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Kasumi Club

Mike Mansfield 1903-2001

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AMBASSADOR MANSFIELD'S MEETING WITH KASUMI CLUB

March 13, 1980

Q: With regard to this economic issue between Japan and the United States, that is the automobile issue, there seems to be a little bit different perception with regard to this problem between Japan and the United States.

We hear that around the 17th or 18th or 19th of this month, there is going to be a congressional hearing on this matter, and there has been a request from the United States to invite some Japanese people to be there as witnesses.

It seems that in the United States this automobile problem is regarded as a very big issue, but here in Japan I think the general perception of this issue among the Japanese is that it is not such a serious issue. How do you account for this gap in perception between the Japanese and the Americans?

AMBASSADOR: Well, differences of opinion. First, let me say that the government witnesses will appear before the Vanik Committee on the 18th of this month. That's next Tuesday, and at that time we'll find out for the first time what the government's position is, if any.
Unlike textiles, for example, or steel or color TVs, there are no restrictions on Japanese exports which increased 10 percent in 1978 over '77, and 9.5 percent in '79 over 1978, and for the first month this year it increased about 28 percent over a year ago in January, and I think the figure has remained pretty constant for February compared to February a year ago.

The unemployment rate roughly at the present time in the automobile industry is around 200,000 due to the shift-over, the change-over, from the big gas guzzlers to the compacts and sub-compacts. That means, of course, that certain facilities have been shut down.

What the American auto industry and auto labor unions would like would be the investment of Japanese auto manufacturers, in addition to Honda, in the United States.

They are also advocating quite strongly that there be a quota set on the exports of Japanese automobiles to the United States, so you're faced with a two-pronged request: more Japanese investments in the United States, and possibility of quotas being placed on Japanese exports.

The Japanese automobile is an outstanding product. It has quality. It is competitively priced. The Japanese
auto manufacturers have a tremendous reputation, and I believe that they could invest in the United States and hold their own, if not more than hold their own, with American industry.

On the other hand, you have, in relation to this, a decline in employment and a shutdown in facilities on the part of the U.S. auto industry, and you have a political year confronting you which the auto industry, labor especially, will try to use to its full advantage to pass legislation seeking to find a solution in that manner.

I don't think it's the answer, but you have to face up to the realities, and if there is one thing I would hate to see would be an import restriction placed on Japanese automobiles, and if there is one thing I would like to see to counteract that would be for the Japanese auto industry to give every consideration to the possibility of investing in the United States.

May I say that the attitude of the Japanese government is very friendly and encouraging, but we all recognize that the final decision will have to be made in the private sector, by the auto industries themselves, and it is with them that the decision rests.
This is the most important. Automobile is the most important immediate problem, but what we ought to look at all the time is, in addition to the immediate problems, the picture of our relationship, Japanese-American relation, as a whole, and recognize that it is the most important bilateral relationship in the world that is absolutely necessary for the maintenance of the peace, stability and prosperity of the Pacific and East Asia. I would hope that reasonable people would be able to get together on both sides and work out a mutually satisfactory agreement so that we could place this particular problem behind us and go on to other things.

May I reiterate that the decision lies solely with the Japanese auto manufacturers as to whether or not they want to invest in the United States.

Q: Japanese automobile manufacturers regard this current automobile problem as a transitory problem, resulting from the shift-over from the large gas guzzlers to the smaller or medium sized automobiles in the United States. So they feel that if they make greater investments in the United States, they may suffer very serious
damage later that/never be made up for later, so they are very cautious about making investments in the United States. Behind such a background, do you still say that greater investments on the part of the Japanese auto manufacturers would be a solution to this problem?

AMBASSADOR: Not a solution, but it would be a lessening of the severity of the problem, and it would prevent the economic matter from becoming a political issue. I would point out that the Japanese auto industry have been encouraged for years to invest in the United States, and I would repeat that with the reputation they have for quality and competitiveness and price, that they could compete with any auto company anywhere in the world.

The Japanese auto industry's arguments and questions are all good and they are all logical, but I would hope that it would be possible not to concentrate too much on a part of the whole but see the whole picture in our relationship between the two countries.

Q: Japanese Foreign Minister Mr. Okita is scheduled to go to the United States and hold ministerial meetings with his counterpart. From your viewpoint, Mr. Ambassador, what do you think would be the top priority
issue on the agenda in these bilateral meetings? Do you think it will be the Japan-U.S. economic friction or defense matters between these two countries?

AMBASSADOR: I would say both and any other subjects that the Foreign Minister wants to talk about or that the Secretary of State wants to bring up. It will be wide open.

