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The Present and the Future

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ADDRESS BY AMBASSADOR MIKE MANSFIELD
BEFORE THE RESEARCH INSTITUTE OF JAPAN
TOKYO, OCTOBER 29, 1984

"U.S.-Japan Relations: Present and Future"

Thank you very much for your warm welcome and for the kind invitation extended by Mr. Ohata on behalf of The Research Institute of Japan. I am well-aware of the impressive list of previous keynote speakers -- including Prime Minister Nakasone and Foreign Minister Abe -- and I appreciate the opportunity to share some of my views with you today.

As I was preparing for this speech, I found myself drawn to a waka poem composed by the Empress Shoken. It is called "Listening", and it goes like this:

"Other people's words,
Sometimes good and sometimes bad,
Need to be heeded;
If we listen carefully
We can benefit ourselves."

In other words, we should listen to the other person: he may be right.
I have done both a lot of listening and a lot of talking during my life, and I hope that the views we exchange today might be of some benefit for all of us.

I have come to talk to you about one of my favorite subjects: the U.S.-Japan relationship. My seven years of service as Ambassador to Japan have solidified my belief -- indeed my credo -- that the Japanese-American relationship is the most important bilateral relationship in the world, bar none. It has been nurtured and carefully tended for more than 35 years, and is now a full-fledged partnership. Indeed, the U.S.-Japan relationship -- its stability, reliability, and durability -- will be a decisive factor in determining the future of much of the world.

It hasn't always been this way.

As some of you may know, my interest and fascination with Asia -- particularly with Japan -- began back in 1922, when a ship I was serving on as a marine docked in Nagasaki for a few days to take on coal. So it has been over the past six decades that I have witnessed the evolution of U.S.-Japan ties.

We began as two disparate people on opposite sides of a vast ocean, products of very different histories, speaking very different languages. The decade of the forties found us engaged in a tragic war.
However, a commonality of interests brought us back together in the productive partnership we share today. And while our cultures remain distinct, and our languages are different, we have made real progress in overcoming the physical and mental barriers of distance.

This is significant for the Japanese-American partnership. For our Japanese-American partnership is a living relationship, and as such, it must change and adapt as each partner matures and is called upon to accept new responsibilities. Prime Minister Nakasone has helped us all to realize that equality now prevails between our two nations -- equality in responsibilities, sacrifices, and yes, equality in the benefits that come from working together.

Now, by almost any objective measure -- political, economic, or cultural, to name just three -- what Japan and the U.S. do alone and together is of tremendous importance to our two countries and to the entire world. And what keeps us working in harmony is that -- unlike other bilateral relationships which, though important, are sometimes based on adversarial associations -- Japan and the U.S. are allies who have many common goals and objectives. This further reinforces the bonds uniting us.

We must not allow these bonds to become frayed or tangled because of friction or misunderstandings.
Instead, we must ensure that our relationship will always be a productive and cooperative one, based on mutual trust, equality, and shared goals.

To that end, Prime Minister Nakasone and President Reagan announced their intention, during the Prime Minister's visit to Washington in January 1983, of appointing a small group of private citizens of both countries, representing major sectors of society, to advise the two governments on the conduct of U.S.-Japan relations. Thus the United States-Japan Advisory Commission came into being on May 12, 1983, in accordance with arrangements worked out by the Secretary of State and the Foreign Minister.

The distinguished Commission was charged with the task of making recommendations on all aspects of U.S.-Japan relations -- in both the short and the long-term. David Packard, Chairman of Hewlett-Packard, Incorporated, and Ambassador Nobuhiko Ushiba, former State Minister for External Economic Affairs, served as co-chairmen.

To quote from the Introduction to the Commission's Report, "The future success of the U.S.-Japan relationship is of great significance to world peace and prosperity, especially to that of the Pacific Basin region. The Commission believes that if Japan and the United States can manage their relations well, and build even stronger
bonds of cooperation, they have the capability to lead the Pacific region into a new era of progress and lasting peace."

I would like to discuss some of the recommendations that this United States-Japan Advisory Commission made in a Report submitted to President Reagan and Prime Minister Nakasone on September 17th.

