on the part of the public is high, especially on outward-looking subjects such as military security and Japan's political role in the world. Governmental efforts at public relations have yet to produce a clear consensus on matters of foreign policy, although it must also be acknowledged that there are political forces in Japan that thrive on the lack of consensus.

Interestingly, the now well-established habit of free speech has opened up for discussion such dreaded and once-taboo subjects as nuclear weapons, especially in connection with the Non-proliferation Treaty, now under close study. There is evidence that serious discussion of "outward-looking" subjects has begun, although not yet on a widely popular basis. Indications are that the Japanese people are slowly becoming aware of further changes in their circumstances, at home and abroad, and are groping toward new forms of adaptation. Some people describe this trend as a revival of nationalism, although whether this assessment is accurate remains to be seen.

Japan is being challenged anew, domestically and internationally, and may be on the threshold of a new era of change and adaptation. If so, this period of change may well coincide with a generational change, brought about by the passage of time, in all areas of Japanese leadership.

Domestically Japan faces two great problems, both of which have become increasingly visible with the growth in prosperity. These are public hazards, which are the by-products of industrialization; and the lack of social capital, which is a legacy of prewar sacrifices followed by postwar concentration on produc-

tion. Intense industrialization brought with it pollution and other blights that constitute a growing threat to the public safety. Industrialization also accelerated the urbanization of Japan, spawning huge and sprawling megalopolises while nearly emptying centuries-old villages. Urbanization, in turn, highlighted the inadequacy of public services and amenities during a time when the public was becoming more vocal about its right to enjoy life, and was insistently asking when it might live like the citizens of the second-greatest economy in the free world. In some cases, such as the lack of good access roads, the problem has threatened to become a bottleneck to the expansion of production.

Thus it is now acknowledged throughout Japan that the next stage in the quest for economic security must be to improve the physical environment. The next decade, it is widely agreed, should be devoted not simply to the expansion of production, but also to the creation of more social capital and the solution of the problems that prosperity has brought. The press is busy pointing out the shortcomings of our living conditions, while scholars and experts are full of suggestions on how best to solve these problems. Political circles sensitive to the trend espouse the people's demands and the Government is under daily pressure.

In short, the whole issue has more and more assumed the character of a national challenge, a fit subject to absorb the greater part of our ever-expanding energies for the immediate future. It may also be presumed that concentration on these problems will strengthen, rather than weaken, the inward-looking tendencies of the Japanese people.

III

On the international front, Japan's adaptability is now being challenged by three striking developments. One is the greatly heightened impact of the Japanese economy on the rest of the world. Another is the changing role of the United States in Pacific Asia. The third is the growth among Asian nations of confidence in their own development efforts, coupled with a growing sense of regionalism. Together these trends highlight Japan's unique position in Asia, and call for considered Japanese responses.

Our economy, because of its sheer size and strength (by 1975 the gross national product is expected to be more than four times that of 1960, at constant prices), has become an international

factor formidable in its own right. Whatever the subjective wishes of inward-lookingness, Japan's economic influence could hardly be felt with greater intensity by her partners, principally the United States and most of the nations of Asia and the Pacific. Even the Soviet Union can no longer ignore Japan, especially in the light of the shift in Sino-Soviet relations.

Influence is but another name for responsibility, and the Japanese people are beginning to focus attention on how the nation will fulfill its new role in the company of such industrial powers as France, the United Kingdom and the Federal Republic of Germany. Clearly Japan can no longer be a passive agent in international affairs, particularly since economic power has become, in the eyes of the world, political power. The United States, for example, which objects to what it considers continuing restrictions on foreign access to Japanese markets, has raised this matter to the proportions of a major political issue.

It is unthinkable that Japan will not respond, in the spirit of give and take, to its international responsibilities in the economic field. To fail to do so would not only be damaging to the cooperative framework of the world economic system, but would also ultimately be contrary to our best interests, since our economic viability depends on the harmonious functioning of the multi-lateral cooperative system. Unwillingness to accommodate our interests to those of our partners—such as an overly cautious attitude in lowering barriers to foreign trade and investment—if pushed to an extreme, could result in isolation and alienation similar to that which Japan experienced in the bitter 1930s.

It is more profitable in the long run to defend our interests within the framework of the world system than outside it, and toward that end we should do our part in strengthening the system. Not all the demands of our trading partners are just and equitable, all the time, and each issue should be dealt with firmly on its merits, but only within the framework of the system.

