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Interview by Yomiuri Newspaper

Mike Mansfield 1903-2001

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QUESTIONS TO BE ASKED OF AMBASSADOR BY YOMIURI NEWSPAPER

1) Since the end of World War II, Japanese-American relations have become close with the Japan-US Security Treaty serving as an axis. We have been able to solve such difficult issues as the reversion of Okinawa, the textile negotiations, etc. through the spirit of friendship. Our economic relationship, however, is becoming increasingly difficult with the recent sharp fluctuations of currency values, i.e., the depreciating dollar and the appreciating yen constituting a central problem. Prime Minister Fukuda is going to visit the United States with the hope of achieving a smooth resolution of these difficult problems. What does the United States expect or desire most from the Prime Minister's visit?

2) Japan's current account surplus is inviting negative reactions from the U.S., Europe and Oceania, resulting in mounting pressure for Japan to limit her exports and increase her imports. However, there are not many manufactured goods for Japan to import, and a limit has been reached in Japan's importation of primary products. Because of the stronger yen, many of the export industries in Japan are on the verge of bankruptcy. Looking at the situation from your vantage point as an ambassador well versed in the Japanese domestic scene,
how do you view Japan's efforts to improve its trade relationship and possible limitations of such efforts?

3) We can to some extent understand the criticisms directed against Japan. But it is also a fact, is it not, that American companies are not working hard enough to export and that protectionism is emerging in the United States. Will you comment on the American domestic situation?

4) The current trend toward a stronger yen and weaker dollar involves a factor of speculation, causing an abnormal shift in the yen-dollar exchange rate. Another factor here is the huge oil imports by the United States. Can we expect the United States to take measures to defend the dollar?

5) The Japanese Government hopes to achieve a 7% economic growth rate for this year. Does the United States regard this aim as a pledge to which Japan is internationally committed? Experts in Japan think it difficult for Japan to achieve 7% growth. What do you think the United States reaction will be if this is not achieved? As for Japan's efforts to reduce her current account surplus, the policy of the Japanese Government is to reduce the surplus to six billion dollars. Do you think this can be done? What do you wish Japan to do in this regard?
6) I'd like to ask you about the U.S.' China policy as part of its overall Far East policy. First, is the United States contemplating a new development in its China policy? I would like to hear about specific ideas on normalization of US-China relations and the Taiwan issue. Secondly, what effect will Japan's conclusion the Japan-China Peace and Amity Treaty have on US policy toward China? What is your frank view on the "hegemony clause", a big political issue pending between Japan and China.

7) The Soviet Union is opposed to the conclusion of any Japan-China Treaty which contains a "hegemony clause". Do you think that concluding such a treaty with China will adversely affect Japan's relations with the Soviet Union? I wish to get America's basic thinking on this issue in connection with US policy toward the Soviet Union.

8) I'd like to ask about the Japan-US security relationship. Does the United States think that Japan should continue her defense efforts? If so, what do you think Japan should do in specific terms?

9) US withdrawal of its ground force from South Korea will have a considerable impact on security in North East Asia in the light of the fact that the Soviet Union holds the command of the Japan Sea. Does this pull-out signify a modification
of US toward Korea? Do you think the US Congress' investigations into Korea influence peddling activities will affect US policy toward South Korea?
1. Prime Minister Fukuda's visit to the United States in a few days symbolizes the close and continuing friendship between our two countries. Our economic ties have strengthened greatly in the last few years. Our two-way trade is now about $30 billion per year. There is also renewed interest in investments in both countries. It is true that the visit comes at a time of increasingly difficult problems relating to our economic relationship. I do not expect that the Prime Minister will want to deal in detail with these problems while in the United States, but I would expect that there will be an effort to set the stage for a continuing effort to resolve them in ways which are satisfactory to both sides. The visit will show that both sides continue to share confidence in the value and the importance of our relationship.

2. I know that Japan is engaging in a tremendous effort to strengthened its trade relationship with the United States and other countries and to achieve a better balance in its economic relations with the rest of the world. This is a very difficult problem for Japan to solve, and it will take time. It does cause strains on certain export industries in Japan, but on the other hand the Japanese economy has shown in the past that it is quite flexible and can adapt to the changing international situation.

