

# Asia-Pacific Issues

ANALYSIS FROM THE EAST-WEST CENTER ㄩ

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## Japan and the United States: Helping Each Other Cope with Change

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**S**UMMARY: Subtle changes in Japanese thinking about the United States have taken place in recent years, although an effective relationship with Washington remains the foundation of Japanese foreign policy. Many in Japan regard the economic problems in the United States as structural, long-term difficulties that may not be susceptible to a quick fix. Worries about a military retreat from Asia persist. The signing of the North American Free Trade Agreement has provoked uneasiness in Japan and reinforced an underlying perception that events are moving the world toward regional trading blocs. At the same time, many Americans are concerned about Japan, particularly the ability of the United States to compete in world markets. The ultimate test of the U.S.-Japan relationship will be whether the two countries can help each other cope with the problems of success.

**F**OR DECADES East Asia has been growing as a powerhouse of the global economy. Several East Asian nations have established themselves as the world's preeminent manufacturers of many capital goods and consumer products, as major players on global financial issues, and as leaders in the development and application of new technologies.

No nation has done more to assure Asian security and encourage regional vitality than the United States. We extended a helping hand to Japan after the war. We have supplied a reliable security shield behind which our

friends and allies could recover their strength and pursue economic development. We provided generous aid and technical assistance to Asian friends practicing "catch up capitalism." Above all, our open market and our voracious appetite for imports has been an indispensable catalyst for Asia's export-led growth.

Americans, of course, benefit enormously from the stability and prosperity of Asia. Our trans-Pacific trade exceeds \$250 billion a year, and by the mid-90s may double the size of our trans-Atlantic commerce. Yet our relative share of Asia's prosperity has been declin-

ing. Our trade with the region has not kept up with the growth of intra-regional trade. Our investment in the area has grown only modestly compared with that of Japan, Taiwan and others. Our official assistance levels have slowed to a trickle, while Japan continues to allocate 60-70 percent of its growing official development assistance to regional neighbors, much of it aimed at securing contracts for Japanese companies to build local infrastructure.

Despite the size of our trans-Pacific trade, only about half of our Fortune 500 companies have established a presence in Japan,

the world's second largest market. And judging from the relative infrequency of Congressional visits to Tokyo, I suspect more of our legislators traveled to Lithuania last year than visited Japan. Such inattentiveness by Americans toward Asia is troubling, for it has real consequences.

### *The Concerns of Japan*

Japan, of course, tops the list of Asian nations demanding our attention. Our relationship with Japan has experienced its share of difficulties in recent years. There have been well-publicized frictions over trade, and the Gulf War exposed some differences in our perspectives about international peacekeeping. Naysayers in both countries have come out of the woodwork, trading accusations and questioning the durability of our partnership.

Commentators in both countries have wondered whether our alliance can survive the disappearance of the Soviet threat which provoked it. Others discount trade frictions as the inevitable by-product of our growing interdependence. Most agree that if our relationship is to endure, there must be, as in any marriage that endures, shared commitment, "give and take" on both sides, and a readiness to adjust to new circumstances.

Certainly our governments recognize the importance of the U.S.-Japan relationship. How could they not? Our alliance remains a keystone of regional stability. We have developed the largest trans-oceanic bilateral trade in history. Our cultural and educational exchanges enrich the lives of both

our peoples. Our governments understand that very few international issues can be resolved without active U.S.-Japan collaboration. And the proliferation of strategic alliances among our respective corporations enables us to share the costs and risks of developing and marketing new high technology products.

An effective relationship with Washington remains the foundation of Japanese foreign policy. That said, subtle changes in Japanese thinking about the United States have taken place in recent years. We need to take these into account if we are to adapt our relationship to changing realities.

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### *Inattentiveness by Americans toward Asia is troubling.*

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I meet a wide cross-section of thoughtful Japanese in the course of my duties and have been hearing a variety of concerns about America, and about Japan's relationship with us. Let me share a few of those concerns with you.

