

CHAPTER 9

The United States and Japan

The Past and Future

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The twentieth century relationship between America and Japan has been unique in three respects. First, within this century, U.S.-Japan relations have experienced volatile—and often rapid—shifts of mood and policy, ranging from unmitigated hostility to close alliance. The pendulum is still in motion, although not swinging toward extremes.

Second, two societies having radically different cultures have been thrust together in an intimate manner in the past four decades, with economics the key factor, but with political and strategic links also strong. Despite our profound differences, there is no other bilateral relationship existing today based upon such an extensive network of ties.

Third, both states are in the throes of reconsidering their global and regional roles in this revolutionary age, and finding a redefinition of those roles difficult and painful. Moreover, the bilateral relation itself is inextricably involved in these reconsiderations.

It would be well to start by looking at the past, amplifying the first of the theses set forth above. At the beginning of this century, Japan had already acquired a reputation of being Asia's most apt pupil of "the advanced West." The relative order marking the transition from Tokugawa centralized feudalism, the eagerness with which the new entrepreneurial class undertook economic modernization, and the acceptance of constitutionalism along with certain other attributes of the Western state impressed Westerners, including Americans. In contrast to China—which seemed to be hopelessly stuck in the past and always verging

on chaos—Japan was a model of stability, purpose and directed energy.

The 20th century was scarcely five years old, however, when the U.S. concern about Japanese expansionism made itself manifest. Victory in the Russo-Japanese War, coupled with the earlier triumph over China in 1894-95 gave Japan unprecedented power in Northeast Asia, and there were clear signs that the advocates of an "active continental policy" were in the ascendancy. The United States, with its own colony in Asia (the Philippines) acquiesced in the progressive incorporation of Korea into the Japanese empire, but by the time of World War I, it viewed with growing alarm such actions as the so-called 21 Demands made by Japan upon China, and other evidence suggesting that Tokyo intended to establish itself as a regional hegemonist. The successful effort to substitute collective agreements relating China and broader security issues for the Anglo-Japanese alliance were among the steps taken to counter Japan.

Other issues such as U.S. immigration policies in the 1920s added to the tension. Racial sentiments constituted a powerful issue in the relationship, overt in the United States, more covert—but deeply implanted—in Japan. Thus, only a few years after World War I, a number of Asians were predicting that the next war would be that between the United States and Japan, with the entire Pacific region at stake.

Then came a brief interlude. Taisho democracy reached its high-tide in Japan, with civilian rule stronger, political pluralism advancing and the advocates of international

cooperation seemingly gaining ground. In the United States, meanwhile, the effort to build a collective framework for Pacific-Asia in the form of the Washington Conference agreements, while partly motivated by a desire to contain Japan, was also based on a need to show that the U.S. was a responsible nation interested in forwarding peace. In the aftermath of the refusal to participate in the League of Nations and the general disillusionment with Europe, a Republican administration wanted to earn some credentials as a team player on the international front.

The events in the 1930s and up to Pearl Harbor need not detain us here since in their broadest dimensions, they are well known. Clearly, global trends played a very considerable role in shaping Japanese policies during this period: worldwide depression; the deep political fissures in the West, signalled by the rise of Fascism and the growing potency of the Communist movement—signs that democracy was not necessarily the wave of the future; and the vacuum of power on the Asian continent, with its vortex in China. In this climate, the Japanese moderates were placed under multiple handicaps, and the battle for policy control was ultimately won by others.

World War II was the bloodiest, most costly war in human history, and nowhere was its ferocity greater than in Pacific-Asia. The propaganda leading up to, and accompanying it, moreover, featured two dominant themes on both sides: racism and aggression. Japanese organs played extensively upon the superiority of the yellow race, and the need to overthrow white imperialism. American sources, while concentrating upon Japan (and generally supportive of China), repeatedly advanced the "yellow peril". Not without reason, Japan was displayed as seeking the domination of the entire region, posing the threat of an Asian hierarchical order controlled by Tokyo.

Given this background, why did American-Japanese relations undergo such a remarkable change after August, 1945, and in a remarkably brief period of time? One factor, largely unreported, relates to the early post-war attitudes formed by Americans and Japanese who had

direct contact with each other. Here, a personal note is relevant. As a Japanese language officer with American naval intelligence, I was assigned to a joint unit which, among its duties, had the task of sampling the opinions toward each other of Japanese citizens and U.S. military men to discern how the Occupation was faring.