Q: As you indicated, the defense subject may be one of the important issues to be taken up when the Japanese Foreign Minister goes to the United States, but ever since the Soviet incursion against Afghanistan, there has been a mounting request from the United States vis-à-vis its allies to increase their defense capabilities.

But in Japan, because of financial constraints and because of the need to build a national consensus among the Japanese people, our position is to gradually increase our defense capability in accordance with our national capability.

With regard to the problem of ratio of defense spendings to GNP, our view in Japan is that it will be
difficult to achieve one percent of GNP for defense spending in a short-term period. It will take a longer period to achieve this one percent goal.

When the Foreign Minister goes to the United States he will try to explain the domestic situation to the American side to seek her understanding. Do you think that when the Foreign Minister goes to the United States the U.S. side will show understanding of this Japanese situation, or do you think this question will be hotly debated between the two sides?

AMBASSADOR: I'm sure that the United States will show understanding. I would hope we'd get away from this percentage of less than one percent and face up to the fact that the Japanese are spending--if you want to use a percentage figure--this coming fiscal year 1.51 percent of their GNP. It's the total amount, rather than the percentage, which is most important, and 1.51 percent of GNP, which totalled 1,090 billion dollars last year, is a large chunk of money.

Japan spends more on its defense than most of the NATO countries. Japan, I would say, ranks sixth, probably
seventh, among the nations of the world in defense expenditures today, and I think the record which Japan has made on its own responsibility of increasing its defense expenditures at an annual rate of 8 percent a year over the past ten years, compared to an annual rate of 2 percent increase on the part of NATO over the same period, compared to a natural 2 percent decrease in U.S. defense expenditures over that same period, that same 10-year period, that Japan has done quite well.

I would expect, in view of what the reporter has stated, using his own words, about Japan effecting a gradual increase in its defense expenditures in light of its difficulties or its relationship with other matters within the budget, would be doing quite well.

Japan is fully aware of what's going on in the world—in Iran, in Afghanistan and in its own Northern Territories. Japan is a sovereign nation, and Japan will do what it thinks is best in relation with its own defense and, on the basis of the guidelines agreed to between our two countries, will work with us as we will work with you to work out the best possible answers to the potential difficulties which might or might not confront us. But Japan will make its own decisions as a sovereign nation.
Q: You have shown deep understanding to this problem of Japanese defense spending, but as a result of the Afghan situation we hear that in the United States there has been a mounting voice claiming that Japanese defense spending is not really sufficient.

AMBASSADOR: Well, I've given you my views, made as full an explanation as I think are necessary, and again I want to emphasize that what Japan does in that respect and in other areas is Japan's responsibility, and Japan's alone.

I would point out again, to repeat and to use words already used by you, that over the past eight years Japan has been "gradually increasing" its defense expenditures on its own responsibility, and we think that those gradual increases have been very satisfactory and worthwhile.

Q: Your understanding and your recognition of the situation, is it shared by President Carter? Is it fully understood also by President Carter and shared by him?

AMBASSADOR: I hope it's understood by President Carter, Secretary Vance, Secretary Brown and all others who are
interested, and I have an idea that it is understood because the views I've expressed have not been silent views. They have been views on the record, and my feelings are well known in Washington.

Q: With regard to the defense question again, in the United States recently there has been an increasing mood asking Japan to shoulder its share of defense responsibility in order to secure the sea lanes, particularly among the U.S. Congress. What is the U.S. Government's position on this question of Japan shouldering responsibility to achieve the security of the sea lanes?

AMBASSADOR: Well, I think Japan is doing a great deal on its own behalf in modernizing its navy, in reinforcing its anti-submarine and air defense facilities. It is buying in excess of 100 F-15 fighter planes, the Eagles so-called, about 45 Orions anti-submarine patrol planes, and I believe two to four, and eventually they are considering buying eight of the air command planes. So it is doing its share to modernize its Self Defense Forces, and I think that that is a factor which we should all keep in mind.
Q: Ever since the Soviet incursion or invasion of Afghanistan took place, it seems that the emphasis of the American defense posture has been shifting away from the Pacific area to the Indian Ocean area, and as a result it seems that the American defense capability in the Far East has become deteriorated, has become weakened, and in order to fill this deterioration, to make up for this gap, it seems that the Japanese are asked to reinforce or strengthen its defense capability in order to defend ourselves.

Is this thinking actually emerging in the United States? Is that kind of policy change being really considered within the U.S. Government?