First, for more than a generation Japanese have taken American prosperity for granted, despite ups and downs in the business cycle. Now many regard our economic problems as structural, long-term, deep-seated difficulties that may not be susceptible to a quick fix. To be sure, anxieties about the decline of American influence and leadership first surfaced in the aftermath of the Vietnam War. Later, in the late 80s Professor Kennedy's theory of "imperial overstretch" found resonance among intellectuals around the world. Those concerns were temporarily dissipated by the outcome of the Cold War

and the impressive display of U.S. power in the Gulf. But more recently, our lengthy recession, the L.A. riots, and heavy publicity about other intractable economic and social problems have reawakened such concerns. Few Japanese take comfort from our difficulties. On the contrary, they fully recognize their stake in our strength and prosperity. Yet some Japanese question the prudence of attaching so much importance to relations with a country whose clout, they sense, may be diminishing.

Second, Japanese who look for an alternative policy focus tend to fix their gaze firmly on Asia. It is the logical place for Japan to assert more influence. The "Asianization" of Japanese foreign policy seems a natural and appropriate response to the emergence of regional trading arrangements in Europe and North America. Japan's business community is eager to fortify its preeminence in the world's most rapidly developing market. Anticipating growing global responsibilities, Japan wishes to speak and act on behalf of a wider regional constituency. Greater attentiveness by Japan to Asia need not, of course, diminish our bilateral relationship. But inevitably, the Japanese will judge our actions increasingly by whether they facilitate or obstruct, advance or constrain, their own links with Asian neighbors.

Repeated reaffirmations of our intent to remain a Pacific power notwithstanding, many Japanese expect harsh budgetary realities and the redirection of American attention to domestic matters to force further reductions in our military presence in the region. Thoughtful observers understand

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that our forward deployments contribute not only to Japan's security and Asian stability but that they also reassure its Asian neighbors. The Japanese public remains generally supportive of measures to share the financial costs of our military presence, and the leadership appears anxious to avoid any policy measures that could provoke or hasten our withdrawal. But worries about an American retreat from Asia persist.

While the Japanese government remains committed to the Treaty of Mutual Cooperation and Security as the basis of its security policy, there is a growing interest in exploring supplementary regional security arrangements. This reflects Japan's desire to assure its own security in a rapidly changing world, to extend its regional role, and to reassure neighbors of its benign intentions. Tokyo's interest in this regard is manifest in proposals for sub-regional discussions of particular security issues; in suggestions for greater emphasis on security matters within the Asian Pacific Economic Council or the ASEAN post-Ministerial meetings; and in occasional proposals for a "Council for Security and Cooperation in Europe" for Asia.

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*There is a growing interest in Japan in exploring supplementary regional security arrangements.*

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While the Japanese are uneasy about our prolonged recession, they seem surprisingly—and, in my view, inappropriately—complacent about U.S. reactions to the recent surge in Japan's global current account surplus. Several factors may account for this apparent complacency about potential U.S. reactions. For one thing, the Japanese observed that U.S.-Japan trade issues were not a central feature of

our Presidential campaign. For another, they have seen no concerted G-7 effort recently to press surplus countries for remedial action. For a third, the Japanese believe they have been successful in avoiding or minimizing problems in politically sensitive sectors like autos, auto parts and semiconductors. And finally, they have formulated, though not yet implemented, a sizable domestic demand stimulus package which they expect will result in an expansion of imports in the course of the coming year. There may be other reasons for their diffidence, but two consequences are apparent: one now sees much less Japanese soul-searching about their global current account surplus, and there is a diminished sense of urgency about reducing it.

In bilateral trade negotiations one senses a new Japanese impatience with American requests for market access initiatives. Our proposals for changes in Japan's industrial structure or its business practices increasingly invite the admonition "Physician, heal thyself." Japanese negotiators in the Structural Impediments Initiative (SII) talks pointedly suggest that we forgo further requests for adjustment from Japan until we deliver on more of our own pledges. A common thread is diminished respect for our economic performance, and growing resistance toward American requests that Japan "change."

For some years Japanese pundits have been ambivalent about the GATT negotiations. On the one hand, they consistently affirm a stake in GATT and a clear cut Japanese interest in achieving a successful conclusion to the Uruguay Round. On the other hand, few politicians possess the courage to shoulder Japan's own responsibilities for reform of its agricultural trade practices. Hard choices regarding liberalizing the rice mar-

ket are regularly deferred. Declarations of hope that U.S.-E.C. talks on agricultural issues will succeed are invariably accompanied by sighs of relief when they do not.