Japan's second important challenge in external affairs is presented by the advent of what is called multipolarity in international relations, and the attendant changes in the relations of each of the two superpowers with its less powerful allies. This trend has not altered the fundamental structure of the U.S.-Soviet global equilibrium of force, but it has led the United States, after deep soul-searching in regard to the burdens it has carried in Viet Nam, to reexamine its role in the maintenance of interna-

tional peace and stability, especially in Asia. As President Nixon has made clear, the United States, while intending to fulfill its treaty commitments, at the same time expects the nations of Asia to assume increasing responsibility for their own internal and external security, apart from cases involving the threat of nuclear weapons.

In this context, Japan seems now to have become highly visible to Americans as an Asian power with the potential for contributing to the security of the region. Obviously a simple transfer of peacekeeping responsibilities in Asia from the United States to Japan is out of the question because of Japan's constitutional limitation and the great disparity in both actual and potential military power between our two countries. Japanese public opinion is simply not prepared for such an undertaking; nor, I believe, would the other free nations of Asia welcome it. Responsible Americans will understand, I am sure, that any ill-conceived Japanese military contribution to Asian stability would accomplish little except to squander Japan's security capabilities, and our painstakingly built-up good will in Asian countries, as well as domestic support for the Self-Defense Forces.

In practical terms, moreover, it is reasonable to assume that for some time to come there will be no substitute for the continuing presence of American deterrent power to counter effectively any designs for large-scale military adventures in the area.

What is feasible, as President Nixon has suggested, is for the nations of Asia to enhance their ability to shoulder their own security responsibilities. Japan's Self-Defense Forces are now making an important contribution to the keeping of the peace in East Asia because of the vital role they play in guaranteeing the primary defense of Japan. As a result, the American military presence is able to devote itself to the ultimate mission which it alone is equipped to perform: the deterrence of major war. This same division of labor will be applicable to Okinawa, after reversion, when Japan will be prepared to assume full responsibility for local security against aggression. I wish also to stress that American forces should remain on Okinawa to keep the peace in the region.

Japan's self-defense capability is considerable. Although Japanese defense forces may not constitutionally be deployed abroad, they constitute a very effective homeland defense—285,000 strong—with conventional firepower greater than that of the Imperial

forces at their wartime peak. Our defense expenditures, \$1,340,000,000 in the current fiscal year, are increasing annually at a rate of 14-15 percent, which corresponds to the growth of our gross national product. According to some private projections, this implies that in about ten years Japan's defense budget might roughly correspond to Communist China's today, including Chinese outlays both for conventional armaments and for the back-breakingly expensive nuclear-weapons development program. In short, we can now rely substantially on our own means for our national security, apart, of course, from total war, whether conventional or nuclear. This, in the framework of our treaty relations with the United States, is, I believe, a vital contribution to the peace and stability of our region.

In this connection there is what is known as the "problem of 1970," when Opposition forces plan an all-out effort, accompanied by mass movements, to press the Government to abrogate the Security Treaty, which after June of next year can be terminated on one year's notice by either Japan or the United States. Needless to say, our Government has no intention of doing so.

I am also convinced that Japan is performing another vital role in furthering Asian stability. This is in the form of our support to Asian nations in their efforts to achieve a viable national existence in economic and social fields. Their success in these areas is not only essential to their internal stability, but can also ensure, in the long run, their capacity to assume greater responsibility for their own security.

The nations of Asia, from Korea to the vast Indian subcontinent, have been struggling since the end of World War II to establish viable states. Despite great obstacles, they have made progress, chiefly through their own efforts, but also with varying degrees of external aid. In many cases their progress has been possible because of the stability resulting from the American presence in Asia. There has been no real movement, during this same period, toward any lasting form of regional grouping that might one day lead to a community of nations such as has developed in Europe. This is understandable for historical reasons, and because of the great cultural, religious, ethnic and other differences which characterize Asia.

Nevertheless, successes in internal development of these nations have now led them to a stage where they are showing active interest in effective regional cooperation. Some countries in the

area have been asking questions about the ability of Japan, as the region's leading economic power, to expand its assistance to nation-building efforts.

One of our responses to this fresh development was to set up the Ministerial Conference for the Development of Southeast Asia, which held its first meeting in 1966. That same year Japan made a decisive contribution to the capital of the Asian Development Bank, ensuring its early operation. At about the same time Japan lent its cooperation to the establishment of the Asian and Pacific Council, which held its fourth ministerial meeting in Japan earlier this year. These initiatives, combined with Japan's long-standing activities as a leading member of the United Nations Economic Commission for Asia and the Far East (where plans for the Asian Development Bank originated), have been accepted by our public as forms of constructive economic cooperation, and as manifestations of our willingness to play a useful role in promoting wider regional cooperation.