To our surprise, we discovered that despite all of the virulent hostile propaganda on both sides in the recent past—or perhaps because of its excessive qualities—attitudes toward each other became positive at an early point. A majority of American GIs reported that they liked the Japanese traits of hard work, discipline, cleanliness and politeness although they did not think the Japanese were straight-forward in answering questions, nor tolerant of minority races. A majority of Japanese stated that they appreciated the qualities of generosity, friendliness and energy shown by Americans, but were not happy with their boisterousness and waste. On balance, these non-scientific polls captured the general mood on both sides, and indicate one reason why a remarkably smooth transition from war to peace was possible.

It is also important to underline the fact that Japan could fit into a hierarchical or patron-client relationship much more easily than an egalitarian one, and while the United States preached egalitarianism, in the aftermath of this war, it was prepared—psychologically as well as materially—to lead.

A struggle ensued within the U.S., to be sure, over whether a hard-line policy should be applied to Japan—with litmus paper tests being such issues as trying the Emperor as a war criminal and the extent of reparations. But in the end, the American moderates triumphed over hard liners at home and abroad, with Douglas MacArthur a critical factor in determining the ultimate policies.

Thus, in the course of less than seven years, the Occupation passed through three quite different phases: punishment and reform (essentially over by the close of 1947); economic rehabilitation (stimulated by new domestic policies, U.S. aid, and such events as the Korean War); and proffered alliance (symbolized by the security accord which accompanied the San

Francisco Treaty of 1951).

Of the many American favors provided to Japan during this period, the greatest was the willingness of the U.S. to accept the burden of Japan's security, enabling it to concentrate upon economic development. In this connection, it is vitally important to note that given its prewar and wartime economic advances, Japan—unlike many other states—was prepared to take maximum advantage of this gift once certain old obstacles were removed.

It should not be argued that these gifts were merely the result of American altruism. U.S. leaders believed that it was in our national interest to enable Japan to become self-reliant economically (hence, no longer a burden to the U.S. taxpayer) while also making certain that it would never again pose a military threat. At the same time, to ensure a political balance of power, with the Communist menace in mind, it was essential to enable Japanese democracy to succeed. Nonetheless, the ideological quotient in American policy was very high during these years, and hence, the American people were willing to make sacrifices for principles—with remuneration of a material type quite secondary.

Under the international and domestic circumstances that followed, Japan had largely cast off the aura of defeat and weakness by the onset of the 1970s, and by the 1980s, it was emerging as an ascendant if unidimensional power. The American-Japanese relationship was paradoxically deepening on the one hand and showing signs of serious strain on the other, with economics having risen to the fore in international relations everywhere.

At this critical juncture, it is thus important to ask of the U.S.-Japan relationship, "Where are we, and where will we go?" Because the domestic issues confronting each country are central to shaping aspects of their bilateral relations, let me start with a brief evaluation of each country's domestic scene.

As is well known, the U.S. is apparently emerging from the longest recession in the post-1945 period. Given the structural changes that lie ahead, "recovery" may be less pronounced or regular than in past times, although a modest upswing seems underway.

Belatedly, the American private sector has recognized the need for major improvements in production system, labor-management relations, research cooperation, and response to the market-place, domestic and foreign. In some cases, the changes have just commenced, but as they unfold, they should provide the basis for an enhanced American competitiveness. Yet we are only at the beginning of what is destined to be a long process, with retreats as well as advances, and a considerable amount of pain.

Government, moreover, lags. The unwillingness—or inability—to handle effectively such macroeconomic issues as the budget deficit and taxation policies has combined with certain American cultural traits like the quick profits emphasis within industry and consumerism over savings to produce or aggravate many of the current problems. The recent debate over whether the U.S. should establish an industrial policy—or more accurately, strengthen such policies as exist—symbolizes the search for new approaches in safeguarding America's economic future.

Closely connected are problems relating to high-level manpower. Virtually everyone recognizes the weaknesses within the American primary and secondary educational system today. Youth lacking basic skills constitute a serious drain on the economy and the society at large. Moreover, there has been a growing reluctance among younger generations of Americans to prepare for scientific and engineering careers. In comparative terms, American youth do not score well in mathematics and science.

Yet the answers are elusive. Whatever its deficiencies, the educational system cannot serve as a substitute for the family and society at large. And the American family is in trouble—at all economic and social strata, but especially where children face poverty and one-parent situations, such as is true to an alarming extent in the black community. American higher education remains the best in the world, but the reforms required at primary and secondary levels must encompass both the system itself and the society surrounding that system.