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Meanwhile, the signing of the North America Free Trade Agreement has provoked uneasiness in Japan, and reinforced an underlying perception that events are moving the world toward regional trading blocs. This attitude encourages a greater receptivity toward concepts like Malaysian Prime Minister Mahathir's East Asian Economic Caucus. The Japanese have not embraced that proposal, but they are certainly watching closely to see whether the Malaysians can repackage it in a way that finesses outright opposition from Washington.

On the political-diplomatic side, finally, I would flag three concerns.

First, as Japan's economic muscle in the world has grown, so has its expectation that its newly acquired power will be recognized and that it will be accorded proper status within the major international organizations. Chief among Japan's aspirations is a permanent seat on the UN Security Council. Japanese know that fulfilling this objective will require our help.

Second, the Japanese understand our interest in promoting democracy and respect for human rights. Indeed they have even incorporated respect for human rights in the guidelines they use in allocating their own foreign aid. But they hope that we will promote our values in a measured way and, more specifically, they hope there will be no fundamental divergence in our respective approaches to China.

Third, their relations with Russia remain troubled by an unresolved territorial issue which inhibits their readiness to supply large-scale financial assistance. In general, the Japanese exhibit little empathy for the Russians. No period in the history of Tokyo's relationship with Moscow was marked by special warmth. And, while Japan desires more normal ties with Russia, American and European talk of "partnership" with Russian reformers elicits little enthusiasm from Japanese businessmen, politicians or officials. Thus, there are concerns about potential discrepancies in our approach to this relationship as well.

Japan holds that its partnership with America remains the central pillar of its diplomacy, even as it seeks to reduce its political and economic dependence on us. The Japanese want the reassurance of our military presence and the predictability of our diplomatic support. They seek our acquiescence for their more active and autonomous role in Asia, yet also expect our help on unresolved problems like the Northern Territories issue. They want both our continued leadership on international issues, and our support for a larger Japanese voice in international organizations. They are hoping for a truce on bilateral trade issues, but they are willing to continue harmonizing business practices and industrial structures as long as the process is a two-way street. This is roughly Japan's agenda. It is not identical to ours, but neither is it incompatible with our interests.

Many of these Japanese concerns are echoed in other Asian capitals. No Asian nation would welcome the power vacuum that would arise out of an American military withdrawal. Most would welcome a more visible and active American business presence, not least as a source of leverage in

negotiations with the Japanese. Asians know that we will not cease promoting human rights and democratic procedures. But many hope we will temper our zeal and pursue our aims through quiet entreaties rather than public exhortations. All desire our active political involvement in the region's affairs. They may occasionally question our judgment, but they see no other power they can trust to provide a security guarantee or supply the leadership necessary in times of crisis. They hope that we will get on top of our domestic problems, for they know that only an America that is confident of its own strength is likely to sustain the steadiness of purpose and generosity of spirit that have marked our role in the area for a generation.

### *Dealing with Concerns*

These then are some of the concerns that I believe we will have to address if we are to enhance our working partnership with Japan and remain a force for stability in Asia. Fortunately, the steps required would protect our own interests while allaying anxieties in the region.

First, we should faithfully honor the Treaty of Mutual Cooperation and Security. Our alliance with Japan—and the base access it affords—enables us to project our power efficiently into a region of enormous consequence to America while Japan picks up roughly half the cost of our forward deployments.

Second, we have already begun to adjust our force levels in Asia to post-Cold War circumstances. Our objective should be a stable balance of forces at lower levels of military effort. But the principal danger we now face in Asia is uncertainty. It is thus important that adjustments in our forces' levels not get out ahead of

events; they should parallel visible improvements in regional security conditions.

We must address our domestic economic problems with a greater sense of urgency and purposefulness. Above all, we need to achieve a better performance on economic fundamentals. In that respect, we can learn from the experience—and success—of our Asian competitors.

We should be prepared to participate in a regional dialogue on Asian security matters. Long-standing security problems are being resolved. New ones are appearing. There is a perceptible desire to tackle these issues in regional discussions. Such a dialogue will likely take place with or without our participation. Everyone will benefit from our involvement. This is an idea whose time has come.

We should avoid succumbing to protectionism, and continue the quest for clear, enforceable multilateral rules for trade and investment. An effective GATT regime—improved by clearer rules governing trade in services, agricultural commodities, high tech products, as well as guidelines for investment flows—remains our most effective means of lowering barriers to market entry abroad while providing the spur of competition to our own producers of goods and services.