This is a cause in which I believe Japan can perform most effectively. To fail to respond to the expectations of our Asian neighbors would retard the development of a viable Asian community with Japan as an active and cooperating member. In the absence of such a community Japan would be excessively dependent on the United States to maintain the stability of its security frontiers. While the little-Japan mood takes the U.S. presence for granted and treats it as a substitute for regional cohesion, it would be dangerous to count on this substitution as permanent. The sensible alternative is for our country to shoulder its external responsibilities in the framework of expanding regional cooperation.

An important element in this cooperation is Japanese economic and technical aid. Assistance, both private and governmental, to Asian countries reached the level of \$559,000,000 last year, and the government budget for aid to these countries in the current fiscal year has increased 42 percent to \$452,300,000. As I informed the assembled Southeast Asian Development Ministers in Bangkok last April, and as my distinguished colleague Finance Minister Takeo Fukuda made clear to the Second Annual Meeting of the Asian Development Bank in Sydney that same month, we are prepared to increase our economic aid substantially. A Japanese Cabinet Ministers' conference in July confirmed our intention to promote actively Asian development

in the coming decade. It is hoped that our present levels of aid to Asia will be doubled within five years.

Economic assistance, however, is only part of the task. What is also needed is a larger objective toward which all our diverse cooperative efforts may be directed. I personally believe, on the basis of our own historical experience and our view of the future, that no objective is more important than the construction in East Asia of a viable community of nations, embodying "unity in diversity." I believe we should help the nations of Asia to develop, aiming toward the attainment of a harmonious and stable whole, and in this context we should put at the disposal of other Asian countries our own experience at adaptation.

Japan's role should be one of service to each country in the region that is willing to accept it, and to the region as a whole. Needless to say, this is a role we can perform only with the agreement of our partners. A long series of talks, both bilateral and multilateral, must precede and accompany this undertaking so there will be no doubts about the intentions of all concerned. This is a task that will take a very long time, and will involve great numbers of people, Japanese and others. It will certainly cost money and energy, and will no doubt produce much criticism and little praise. Careful planning will be required; plans and priorities will have to be geared to each country's particular conditions and, of course, to our capabilities. It will be a vast and demanding enterprise, but it is in our own interest to take vigorous part in it.

Comparing the domestic and external challenges Japan now faces, it is apparent that the two sets of problems are in competition with each other for the allocation of available resources and energies, and in capturing the interest and loyalties of the Japanese public. It would not be much of an exaggeration to speculate that, if nature were to take its course, the average Japanese would be far more interested in solving the knotty and multitudinous problems at home than in making the painful switch-over to an outward-looking frame of mind, in order to reach a consensus on Japan's role in the outside world. However, the Japanese mind is characterized by resilience and shrewdness, and has proved it is capable of adapting. Furthermore, as I have already observed, the recognition is steadily spreading that our external circumstances are changing.

It is becoming clearer that Japan must deal with *both* its

external responsibilities and its domestic challenges. We must act domestically if we are going to prevent our home environment from becoming unfit for life, and we must act internationally to ensure that our external environment will be viable. Successful adaptation to these changing conditions requires a skillful blending of both responses. Obviously the domestic challenges will cost vastly more than the external. The problem of resource allocation can be solved, therefore, by working out a rational set of priorities to meet external requirements, leaving ample flexibility to cope with unforeseen problems in such a long-term undertaking.

So far I have barely touched on the most important problem: how to secure the support of the Japanese people. Certainly it is not enough to harangue the people on the need to divest themselves of inward-looking attitudes. Resistance to this approach is strong. In my view the only course is to appeal to the innate good sense of the Japanese people, nurturing carefully the tender shoots of dialogue that are already emerging in public discussion. Our Government owes our people a full explanation of the national interests involved in these endeavors. The public's voluntary support should be solicited. Leadership should be patient in explaining to the people, both through the Diet and directly, bearing in mind Prime Minister Eisaku Sato's recent observations to the Tokyo Foreign Correspondents' Club: "It is clear that the [Japanese] people are no longer satisfied with a merely negative pacifism aiming only at the country's safety. However, at the same time, national objectives which are not in harmony with the way individual citizens view the world in today's modern society are not viable."