I don't really agree that there are not many manufactured goods for Japan to import. The Japanese Import Promotion Mission to the United States found a large number of American firms that are interested in exporting manufactured products to Japan and they found that our prices are competitive. It is fair to say that the problem of expanding Japanese imports will not be solved overnight, but we must take the first steps.

3. The United States has been going through a very difficult period in recent months. We need a stronger energy program and domestic legislation to support that program. The recent coal strike lasted a very long time and caused considerable damage. Various factors are combining now to create a threat of renewed inflation in the United States. President Carter is moving to answer that threat and to assure that the United States economy remains competitive in international markets.

I often have been told that American companies do not do enough to strengthen exports, and I agree that there is considerable truth in that observation. Many American companies have con-
centrated all their efforts to expand sales on their large home market. However, that outlook seems to be changing and American companies are becoming much more aggressive about exports.

Protectionism in the United States develops especially when jobs are seen to be at stake. At home we often hear complaints that the United States is an open market for foreign producers, but that foreign countries are not equally open to American products. We need to make very sure that that statement is not true, and wherever barriers to the movement of trade are unfair we need to work to get rid of them.

4. I am deeply concerned about the value and the stability of the dollar and I recognize how important they are to other countries which use it as a key currency. We are taking new measures to strengthen the dollar. The President has just announced a program to curb inflation. He also has urged Congress to act on a tax reform bill which would encourage increased business investment in the United States. Energy legislation is another important area in which we should see favorable results soon.

5. We have had very frank and detailed discussions with Japan at all levels on the subject of international economic and trade problems. On both sides I think there is full agreement that it would be a very good thing if Japan can achieve a relatively high rate of growth. We understand of course that that rate will not be as high as Japan's post-war average. Japan's present current account surplus is extremely high. The imbalance in Japan's global position imposes burdens on foreign countries. It won't be easy to change the situation, but we must work together to achieve a real change as soon as possible. I do not want to try to predict the exact size of Japan's current account surplus in the future. The Japanese government has given every indication of its intention to correct the situation. I would like to give that objective as much support as I can.

Over the next few months we will be in almost continuous contact with Japanese leaders. The Prime Minister will be visiting Washington. Ambassador Strauss and Minister Ushiba will be in frequent contact, especially to discuss the Multilateral Trade Negotiations in Geneva. In the early fall I expect there will be an economic sub-cabinet meeting. These meetings will give us ample opportunity to review the situation as it develops. I can't predict what will be decided. I do hope that Japan's economy will be growing at a high rate and that the current account surplus will come down. If more needs to be done, I am confident that we will cooperate in working out what steps to take.

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6. One of the central features of American foreign policy in Asia is our commitment, expressed in the Shanghai Communique, to achieve an eventual normalization of relations between our country and the PRC. This is a policy objective which not only President Carter but also Presidents Nixon and Ford have supported in the belief, which I share, that a betterment of US-China relations would contribute to the general peace and stability of Asia. As with many other foreign policy issues, there has been some public debate within the U.S. over normalization, particularly the manner in which the interests of the people of Taiwan might best be protected. In my opinion, the basic difficulty we face lies not with the objective of normalization itself, but rather the manner and atmosphere in which we accomplish this end. We do not want our progress toward better relations with China to be perceived as destabilizing or disruptive by either the governments and people of the Asian region or by the American people themselves. Now this is a diplomatic and political question of some subtlety and complexity and I'll leave any detailed speculation as to the best answer to the President and his advisors in Washington. I am, however, personally confident that this is not an insoluble problem for us, that through the best efforts of both the Chinese and American sides, we can achieve our mutual goal of normalization of relations.
As for the second part of your question, it is not really appropriate for me to comment publicly on the specifics of Japan's relations with China or any other third country. The mechanics, the timing, the language and details of your bilateral diplomacy -- whether in regard to the Proposed Treaty or possible territorial questions -- these are all matters which are the proper concern solely of the Japanese and Chinese governments. I can, however, say this. It is clear to me that both the Japanese and American peoples share a basic interest in promoting peace, stability and development in East Asia. And in this context, the achievement and improvement of friendly and prosperous relations between Japan and China, the two most important countries of East Asia, should be considered as a positive and major accomplishment.
7. I can only speak for my own government, so I certainly would not presume to try to explain or predict the Soviet Union's policies toward Japan. That part of your question might better be directed to my diplomatic colleague Ambassador Polyanskiy.