AMBASSADOR: No. I think you have to look upon the Indian Ocean, and certainly if any country should be aware of this factor it is Japan, that you have to look upon the Indian Ocean as an extension of the Pacific. I mentioned Japan specifically in that respect because of your utter dependence, almost total dependence, on oil from the Middle Eastern areas.

After all, the important factor as far as Japan is concerned is the defense of its home territories and
the islands of the archipelago and the seas adjacent thereto. So if that is a fact which is being considered now, I think it should have been a fact which should have been considered all along.

Q: It has been reported, according to a report from Washington, that the United States wants Japan to take stronger measures against the Soviet Union to respond to the Soviet invasion of Afghanistan. What do you think about this U.S. request?

AMBASSADOR: What kind of "stronger measures"?

Q: For instance, possible Japanese extension of credit for Siberian development for the Soviet Union. We hear that the Japanese Government is holding in abeyance any extension of new credit to the Soviet Union and studying the possibility of extending new credit, but it seems the United States wants Japan to take even stronger measures against the Soviet Union.

AMBASSADOR: No, that's not my understanding. To the best of my knowledge, only one new line of credit has been
extended by Japan to the Soviet Union in its Siberian development, and I believe that that amounted to about 2.5 million dollars and had to do with an already existing textile plant contract.

May I say that we're very pleased with the cooperation and the understanding which Japan has shown towards our position insofar as Iran and Afghanistan are concerned. We think Japan has been in the forefront of our allies, ahead of most of them, in trying to be helpful and to be a true partner, and we are very appreciative of the steps Japan has taken and has not taken.

Q: In connection with measures and steps to be taken against the Soviet Union, the issue of the Olympics is something I would like to ask you about next. The Japanese Chief Cabinet Secretary issued a statement leaving Japanese participation in the Moscow Olympics rather vague without committing itself to participation or not, and the United States is satisfied with this Japanese position, we understand. But how do you understand and interpret this statement made by the Chief Cabinet Secretary?

In August there is going to be a sports meeting to be participated in by non-participants in the Moscow
Olympics. How is the preparation for this sports event going on, and is Japan cited as one of the candidates for holding such a sports meeting?

AMBASSADOR: Well, to answer the last part of the question first, to wit, the proposed August games, I know nothing about them, so I can't give you any definite information.

As far as the Cabinet Secretary's statement on the Japanese Government's position on the Olympic Games was concerned, we thought it was not ambiguous, but very clear, that the Japanese Government did not favor Japanese participation in the Olympics, but it did point out that it would be up to the Japan Olympic Committee, just as in my own country. It will be up to the U.S. Olympic Committee, despite Carter's and the Administration's and the Congress' opposition to the Games in Moscow.

My own personal opinion is that we should not participate in the Olympic Games, and it's not because of Afghanistan. My personal opinion goes back to 1972 when 11 or 12 Israeli athletes were murdered, assassinated, by terrorists in Munich, and it also goes back to what
to me has become an increasing commercialization of the Games by means of which manufacturers of various athletic articles pay large sums to have their goods publicized, and I also think that the Games have become too politicized.

I would like to see terrorism, commercialism and politicization of the Games done away with and the Games returned to their original concept.

But, again, I want to repeat that this is my personal opinion. It has nothing to do with Afghanistan, but it goes back a long time, and I think it's about time that something was done either to reform them or to get rid of them entirely.

Q: The solution to the question of American hostages held in Iran has been put off, postponed, and in the United States there are emerging more cautious views, and we welcome this development of a more cautious approach to the Iranian situation, and we hope that there will not be a reemergence of hawkish views within the United States, that is a view to impose sanctions against Iran which will put Japan in a very difficult position. We hope that such a development will not take place in
the United States. But how do you view this possibility of reemergence of a very hard line position against developing in the United States vis-a-vis Iran?

AMBASSADOR: I think the President has indicated that no military action is even under consideration. The important factor is to protect the lives of the 50 U.S. hostages, and that is first in our thinking, and not to do anything which would endanger those lives. So I think President Carter's policy of patience, using every possibility that he can find to bring about the release of the hostages, is a good one, is the best one. It calls for patience, but I think that patience will be forthcoming on the part of the Administration, the Congress, and the American people.

Q: Recently there has been a rather strange trend to develop the argument that Japan is enjoying a free ride in security areas. Particularly this view seems to be strong in the U.S. Congress. In Japan, there is a view that this trend or development is not just an occasional or temporary one, but it is becoming a rather constant, continuous trend in the United States.
Is this a fact, that is, is this a trend, arguing that Japan is enjoying a free ride, a rather constant, permanent trend in the United States? How do you look at this?