On the political front, various questions, some of them generic to most democracies in

this era, have come to the fore. There are no living political heroes in America. An investigatory media, not seriously concerned about balance, constantly emphasizes the negative side of politics and politicians. A growing cynicism and indifference among the people are worrisome results. And candidates are packaged for the electorate by professionals, with exceedingly high costs involved—what is genuine, what is spurious?

Despite the range of economic, social and political problems, one should not sell the United States short. It is still the most productive, most powerful and most resilient society in the world. Its contributions in science, social science and the arts generally continue to serve as a standard for the world. Many within the younger generations, moreover, are showing a determination to cope with the revolutionary times in which they live that is highly encouraging. Further, waves of new immigrants, a significant number from Asia, are adding vitality to the scene. Nonetheless, domestic concerns must now receive a greater priority than that given in the recent past.

In foreign policy, one key issue has become of commanding interest: how strong should be the ideological quotient? What weight should be given human rights and democratization in determining attitudes and policies toward other nations? To a greater extent than either Europeans or Asians, the American people have historically demanded a moral foundation for U.S. foreign policy. Policies resting upon balance of power considerations, or other factors connected with perceived national interests have rarely satisfied them.

Naturally, there have been ample contradictions and inconsistencies in the application of moral principles. Yet as recent events with respect to China, Myanmar and even Thailand indicate, an ideological yardstick is still applied, even when in some cases, it appears to damage American interests. To be sure, this issue engenders debate—does an effort to isolate or punish a state deemed abusive to its people help or hurt the cause of political openness? And are there gradations or degrees that should be taken into account? Most importantly, should the

premium not be upon multilateralizing such issues if effective results are to be achieved?

Meanwhile, the United States wrestles with its present and future role in the creation of a more peaceful, prosperous global order. One thing is certain: the age of *pax Americana* has ended. At the same time, in a period when the United States is the only power with a global reach, it must take the initiative in many (not all) situations if there is to be effective, concerted action.

Thus, America ponders how to accept a role short of sole authority while continuing to be a leader—sometimes involving higher costs and risks. Unilateralism must give way to multilateralism in the decision-making process as well as in the implementation of policy. Is the U.S. to be primarily a catalyst in critical situations, with the assumption that others will play roles compatible with their capacities, both in personnel and finances? Under such conditions, it would be easier to share decision-making more fully, although undifferentiated collective leadership is a myth, whether at the domestic or international level. If, as is more likely, in certain settings—as in the Gulf crisis—the initiation and primary responsibilities are American, how should decision-making be shared?

Unquestionably, American strategic policies in the Pacific-Asian region are going to undergo significant changes in the not distant future. The broad shift will be away from fixed American bases manned by U.S. personnel on foreign soil and toward mobile defenses (air and sea), staging areas and bases kept in readiness by aligned nations (with technical American personnel present in some cases), enhanced lift capacity and rapid deployment ability.

In the foreseeable future, the likelihood of a major power conflict in this or any other area is extremely low. Conflicts will be those derivative from domestic strife or between neighbors. Some will be allowed to take place with minimal or no external involvement. Invariably, the crucial issue will be whether there are sufficient reasons for a consort of powers, generally under one state's leadership, to become involved in seeking a solution or at a minimum, a containment of the

conflict. In sum, each conflict will be situation-specific, and likely to require a different configuration of concentric arcs focused on resolving or containing it. Closest will be the parties immediately involved, with others having a stake in the outcome—and often, some degree of involvement—forming the arcs beyond the initial one. It is in this manner that both the Cambodian and Korean tensions have been approached.

Underlying American strategic policy will be a recognition that power—the capacity to defend oneself and to influence others—rests first upon a strong domestic economy and a sturdy social base. Security as well as prosperity begins at home. Thus, the willingness of the United States to play a responsible international role today consistent with its overall strength rests upon three variables: the willingness of other powers to share in the risks and costs of constructing a new global order in accordance with their capacities; the ability of key states, including the U.S., to create or strengthen negotiating mechanisms and decision-making institutions above the nation-state level, so that most vital issues can be handled in a systematic, orderly manner before they reach a crisis stage; and the capacity of a U.S. administration to handle domestic problems more effectively so that the American people can lift their eyes beyond the troubles close at hand.