As for our own relations with the Soviet Union, it is clear that there are and will continue to be profound differences between the American and Soviet governments on basic questions relating to freedom and individual liberties. Similarly, there are serious and troubling elements of competition between our two countries on a broad range of strategic and international issues. At the same time, however, we also recognize that the Soviet Union and the U.S. share a number of critically important interests, not the least of which is the paramount need to avoid destructive global conflict. My government is committed to exploring these common interests and using them as a basis for expanding the possible areas of mutual cooperation between our two countries. We are approaching our relations with the Soviet Union with no false illusions or unrealistic expectations, but rather with a hope for progress and in the spirit of mutual respect.
8. Japan's self defense forces have high morale, excellent leadership and training; they play an indispensable role in the defense of Japan. Japan's recent decisions to improve its anti-submarine and air interception capabilities are, I believe, moves in the right direction and are appropriate complements to United States force deployments. I also am encouraged by the work of the Subcommittee on Defense Cooperation, which I believe will contribute to a further strengthening of the U.S.-Japan security relationship. Now, as to the specifics of what Japan should do in the defense field, that is basically a Japanese decision.

9. You start with several premises to which I would not subscribe. I disagree with your statement that the Soviets "hold command of the Japan Sea." They are, of course, a major naval presence in this part of the world, but I have confidence in the superiority of the forces of the United States and its allies.
Secondly, I do not agree that the phased and gradual withdrawal of our ground forces from South Korea would have a negative impact on the overall security of Northeast Asia. On the contrary, we have taken, and will continue to pursue, a number of measures to ensure that the withdrawal will not upset the existing political-military balance. Among other things, I would point to:

-- The President's strong and unambiguous reaffirmation of our defense commitment to South Korea;
-- Our plans to maintain, and in some cases strengthen, important U.S. support and air units remaining in the ROK and our other forces elsewhere in the Pacific;
-- Our intention to assist in the accelerated qualitative improvement of the ROK military forces;
-- and the recent demonstration afforded by the Team Spirit 78 exercise of our ability to meet our defense commitment in Korea rapidly and effectively.

Now there are some people who argue that, despite all of the measures I just mentioned, the phased withdrawal of the Second Division nevertheless represents a dramatic shift in our Korean policy, that it reflects an American retreat from this part of the world. Here again, I would have to disagree. For almost thirty years the U.S. has played a key role in supporting the defense and economic development of the South Korean people through a broad range of military, diplomatic and economic means. During that period South Korea has grown
dramatically stronger and consequently, it is not particularly surprising that we are able to adjust the specifics of our support and assistance to the changing nature of the Korean environment. In this connection, the gradual withdrawal of the Second Division, only one element of our overall support for the ROK, is a continuation of a policy of reducing our ground combat presence in South Korea first set forth in the early 1970s. This is no sudden or dramatic shift.

It is important to remember that this withdrawal we are speaking of is going to spread out over the next four years. Obviously, there is always the possibility that during that time frame there might be developments which could have a bearing on these withdrawal plans. I won't try to speculate as to all the details of the future. But I am basically confident that four years from now we are going to be able to look back and see that this particular withdrawal of the Second Division has not impaired the ability of the ROK to defend itself nor upset the equilibrium of Northeast Asia.

As for the last part of your question, I think that the current controversy surrounding alleged Korean influence-peddling and bribery in the U.S. is a particularly unfortunate, indeed tragic, episode. For all the headlines and political heat that it has generated thus far, at heart it is not representative in any way of the deeply-rooted friendship
and common interests that have brought the American and South Korean peoples together. As such, it should not be allowed to affect the larger and more important aspects of the U.S.-ROK relationship. For that reason, I believe that it is critically important that all the parties concerned exert their best efforts for a rapid and mutually satisfactory conclusion of this sorry affair.