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*The principal danger we now face in Asia is uncertainty.*

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We must continue to espouse our political values, yet at the same time bear in mind Asian admonitions about style and method. This will require patience and firmness. The test of our human rights policy comes in applying general principles to specific situations, and the objective must be effective results.

We have long supported Japan's ambition to become a Permanent Member of the Security Council. The current challenge is to work constructively to realize that objective in a manner consistent with the continued effectiveness of the Council.

And, if we are to harness Japan's considerable power to purposes our nations share in the world, we must obviously consult closely about adjustments we may contemplate in our respective foreign policies. They must obviously do the same.

My basic point is obvious. As we adjust our approach toward Japan to the requirements of the post-Cold War world, we must bear *their* concerns as well as our own interests in mind. The reciprocal obligation on their part is equally obvious.

### *U.S. Concerns About Japan*

I have spoken about some of Japan's worries about the United States. What developments in Japan should be of concern to Americans? What adjustments should we urge the Japanese to make in their relationship with us and others?

Our major concern with respect to Japan remains our ability to compete with its industries in world markets. Bill Emmott's book, *The Sun Also Sets*, anticipated a substantial slowdown in Japan's economic growth as its economy matured. Some see the current recession in Japan as an indication that Emmott was onto something.

In certain respects, Japan's current recession bears resemblances to our own. Household debt is high; consumer demand is weak; the financial sector is struggling under the weight of non-performing assets; major manufacturing industries are showing weak profits and are finding recent plant

and equipment investments a heavy burden now that credit is scarce and capital more costly.

Yet most analysts expect the Japanese economy to rebound sometime next year, and to retain—even strengthen—its formidable competitiveness in the high tech fields upon which Japan's industrial future depends. In short, I don't think the sun is setting on Japan's phenomenal industrial success. It could emerge from current difficulties leaner and more competitive than ever. Why?

First, the Japanese government—with a surplus in its consolidated budget—possesses the fiscal capacity to inject strong stimulus into the domestic economy. A 10.7 trillion yen stimulus package is currently before the Diet. It should pass, and its effects will be felt next year.

Second, the late 1980s investment surge in the manufacturing sector gives Japanese industry tremendous momentum, and a substantial cushion against the current slowdown. Thoughtful analysts expect, moreover, that net investment will remain around 15 percent of GNP—slightly below recent Japanese levels, but well above our own.

Third, the Japanese are staking out a preeminent position in the Asian marketplace and are well-positioned to take advantage of the extraordinary dynamism of the region. Dominance in Asian markets would give Japanese companies the large sales volumes that can allow them to master the cost curves faster than key competitors.

Finally, as in previous economic slowdowns, Japan's weaker industrial firms and banks are being weeded out or lashed up with stronger performers. If the past is any guide, those that survive will be more efficient and competitive than before.

For these reasons I would expect Japan to emerge from the cur-

rent period of sluggishness with its industries and financial institutions well positioned for the 21st century. Several aspects of the challenge Japan poses to our competitiveness warrant special comment.

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For one thing, the Japanese pay more attention to economic fundamentals than we do. In this respect, we cannot blame them for our difficulties; we should take a leaf out of their book. Japan's savings rate remains nearly three times ours. Their investment in new plant and equipment from 1985 to 1991 exceeded ours by 25 percent though our economy is 40 percent larger. They allocate more of their GNP to civilian research and development than we do; the rates of growth in their R & D budgets are higher; and they devote more attention to commercializing products. Rates of productivity increases in Japan continue to outpace ours in the high tech manufacturing sector. The Japanese educational system does a better job of training young people rigorously in math and science. With a population half the size of ours, Japan is training more engineers—and, I might add, fewer lawyers. Such trends, if they persist for very long, have obvious and profound effects in the marketplace. We simply must improve our performance.

Second, the Japanese have established their own global competitiveness from a domestic base that remains heavily protected. Over the past 20 years many Japanese trade barriers, to be sure, have been dismantled. Tariffs are now rather low, import quotas relatively few. Sectoral and structural negotiations have made a siz-

able dent in non-tariff barriers. Yet asymmetry remains a significant feature of trans-Pacific trade. The Japanese business community continues to enjoy many opportunities in our market which are not readily available to foreigners in their market. Here we have a legitimate gripe. More equitable access must be our aim, and we must be even more determined and resourceful in pursuing it.