The United States will not withdraw from Pacific-Asia. It is a part of this region physically, and increasingly, the western United States is participating in one of many natural economic territories (NETs) being formed that cut across political boundaries. The economic and political stake of the U.S. in Asia has never been greater. At the same time, the old order whereby the costs of international leadership were inordinately born by the U.S. is coming to a close, however difficult may be the adjustments (including those of the United States) to that fact.

Against this picture, let me explore the Japanese scene, admittedly doing so as a foreigner. First, changes in the Japanese economic structure are taking place at an accelerating rate, although these are not always easily seen. The assertiveness and independence

of the private sector with relation to government (including MITI) has been rising for some time, and in general terms, with the internationalization of Japanese industry and finance, issues of control have become infinitely more complex. Most of the conditions decried by Americans and others still exist in degree: the keiretsu system characterized by interlocking and relatively exclusive corporate structures; the combination of intensive competition and in-group collaboration that marks the economic system at home and abroad; the excessive dedication to capturing markets or pursuing investment in a given arena, conveying the image of shock troops storming a battle-field; the low priority assigned domestic consumers; and the reluctance to meld with outsiders, be the issue management, technology transfer or research sharing. Having outlined the central issues, one should reiterate that with respect to most if not all of these matters, changes are underway, product of a combination of internal evolution and external pressures. How rapidly they unfold will be the key determinant of the future level of tension between Japan and others, most notably the United States.

Meanwhile, elements of fragility exist in an overall strong economy. The recent stock-market decline, the questionable Japanese investments in certain overseas settings, the hazards of internationalization, the aging of the population, hence, the need for a stronger social security system, and the issue of foreign workers point to matters that concern many Japanese. The very fact that Japan appears to be entering a modest recession, with foreign investments returning home in some cases, while the United States is only beginning to show signs of recovery is a global worry. One of the great issues of the coming decade will be the availability of capital to assist faltering or underdeveloped economies while donors retain the capacity to fuel continued growth at home.

On Japan's political front, the need for political reform has become ever more imperative despite the stout resistance displayed by entrenched interests. Urban residents suffer serious discrimination and the multi-representative districts encourage party

factionalism. Corruption because of the high cost of politics and the absence of strong leaders breeds the same cynicism and indifference as in the United States. A major political overhaul is needed, including party restructuring. Meanwhile, homogeneity—with all of its advantages—also lends itself to a remoteness from other races, and prejudicial attitudes.

Again, it would be a major mistake to emphasize only the problems of contemporary Japan. Its problems are those of a post-modern, increasingly affluent and cosmopolitan society—and such problems are infinitely preferable to those of poor, underdeveloped states or nations that have pursued erroneous economic and political policies. Japan has enjoyed political stability, a steadily rising living standard for its people, and economic policies that have served as the model for many late developing societies. It will cast a major influence over its region and the world for the foreseeable future.

When one turns to the relationship between the domestic setting and the outside world, perhaps it is possible to define the principal challenges faced by Japan and the United States as follows. Japan must seek to alter a culture that has been strongly exclusivist, communally oriented, hierarchical and devotedly homogeneous so that it fits with the growing openness, heterogeneity, and quest for partnership characterizing the world in which it is becoming a major actor. The instinct to think in terms of “we versus them,” reflective of the long-time insularity of this society and its remarkably uniform culture, must give way to beliefs and practices based upon the concept of “us together.” Genuine partnership with outsiders requires significant cultural changes. Quite apart from the initial American encouragement, it was very natural that up to date, Japan has emphasized almost exclusively economics and its own growth. That was to make the most of its inner strengths. Now, it must cultivate the traits—and policies—of a leading participant in the global order.

The United States, on the other hand, must learn how to share international decision-making even while it retains—at least for a time—the position of first among equals. At the same time,

it must raise its priorities with respect to domestic programs and policies without succumbing to the isolationist policies of the past, policies now totally out of date.

Only as each nation successfully meets the central challenges before it can our bilateral relations be strengthened. Let me now examine specifically the latter relation with this connection in mind. It might not be amiss to start with feelings or emotions. Unfortunately, the sensationalists both in the media and in other fields garner the greatest attention in both nations. Extremism is often the surest way to attract a mass audience. Write about a coming American-Japanese war, suggest that the Japanese and Germans are taking over the world, threaten to turn Japanese military technology over to the Russians, or announce that American workers are lazy—all of these statements will assure headlines and heated responses.

