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### Economic Realities and Peace

Mike Mansfield 1903-2001

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Speech of Senator Mike Mansfield (D., Montana)  
For Release at noon - July 26, 1955

### JAPAN: ECONOMIC REALITIES AND PEACE

In recent weeks attempts have been made to work out a settlement of the situation in the Formosan Straits. As Senator George so significantly pointed out on last Sunday, the Formosan Straits area still is a point of great danger. The policy of our government seems to be one of accepting a so-called "de facto" cease-fire in the Formosan Straits. The United States cannot afford a policy of drift and drag in this area because of its explosive potentialities.

For some time now it has been indicated that a number of Asians such as Nehru and Krishna Menon of India and U Nu of Burma have tried to work out ways and means of bringing about a settlement of the situation in the Formosan Straits. Yesterday, according to press reports, India and Burma arranged for meetings in backstage discussions with Red China and the United States -- for ambassadorial negotiations -- to begin in Geneva on August 1 between U. Alexis Johnson, United States Ambassador to Czechoslovakia, and a Chinese official of comparable rank. While this does not indicate "de jure" recognition of Communist China by this country, it is a step forward in "de facto" recognition even though it is expressly stated that no recognition is implied in these meetings and recognition will not be discussed.

In another area in the Far East we find that the United States is reported to have agreed with France and Great Britain to bring pressure on

Premier Ngo Dinh Diem of Free Viet Nam to meet with the Communist Viet Minh to arrange, in accordance with the Geneva Agreement of a year ago, for next July's elections in all of Viet Nam. This, too, was supposedly arranged in side talks at the Geneva Conference. I would sincerely hope that the United States government recognizes Premier Diem's position in relation to the repeated violations of the Geneva Agreements by the Viet Minh in refusing to allow refugees to go south, in aiding and abetting the Pathet Lao in the Laotian provinces of Sam Neua and Phong Saly, and the fact that South Viet Nam was not a signatory to the Geneva Agreements of 1954.

These reports indicate that at the Geneva Conference of 1955 Asian matters were the subject of some consideration at least in informal meetings. They emphasize the need to keep our sights on the second of the two principal areas of decision in the world, Japan.

The first is Germany. In remarks in the Senate on August 14, last year, I noted that *insert*

*insert*  
The tide of international affairs is flowing on in the aftermath of Geneva to new crests elsewhere on the globe to areas which in the next months may become keys of decision in the struggle to turn back the drive of totalitarian communism. These areas are Germany and Japan.

On several occasions since last August I have returned to this subject in discussions in the Senate. By so doing I have sought to clarify my own understanding of developments in Germany and Japan. I have also hoped to keep a focus of attention on these two areas in order that their importance might not be lost in the dazzle of Soviet peace offensives, *summit meetings,* and spectacular events elsewhere. Too often in the past we have allowed ourselves to be sidetracked from the main problems by more colorful side-shows. As a result we have had a series of crises in our foreign policy. And to a large extent we have responded with a kind of crisis foreign policy. That has been true most frequently in the Far East -- in Korea, in Indochina and in Formosa.

We have done somewhat better in Europe. We have had in that region clearer objectives and a more rational pattern of policy for their achievement. Together with other free nations, we have held the initiative in Europe, with a few setbacks, ever since the days of the Marshall Plan. The great test in that area, however, is now coming in Germany. It is the test of whether or not Germany shall remain welded to the structure of peace which Americans and other free peoples have given so much to build in the western world. The "summit meeting" just concluded has served to emphasize that fact.

On June 23d last, I discussed some of the problems that are approaching a climax in Germany. I would like, today, to turn briefly to the potential crisis in Japan which I reviewed at some length on March 28th in the Senate.

Japan occupies in the Far East at this time a position similar to that of Germany in Europe. Japan, like Germany in Europe, is the key to war or peace in the Far East. There is little likelihood of a real settlement of present difficulties in that part of the world unless Japan is a party to it. Nor is there likely to be a major war in that part of the world into which the Japanese will not inevitably be drawn.

If we are to avoid a crisis over Japan, as we failed to avoid crises in Korea, Indochina and Formosa, we have got to recognize certain realities which exist in the Japanese situation, and particularly the Japanese economic situation. In the Far East, Mr. President, our objective, our self-interest requires an independent and self-supporting Japan living at

peace among independent self-supporting Asian nations. That kind of a situation will permit trade, scientific and cultural relations to flourish, with consequent benefit to us as well as to others. It will provide an atmosphere in which the concept of human freedom can survive and grow in the Far East.

What we do not want in Japan or Asia is colonialism, Soviet or any other kind. What we do not want are permanent and expensive dependencies of our own. It is one thing to give assistance to nations to tide them through difficult times, to advance our common interests. It is another to keep them on a perpetual dole. The first builds strong ties of friendship. The second plants the seeds of enmity in both giver and receiver, even while the generosity is being bestowed and the words of gratitude spoken.