Japan's economic and cultural protectionism continues to exert a significant impact on our bilateral trade. It is especially evident in a variety of sectors in which we are highly competitive and the Japanese are not especially efficient—for example, construction, transportation, agriculture, services, certain capital intensive industries such as paper and glass, and retailing. As always, it is the Japanese consumers who shoulder the burden for mercantilist practices through higher prices, higher taxes and more limited choices.

We should have no illusions. This is tough "pick and shovel" work. Many of the barriers that remain are deeply embedded in local business practices and in the Japanese industrial structure. They are barriers to Japanese entrepreneurs as well as to foreigners. Their Establishment regards these not as aberrations from international norms but as practices whose appropriateness is confirmed by Japan's success. They are reluctant to change them.

Japan's business leaders have been recently talking a lot about adjusting their own management practices and pricing strategies to achieve "kyosei," or peaceful coexistence, with foreign firms. Akio Morita is the most prominent proponent of this theme, and one of his first speeches on the subject was made in Hawaii about a year ago. Others have echoed his call for higher wages, shorter working

hours, larger dividends and greater attentiveness to environmental concerns to enhance the livelihood of Japanese workers while ameliorating frictions with foreign trading partners.

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This sounds like manna from heaven to many foreign business leaders. But implementing such reforms will be difficult and will take a long time—at best. The tendency of Japanese companies to concentrate on expanding market share is deeply rooted in the character of their corporations and the ferocious competitive environment that has fueled economic progress in Japan. Given the intensity of domestic competition, it is unrealistic to expect firms voluntarily to alter their management practices and corporate aims unless they are confident their competitors will do the same. And how can they have such confidence when their competitors now include companies from Korea, Taiwan and other Asian "tigers" who are eagerly looking for any competitive edge they can find.

We should by all means encourage Japan's business leaders to continue their quest for coexistence with our companies, but we should assume that the Japanese will continue to target knowledge-intensive, high value-added industries that are sensitive to scale. We must make our own adjustments to assure our own future competitiveness in those sectors—many of which, coincidentally, have crucial military applications. Above all, this means a major effort to rejuvenate our manufacturing sector.

Fortunately, one already sees many such adjustments underway.

Lots of American firms are adapting Japan's lean production system to American requirements, stepping up the quality of their products, introducing "just in time" delivery arrangements and developing more durable relationships with their suppliers. There is plenty of room for Washington to learn from Japan's experience as well. Most importantly, we need to develop a more collaborative relationship between government, industry and our financial institutions in the service of American competitiveness—and especially of our exports. Historically, the federal government has been active in promoting R & D in fields like defense, agriculture, public health, space and energy. It is scarcely coincidental that these are all fields in which our industries are world leaders, and our exports readily penetrate foreign markets—including Japan's.

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*We need a more collaborative relationship between government, industry and financial institutions in the service of American competitiveness.*

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Even as we seek to learn from Japan's experience, we should persevere in our efforts to modify Japan's structural barriers to trade. I have read many criticisms of the Bush Administration's efforts to attack these trade impediments through the SII talks. It is not my purpose to defend every aspect of our negotiating record. I would readily acknowledge that failure to reduce the U.S. federal deficit diminished the credibility of our negotiating posture in recent SII discussions. But I would also maintain that if the SII talks did not exist, some comparable negotiation would have to be invented.

Some urge that we multilateralize this process. Perhaps there is merit in that. Others feel we

should attack structural barriers on a sector-by-sector basis. That possibility should also be examined. The point, however, is that structural barriers to trade with Japan are real and substantial. In an age of interdependence we need to harmonize our business practices and industrial structures to a greater degree. And some forum of this kind will continue to be needed. Japanese bureaucrats never liked the SII talks; however, the Japanese public benefited from their results, its government generally acknowledges their utility, and it would be surprised, I think, if we were to abandon pressure for structural reforms.

To take advantage of improved market access in Japan, more of our companies need to establish a direct presence in Japan. Those companies that have been most successful in the Japanese market have invested in production, distribution, and/or research and design facilities in that country. This enables them to keep track of developments in Japanese technology, tailor products to local tastes and assimilate more fully Japanese innovations in the manufacturing process, develop the relationship so critical to success in Japan, and increase their chances of becoming an insider in a market that is noted for "cozy insider deals."

I would merely add that our government has become far more pro-active in supporting the export and investment activities of our companies abroad. Those activities should be further expanded. But it is also up to the companies themselves not only to sustain but to expand their overseas efforts further.