Nevertheless, it cannot be denied that certain negative sentiments about each other have grown within the American and Japanese communities, as evidenced by a variety of polls. A number of Americans believe that most Japanese are excessively preoccupied with economic gains, in the process being selfish, exclusivist, and predatory. Others point to evidence of a strong racist strain in Japanese attitudes, especially toward minorities.

A number of Japanese believe that Americans have indeed grown lazy, lacking the will to compete and seeking a scape-goat for their own shortcomings—shortcomings that cry out for attention both from governmental and private sources. Many feel that racial prejudices enter into the attacks on Japan believing that such attacks are more virulent than those directed against Europe over the same issues.

Those U.S. citizens who regard Japan as a trustworthy ally have declined somewhat, and those Japanese citizens who find the U.S. to be an ally upon whom they can count have also been somewhat reduced in numbers. Yet the shifts have not been large. Moreover, the polls do not indicate that there is any strong sentiment in either society for an ending of the alliance, nor an animus against individuals from the other society. On balance, negativism in attitudes,

while not to be ignored, has been exaggerated.

Meanwhile, the trade imbalance remains intolerably high despite the American recession and the resulting lowered imports; indeed, it appears to be rising again. Some degree of managed trade has probably prevented more comprehensive protectionism, and "the Japan issue" has thus far not benefitted those in the current U.S. election campaign who sought to raise it. Most encouraging, as noted earlier, certain elements within the U.S. private sector have begun a process of restructuring, entry into research consortiums, and further internationalization in an effort to improve competitiveness. There are also signs that many aspects of Japanese economic practice including the keiretsu structure and the distribution system are undergoing change. Greater systemic compatibility is an indispensable requirement for increased harmony, as was emphasized in the recent proposals made by the group headed by Prime Minister Nakasone and President Carter. Thus, the trends now appearing in both societies are hopeful. It would be foolish, however, to argue that the immediate future of U.S.-Japan economic relations warrants complacency. Greater efforts are urgently needed by both parties on such immediate concerns as Japan's weak domestic economy and America's serious budget deficit.

The political aspects of the relationship are somewhat more favorable, at present, but here too, there are problems. The gap between the American tendency to respond strongly to human rights violations and retreats from democracy and the Japanese tendency to downplay these matters has not been substantially reduced despite Tokyo's cooperation with respect to recent crises—from Tiananmen to the Gulf war. At an earlier point, Prime Minister Kaifu enunciated four political guidelines which, according to him, would be applied when considering economic assistance to other nations. These included the size of a state's military budget, its policies with respect to strategic arms transfers and nuclear questions, and its record on human rights and democratization. Were the Kaifu declaration to be implemented, it would go far in aligning the U.S. and Japan on these vital

issues. However, the evidence, including recent pronouncements of Japanese officials, suggests that it is likely to remain mainly rhetoric, applied only sparingly and sporadically.

Nonetheless, Japan has indicated a desire to play a stronger political role and taken initiatives on problems like Cambodia that are encouraging. There will be instances where Tokyo can play a role as catalyst, initiator or middle man, and such courses should be pursued when appropriate. The need for Japan to become more fully involved in the regional and global order—and not merely as follower—is increasingly apparent. To be responsible, one must also have status. Despite the very difficult problems involved, the time has come to enlarge the permanent membership of the UN Security Council, adding Japan and Germany to the roster.

In the security realm, U.S.-Japanese cooperation has never been closer or more effective. The level of consultations is being raised, the sharing of intelligence goes forward, joint exercises are actively carried, and a liaison with other nations is progressing. There is little opposition in either country to a continuance of the mutual security treaty, and equally important, little opposition throughout Asia, including China. The reasons vary. Some Asians feel that an American-Japanese security bond guarantees against a militarily resurgent Japan. Others see the bond as a means of insuring a continued American strategic presence in the region.

It is clear, however, that Japan is faced with a dilemma not of its own making. On the one hand, the general tendency in the United States is to ask Japan to do more with respect to security (without being precise as to what is wanted) whereas the tendency in Japan itself and in the rest of Asia, is to want Japan to continue its present policies or in some cases, to do less. Of course, it is relatively easy to underwrite additional costs of American forces stationed in Japan, but what else?

As noted earlier, a review and revision of American security strategy for Pacific-Asia is inevitable, with important, if incremental, changes already underway. And as also noted, the major task will be to persuade the American people that whatever security burdens they carry,

these are necessary and not disproportionate to those of others. Much thought and work should go into a consideration of future security options at the bilateral as well as at other levels. Nothing would assist in this process more than Japanese willingness to devote personnel as well as money to peace keeping operations, and connect its financial assistance to the military-political criteria earlier suggested by Kaifu and others.