The objective we seek in the Far East -- free, self-reliant, peaceful nations -- cannot be obtained by purchase. It cannot be obtained by talk. It cannot be obtained by bombs, atomic or otherwise. It can, I am convinced, be reached by recognizing the realities of the situation in Japan and the Far East and doing what we can do with reasonable prudence in our foreign policies to meet them.

The first reality is that since the end of World War II, the Japanese people have moved away from the institutions which led them into that disastrous conflict. This does not mean, however, that the Japanese people are permanently free of aggressive totalitarianism. It would be delusive for them as well as for ourselves to assume that they are. A new totalitarianism could be induced in Japan either by Asian communism from

the mainland or by forces within Japan itself or by a strange alliance of both.

Whether the Japanese retain and strengthen their present tenuous grip on freedom depends not only on Japan but on what the nations which have a vital stake in that part of the world do or do not do. Neither this nation nor any other nation can preserve freedom in Japan. That can only be done by the Japanese people themselves. But this nation and other nations can give them the chance.

Freedom will not survive in Japan unless the basic difficulties of the Japanese economic situation are recognized and dealt with in time. If that situation is allowed to become desperate, desperate remedies will be sought, totalitarian remedies which may well plunge the entire Pacific into a new conflict.

Japan has not yet reached the stage of desperation but the danger is nevertheless a real one. I have said this before as have others, but it bears repeating: The problem of the Japanese literally, is that they must fish and trade abroad on a vast scale if they are to sustain themselves over the years. They simply do not have the resources in their islands, which equal in area the size of Montana, to support 90 million people in a tolerable fashion in any other way. The problem, moreover, grows increasingly acute, year by year as Japan's population rises.

The Japanese have been able neither to fish nor to trade on an adequate scale since the end of World War II. Important fishing grounds off

(Insert p. 5-- at end of second paragraph)

That the Japanese are becoming restless in their present relationship with this country is indicated by a dispatch from Tokyo by Foster Hailey which appeared in the NEW YORK TIMES of July 15, 1955. According to Mr. Hailey, there is increasing opposition in Japan to the extension of United States air bases and to the continued presence of American ground forces in Japanese territories.

The Japanese have been reluctant to accept the fact that these American bases are essential even though their defense forces are presently inadequate to the defense of the islands. They have only 160,000 personnel, armed largely with light weapons, light ships and obsolete propeller-driven planes. The Government has been promising to increase this force to 259,000 men armed with modern weapons but is moving very slowly in that direction.

the North Asian coast have been closed to them by the policies of the communist countries and Korea. Their trade with the Chinese mainland, once a mainstay of their economy has been reduced to insignificance, largely because of political considerations. To cite just one figure, Japanese trade with China amounted to \$423 million in 1937-38; in 1954 it was \$60 million. The search for satisfactory substitutes in Southeast Asia and elsewhere has not been conspicuously successful.

In the past ten years, the margin between survival and starvation in Japan has largely been provided by the United States. It has been provided in the form of gifts, aid, military expenditures and concessions of various kinds. Mr. President, that sort of makeshift approach cannot go on indefinitely. There are already signs of resentment in Japan against this country stemming in large part from the dependency which these makeshift remedies imply. Moreover, on our part, the endlessness of vast expenditures for foreign aid has begun to tax more than the pocketbooks of increasing numbers of Americans. It is beginning to tax their patience and faith in the policies that make them necessary. *(Insert here)*

In recent months, we have been moving away from one-way aid to Japan and that is all to the good. The recent modifications in tariff schedules, for example should permit an increase in Japanese exports to this country. That means that we will get something for the dollars which in the past have flowed to Japan with little or no return. The Japanese in turn will have an opportunity to become more self-supporting. But these



tariff reductions are not going to make the difference between solvency and insolvency in Japan. No tariff concessions that are likely to be undertaken in the foreseeable future are going to make the difference. If we face the facts bluntly, we will recognize, I believe, that there are limitations in this country on how far the remedy of tariff reductions can be invoked.

And even if there were not, it is doubtful that the natural flow of Japanese trade is predominantly in the direction of this country. The natural course is towards neighboring areas -- towards Korea, the Philippines, Formosa, Indonesia and Southeast Asia. These areas have the food and other products which Japan requires and Japan has skills and productive capacity which they can use. Thailand and Burma alone, for example, are currently supplying Japan with some 600,000 tons of rice a year, more than half her total imports.

And as the distinguished chairman of the Committee on Foreign Relations pointed out ~~a short~~<sup>some</sup> time ago, the natural direction of Japan's trade is also towards the Asian mainland, towards China proper and the Soviet maritime provinces.

That factor, among others, explains why Japanese and Russian diplomats headed by Ambassador Jacob A. Malik and Shunichi Matsumoto are now meeting in London. They have under consideration the problem of ending World War II between the two countries and restoring diplomatic relations but the possibilities of trade between the two countries also enter into these talks. Japan is an independent country and has every right to pursue these possibilities.