But over the coming year our trade prospects with Japan will depend most heavily upon Japan's own economic recovery. Japan's recession has produced a host of adverse consequences for Japan's trading partners. For us, it has

limited export growth, prompted erratic regulatory decisions, reinforced Japan's inclination to protect weak industries, slowed the pace of structural reforms and provoked even greater timidity by Japanese negotiators in the GATT negotiations. Clearly, we have a stake in Japan's early economic recovery.

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From our standpoint, however, the rate of Japan's economic growth is less important than its composition. Our chance of reducing our trade imbalance with Japan depends on its achievement of levels of domestic demand growth significantly exceeding the rate of overall GNP growth. In the late 1980s, when Japan's domestic demand was strong, our trade deficit declined. When its demand weakened, movement toward more balanced trade ceased. Thus we have much riding on the early implementation of Tokyo's demand stimulus package.

To summarize, we need to improve our own performance on economic fundamentals, and continue to adapt some of Japan's innovations to our own requirements. But we must continue to press the Japanese to spur domestic demand, to accelerate the opening of their market, and to harmonize its industrial structure and business practices with our own and others.

### ***Sharing International Responsibilities***

Japan has largely accomplished its Meiji Era objective of catching up with the West. This has left it searching for new national objectives. With their power increasing,

the Japanese are groping for a more active and ambitious role in the world. Undeniably, Japan has already begun to shoulder larger political, economic and security responsibilities—particularly in Asia. The passage of the peace-keeping operations legislation is a notable landmark in this regard.

Yet Japan's diplomacy continues to reflect the weight of its post-war predilection for a "low profile." For a generation it has enjoyed the luxury of pursuing its own interests within an international security and trade system developed and defended by others. This bred a tendency to minimize risks rather than maximize achievements. The Japanese still find it difficult to shoulder their full share of responsibility for reshaping the post-Cold War international system.

For example, while Japan has a huge stake in world trade and constantly reaffirms its interest in a successful GATT negotiation, its representatives have scarcely lifted a finger to overcome the impasse on agricultural trade which has stymied the Uruguay Round. In this area, and in others, Japanese diplomacy remains hostage to special interests. Thus Japan is likely to tackle the tough issue of rice tariffication only if it faces the prospect otherwise of being blamed for the failure of the GATT Round.

And too many of the key decisions in Japanese foreign policy—whether on bilateral trade issues, or larger questions of diplomatic strategy—are reached and/or rationalized as a response to foreign pressure. "Gaiatsu," as they describe it, often provides Japanese politicians and bureaucrats with a deadline and an excuse for decisions which undoubtedly serve their nation's interests. But such pressure also entails real costs—above all, nationalist reactions that can undermine the psychological

and political underpinnings of our alliance.

Thus we should continue forthrightly to urge Japan to assume broader responsibilities for reshaping the international system without awaiting prodding from us or others. We need a Japan that forms its own ideas and communicates them to us and others in a clear and timely manner. It is especially important that Japan explain these tough decisions to its people as steps taken to advance its own interests, rather than portraying them as unavoidable concessions to irresistible foreign pressure. The corollary, of course, is the need to discipline the demands of special interest groups against a larger conception of Japan's international role.

### **Conclusion**

America and Japan are wrestling with the problems of success. Japan has succeeded in catching up with the industrialized democracies. It is now seeking to define its national interests in a way that takes the larger international community more fully into account. America's success in containing communism and vindicating our own values has exposed our need to rebuild our industrial competitiveness. The ultimate test of the U.S.-Japan relationship will be whether we can each help the other cope with its new challenge. We need Japan's help in renovating our industrial structure. Japan needs our assistance in redefining its international role. The Japanese are likelier to move toward more

balanced economic partnership with us if we remain a reliable ally and diplomatic collaborator in Asia. And we can sustain our political and military support for Japan only as our economic relationship is placed in greater balance.

We both, then, confront the challenge of change. Fortunately, the history of our post-war relationship is one of continuing mutual adjustment despite—or perhaps even because of—periodic tensions and misunderstandings. For a generation our partnership has not only endured but has managed to flourish. I, for one, have no doubt that we shall successfully adapt this preeminently important relationship to the needs of the post-Cold War world.

## **About this Publication**

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## **The East-West Center**

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