AMBASSADOR: No, it is not. You will hear a voice now and again, and you have for the past seven or eight years, but no trend.

I think the statements I have made this afternoon will reinforce the fact that Japan is not enjoying a free ride because of its 1.51 percent defense expenditures, 1.51 percent of its GNP, but that she has been making steady progress, assuming more and more in the way of responsibilities for her home territories, and that is as it should be. And as my friend says, it is "gradually increasing" its expenditures down through the years, and what it is achieving economically that is in defense, and what it is achieving economically it is doing because it turns out good products at competitive prices that people want.

Q: In Japan there are people who think that when the Foreign Minister visits the United States, he may be forced
to make extraordinary, difficult, or large promises in terms of defense problems. Judging from your statements, can we understand that such worry on the part of Japan is unnecessary?

AMBASSADOR: In my opinion, the discussions in Washington between Japan's Foreign Minister and appropriate American officials will be frank, open, and above board. I would imagine that the Foreign Minister is very well aware of the situation. I wouldn't imagine it. I know he is very much aware of the world situation as it exists today, and I'm sure that he and the Prime Minister and others have discussed Japan's position in the world from time to time, and have discussed Japan's relations with the United States, which I think are of primary importance. As I have said before, I think the most important bilateral relationship in the world is the relationship which exists between Japan and the United States, and that as far as we are concerned, Japan is our number one partner and number one ally in the Pacific and East Asia, and will continue to be.

I think the Foreign Minister is perfectly capable of upholding the interests of Japan, listening to any
arguments or questions put forth or questions which might be raised, and by the same token our people will be perfectly capable of looking after our interests and being prepared to face up to any arguments or any questions which Japan's Foreign Minister might raise.

In other words, the meeting will be between equals, and the talks will be conducted on that basis.

Equals don't bow to pressures; they listen to reason and arrive at mutually satisfactory solutions.

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Q: How is your wife?

AMBASSADOR: She's still got her leg and foot in a cast. It's been about four weeks now. In about three weeks more she will be out, but then she will have to have therapy because the leg and the foot decrease because of the cast. But she's getting along fine, all things considered.

XXX: One thing you might clear up. Several of the stories on your recent meetings, some of the newspapers
and wire services have added a final paragraph saying that you're getting ready to go on home leave soon, and that story did circulate earlier.

**AMBASSADOR:** Well, the answer to that is my wife's cast, so we just cancelled our home leave.

**XXX:** I was surprised to learn, MR. Ambassador, that Mr. Okita is going to the United States and nobody is going with him. Is that story true?

**(JAPAN):** There will be four newspaper people accompanying him. There are lots of Japanese correspondents in Washington.

**XXX:** These newspapers have fiscal year problems. (laughter)

**AMBASSADOR:** Well, I read in one paper, I forget which one, where two of them are going to start a war, a circulation war again. (laughter) You've only got seven, eight or nine million subscribers. Well, I hope they all win. (laughter)
Mr. Ambassador, that war has been going on for a long time. I read a pamphlet written in 1938 called "The Japanese Press" put out by the equivalent of the Asian Society in those days, and they were talking about the circulation battle at that time going on between the Yomiuri and the Mainichi, and it sounded just like the stories you hear today. Nowadays, it's the Asahi and the Yomiuri, but basically the battle is the same.

Q: When Prime Minister Ohira is going to visit the United States, are you going back to the United States?

AMBASSADOR: I expect to, yes.

Q: It seems the schedule for this summit meeting between the Prime Minister and the President is taking a long time to be firmed up.

AMBASSADOR: I think it has been firmed up. Do you know, Dave?

DAVE: I'm not aware of the details. I understood it was still being worked on.
AMBASSADOR: It's my understanding there may be three countries visited, and it's a case of how you juxtapose those three countries to get the right dates, but you'll recall that when President Carter met with Ambassador Togo at his farewell meeting, he indicated at that time he was looking forward with much anticipation to his meeting with Prime Minister Ohira.

Q: It has been reported that the Japanese Government asked for the meeting to take place on the 4th of May, but the second week of May has been already filled up for President Carter in his schedule, so the U.S. side asked to make the meeting after the second week of May. That has been the U.S. desire expressed to the Japanese side. Is this true?

AMBASSADOR: Well, I think whatever the dates are they'll work them out some way.

XXX: Mr. Ambassador, I did my best to get rid of the sandwiches, but still have a few left.

AMBASSADOR: I'm saving some for my friend on my left here because he's been to so many lunches and missed so many meals that he's entitled to an extra ration, my friend Tomonaga.

(laughter)