I would doubt, however, that trade ties between the two countries are likely to help stabilize the situation in the Far East unless certain other questions are also dealt with. If the recent Russian overture towards Japan are sincere, they should lead to the return of Japanese war prisoners still detained on the mainland of Asia. They should lead to territorial adjustments in the vicinity of the Kurile islands. They should lead to a restoration of fishing concessions in North Asian waters which the Japanese people so desperately need. They should lead to Soviet support of Japan's entry in the United Nations. The Russians have an opportunity to promote stability in the Far East in the current talks with Japan, if that is what they really desire, by acting constructively on these outstanding problems.

The Japanese are also seeking increased trade with communist China. There have been exchanges of private missions between the two countries and other preliminaries to an expansion of commerce. Again, Japan in pursuing trade with China is acting within her rights as an independent nation. In this case, however, it is also proper for the Japanese to continue, as they have so far done, to limit themselves by the terms of the United Nations trade embargo against the Chinese communists. That embargo, in a sentence, means no trade in strategic materials with China while the Communist aggression in Korea remains unrectified. Japanese cooperation in the embargo is fitting and essential especially since Japan seeks membership in the United Nations and has associated herself with the action in Korea.

Beyond the embargo, however, the Japanese should not be expected to forego what trade they can develop with Communist China. The United Kingdom, West Germany and other free nations have not done so. On the contrary, many are heavily engaged in it. Some 20 percent of Communist China's trade is carried on with countries outside the Soviet bloc.

Mr. President, if there is to be stability in the Far Pacific, it is inevitable that commerce will flow between Japan on the one hand and the Russians and the Chinese ~~communists~~ <sup>mainland</sup> on the other. Nor need we deplore that fact. On the contrary, the trade could be of considerable benefit to Japan and could help to strengthen freedom in that country. It seems to me that any peaceful measures which enhance the economy of Japan at this time add to her capacity for independent existence. Trade with the communist nations will be dangerous only if it becomes the most important factor in Japan's survival, if Japan is reduced to abject dependency on it. The Japanese will never reach that stage of dependency, however, provided strong mutually beneficial economic and other ties are forged between Japan and the free nations in the Far East and elsewhere.

It seems to me that the responsibility for developing such ties rests not on Japan alone, not on this country alone -- but on all nations with a stake in peace and in freedom in the Far East. In discussing these questions in the Senate last March 28, I listed seven tangible ways as illustrative of the manner in which a positive American policy on Japan might help to develop these ties. I shall not take the time of the Senate to repeat

(Insert p. 9 -- at end of first paragraph)

I have no doubt that there will soon be a call for a meeting at the summit in the Far East or at least one step short of the summit. Mountain climbing exercises a strange and contagious fascination for those who indulge in it. Having scaled the peaks in Switzerland around Geneva, it is to be expected that those in the Himalayas will beckon.

Before we rush to meet these new challenges, however, let us recognize some sobering facts. In the first place any real settlement in Asia involves more than a meeting between this country and communist China. Perhaps, as has been suggested, such a meeting is a necessary preliminary. A lasting peace in the Far East, however, requires the participation of Japan, the free governments of Korea, Viet Nam and Nationalist China, the signatories of the SEATO pact and other Asian nations.

We have not built among these nations the strength of unity which was developed in Western Europe and made possible a satisfactory meeting at Geneva.

That is why I have joined many others in a repeated emphasis of the importance of Japan and the development of stronger ties among the free nations in the Far East.

Japan has much to contribute to the progress of Asia and the world. It is up to the Asian nations, to this country, and all countries with interests in the Far Pacific, to see to it that the Japanese have an opportunity to make that contribution in peace. We need to start now to provide that opportunity, before we get to the summit.

them now, but I ask unanimous consent to include them at the conclusion of my remarks. One point which I made then and have repeatedly urged since that time is the need for a series of special economic conferences among the nations with important interests in the Far East. There is, in my opinion, a need for such conferences to deal frankly with the problems of trade, economic and technical development in that region. To the extent that the preponderance of Japanese economic interests can be pursued in concert with the United States and other free nations, to that extent we need not fear Japanese trade with the Communist nations on the Asian mainland.

~~Japan has much to contribute to the progress of Asia and the world. It is up to the Asian nations, to this country, and all countries with interests in the Far Pacific, to see to it that the Japanese have an opportunity to make that contribution in peace.~~ *Insert*

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(Excerpt from speech in the Senate, March 28, 1955):

"... a positive foreign policy on our part would seek to obtain the widest possible international agreement on these points.

1. Immediate admission of Japan to the United Nations.
2. Territorial adjustments along Japan's borders.
3. Japanese participation in any international conference for the general settlement of Far Eastern problems.

4. Japanese access to fishing grounds open to them before the war, on a responsible and equitable basis.
5. Encouragement of a regional investment pool in the Far East with full Japanese participation.
6. Encouragement of the use of Japanese skills in the technical assistance programs of the Far East.
7. Convening of a series of Far Eastern conferences to deal frankly and realistically with the related problems of Japanese reparations and freer trade within the region, and similar issues, the solution of which will make possible a self-supporting Japan in a self-supporting Asia."