Since these are very long-range undertakings, it is both possible and desirable to devote considerable time and energy to encouraging public interest in outward-looking ideas, gradually weaning the public away from little-Japanism. At the same time, various aspects of the external program can be initiated through practical measures, where the Government has the authority, and where it does not, Diet approval can be sought. I am confident that the cumulative effects of both action and explanation will bring favorable public response.

IV

Finally, I should like to touch briefly on the future environ-

ment with which we must learn to deal anew. In carrying out the endeavors I have proposed it is obvious that Japan must be extremely sensitive to the requirements of the Asian countries with which we will be working. It is equally obvious that we should give careful thought to two of the three great entities of our region: Communist China and the United States. If the undertakings I have suggested get under way, we may expect that Pacific Asia in the 1970s will display increasingly complex relationships among the two superpowers, and Communist China and Japan.

The Chinese Communists at this moment show no predictability as to the future direction of their policies, internal or external, so I cannot foresee with confidence what their reaction will be. They must realize by now that none of the countries from the Japan Sea to the Indian Ocean, including the communist régimes, would welcome the establishment of a Chinese sphere of influence in this area. Whether China will interpret our intentions in hostile or indifferent terms remains to be seen. It seems safe to predict, however, that the Communist Chinese will have to take more notice of Japan as our national influence, in keeping with our responses to new challenges, continues to rise.

For our part, we will continue our present policies of maintaining diplomatic relations with the Republic of China and nongovernmental economic and cultural contacts with Peking, and, as long as there is any danger that the Republic of China may be evicted from the United Nations, of avoiding such an eventuality.

At the same time I am aware that, according to some, perpetuating the isolation of Peking is conducive neither to stability nor to peaceful development in Asia, and I am of the opinion that in coming years serious attention should be given to this problem. I privately think that the question of attaining a viable equilibrium in relations between nuclear-equipped Peking and ourselves will take at least another decade for a full answer. Suffice it to say that the Communist Chinese question is a fundamental one and, as such, figures in our domestic political life, where many elements are attempting to prove that we are being forced by the United States to follow its lead. It is hardly necessary for me to deny this allegation.

As I have already implied, the regional military balance in East Asia is essentially that between the United States, our ally,

and Communist China. In the context of the U.S. deterrent, I am sure the United States will welcome my proposals to help the countries of the region with their nation-building, which after all is the foundation for their security and stability. In the case of certain countries, this might mean that when necessary they would be ready to take over with their own troops any part of the visible American presence which Washington, under its modified strategy, may transfer elsewhere.

Turning to current bilateral issues between Japan and the United States, strong public attention has been focused on the problems of the reversion of Okinawa and of economic relations between the two countries.

The problem of the return of Okinawa, which has been the subject of exchange visits to our respective countries by Secretary of State William P. Rogers and myself, will hopefully be resolved later this year when Prime Minister Sato plans to visit President Nixon. Resolution of this issue will be significant, not only in the obvious sense that a long-separated part of our people will return to the fold, and that this will have been accomplished through peaceful and friendly talks between our two Governments; it will be significant also in the sense that the return of Okinawa will lift the last excuse in our public mind for clinging to our inward-lookingness. With Okinawa—so long a symbol of our defeat and impotence—back in our midst, our strength will have been made whole again, and we will be ready for our responsibilities. Here lies the importance of Okinawa to history.

In this connection, I should note that we are also actively trying to solve another important territorial problem—namely, that of our Northern Islands under Soviet occupation.

As for the very complicated economic problems, I have already touched briefly on some of their aspects, pointing out that Japan is prepared to play its part in maintaining and developing the world economic system, and that it is actively pursuing the liberalization of trade and capital investment, at the maximum speed consistent with domestic economic considerations. It is also self-evident that the difficult problems facing the multilateral economic system, both in monetary and trade fields, can be overcome only through the closest international cooperation, and with effective leadership from such economic giants as the United States and the European Economic Community. I should like to add that economic relations between the United States

and Japan have proved by their nature to be mutually profitable over the long run. We need each other. Thus there should be no issue between us that cannot be settled by honest and well-thought-out give and take.

Unique among the world's advanced nations, Japan has been obliged to make extraordinary adjustments and adaptations in the short span of a century. Though our national psyche may bear some scars, we have been resilient as a people, and, so far, successful. Now we must respond to new problems, because if we fail to do so we may not be prepared when the next major challenge confronts us.

I, for one, am an optimist, and one of my favorite sayings is: "Listen to the call of the twenty-first century." It is my hope that with hard and sometimes painful work, my people by that time will have transcended the discontinuities of their past, and will be vital participants in the affairs of both the Asian and the world communities.