Despite the difficulties, if one surveys American-Japanese relations in their totality at this point in time, there is reason for cautious optimism. The very nature of the problems and issues signals the intensity and depth of the relationship. Never in history have two separate nations been so closely associated in so many respects. In such a setting, any effort to insist upon national sovereignty in the classical sense, treating it as inviolable, is misguided. When one country's domestic policies seriously affect the welfare of another country, they cease to be purely a domestic matter.

Given the nature of the U.S.-Japan relationship today, it is critically important to revitalize the SII talks, as was pledged in the recent Tokyo Declaration. Speaking bluntly, external pressure is frequently necessary to prod governments—and the private sector as well—and never more so than in democratic societies where the countervailing pressures are often powerful.

Meanwhile, one of the most critical areas in which to make progress is with respect to cooperative research and development in such frontier areas as biotechnology, the environment, and space. If partnership is to go beyond rhetoric, the supreme tests lie here.

In broader terms, as noted earlier, the urgent need is for the greater compatibility of our two economic systems, and greater transparency or openness, especially on the part of Japan. Some have suggested a II Maekawa Commission dedicated to exploring these issues. Whatever the formula, both nations must concentrate on this matter as the single most determinant of our future relations.

At the same time, it is now imperative to encase American-Japanese relations in a growing network of multilateral commitments. The future

for both of us is heavily dependent upon whether we can regularize both regional and global decision-making processes, placing them in an institutional framework. The GATT must not be allowed to fail, and the responsibility of both Japan and the United States in this connection is great. At the same time, APEC should be given an opportunity to expand its functions, and the North American Free Trade Area should gradually be enlarged to encompass key market economies, including Japan. Whatever the temporary compromises, our goals must be to steadily enlarge the free trade arena, oppose regional or sub-regional exclusivism and refine the means of adjusting economic disputes. Environmental issues, moreover, must be incorporated into all economic discussion, a trend just getting underway.

Similarly, in the political realm, issues like human rights must be internationalized, with more effective mechanisms for handling violations. Egregious violators of basic human rights like the present Myanmar dictatorship should not go unnoticed or unchallenged. At the same time, unilateral action should be discouraged since it is generally ineffective or even counter-productive. Japan and the United States should develop a common course of action with respect to such matters in company with others.

One important additional need at the bilateral level is to bring our younger generations into closer contact with each other through a variety of means: intense summer programs, educational exchanges and mutual apprenticeships. The substantial generational changes taking place in both societies make it imperative that a growing network of contacts extend to those who will play key roles in the 21st century.

The risks of a major power conflict are at their lowest point in modern history. In handling other types of conflict or tensions, several approaches are warranted. In certain cases, as noted earlier, the most effective method is the construction of a series of concentric arcs around a specific situation. The imagery is arcs not circles since there must be a capacity for interaction between and among the different

levels. Both the United States and Japan have very important roles to play in these situation-specific security issues. And we are likely to see more tensions of this type emerge in the decades immediately ahead, some of them involving major states within the Pacific-Asian region.

At the same time, there are certain situations which demand broader multilateral treatment: nuclear proliferation; strategic arms transfers; and terrorism. The time has come to enter into collective discussions at both unofficial and official levels regarding such issues. And we should not shrink from some bold new thinking, including the concept of a nuclear-free zone for the North Pacific beyond that being enunciated for the Korean Peninsula, further reductions in conventional military forces, and more refined verification systems.

It is worrisome that most Asian states are increasing rather than decreasing their military expenditures despite the end of the Cold War and the lull in international tension. We must take seriously the need to tackle both the issues

giving rise to military buildups and the buildups themselves before additional complications arise.

Accounting for nearly forty percent of the global GNP, possessed of power in political and military terms exceeding that of other nations, and committed to, as well as dependent upon internationalism, the United States and Japan have an unique responsibility to play leadership roles in the construction of a more peaceful, prosperous world. Leadership, to be sure, must be within a framework of consultation and cooperation with others, focusing upon the means of creating consensus and subsequently, upon the appropriate means of implementation. If our two nations can work closely together in this project, our bilateral relations will grow stronger, although the new partnership will harbor elements of competition as well as cooperation. In the final analysis, by virtue of their importance, the United States and Japan are destined to pioneer in integrating domestic, bilateral, regional and global policies on behalf of a more coherent global order.