In broad terms, the Report calls for both countries to ensure that the private sector participates adequately in the policy-making process. It also suggests improved mechanisms -- especially in Japan -- to ensure that market access commitments are effectively carried out. Japan and the U.S. are counseled to promote a new GATT round in order to deal with trade issues multilaterally. The Report also urges the United States to provide new emphasis and high level guidance to the management of policy toward Japan.

Perhaps most significantly, the Report recommends Japan establish its own "Special Commission on Japan's Agenda for Strengthening the International Economy". This Special Commission would develop Japan's agenda for external and internal priority tasks, so that Japan can take the initiative in problem-solving, rather than waiting for the problems to come home and roost.
We are most pleased that, following the September 25th cabinet meeting, Prime Minister Nakasone instructed Japanese ministries to study the ways to best implement the Commission's recommendations -- particularly those in the economic and trade areas.

Let me assure you that the United States is also taking the Commission's recommendations very seriously. We have a deep concern for many of the issues discussed in the panel's findings. We are concerned that the U.S.-Japan relationship be better managed; that the outstanding issues before us be solved at the working levels of our governments, before they inject themselves into political debates. A corollary to this is the unfortunate tendency for bureaucratic and political attention to be focused on questions that should be routinely resolved through administrative mechanisms. It does neither country any good for specific problems -- such as beef and oranges -- to be turned into partisan rallying cries, when the real issue is market access.

On the other hand, as the Report points out, it does neither country any good to stress that foreign competition is a cause rather than a symptom of such problems as lower productivity growth, insufficient attention to long-term market share, or management mistakes. We Americans are coming to the realization that we will not solve our own economic problems by looking
only beyond our borders for the source of our ills. Raising walls of protectionism to hide behind will not improve our situation. It will only make it worse.

While Japan can certainly help by enabling Americans and others to have greater access to its markets, American hard work, increased productivity, respect for quality, competitive pricing, and follow-through service will be essential, if we are to be a competitive trading partner.

Certainly we would like to see Japan complete the process of opening up its markets. We believe that we could sell more manufactured goods and agricultural products here, were we given the access we seek.

In this regard, we would hope Japan adopts the Advisory Commission's suggestion that improved market access be made a national goal for Japan, based on the premise that trade should be free -- unless a compelling argument exists for restrictions. To match this, the U.S. should adopt a more positive export strategy to take advantage of these new opportunities.

In order to keep our relationship healthy, both governments, as suggested by the Commission, should take steps to address both our bilateral trade imbalance and our imbalances vis-a-vis the world. The U.S. should reduce its budget deficit in order to help bring down the
high value of the dollar, which is hurting U.S. exports worldwide. Japan, for its part, can help stimulate world economic recovery by increasing its own growth in non-export sectors and reducing its continued high trade and current-account surpluses.

Furthermore, the Advisory Group's recommendation that Japan establish a "Special Commission on Japan's Agenda for Strengthening the International Economy" is worth particular attention. For example, such a commission could examine ways for Japan to share its capital and technology with countries overseas. In this way, Japan could demonstrate initiative, instead of being in the position of simply reacting to foreign pressures, as it is so often accused of doing. Japan would assume a role more commensurate with its status as the world's second largest economic power.

In regard to diplomatic and security affairs, Japan and the U.S. have similar international interests, as the Advisory Commission has pointed out. We must continue to consult closely on trade, credits, technology transfer, and resource development in the Asian region, keeping in mind that the potential adversary we face is well-armed. At the same time, the U.S. and Japan seek constructive dialogue, believing that equitable, verifiable arms control on a global basis would contribute to world stability and peace.
Stability on the Korean Peninsula will also remain vital to both Japan and the U.S. The United States heartily welcomed Prime Minister Nakasone's visit to the Republic of Korea and President Chun Doo Hwan's visit to Japan as symbols of the efforts being made on both sides to create an atmosphere of mutual trust and understanding in their relations.

Japan and the U.S. are of course tied together by the Treaty of Mutual Security and Cooperation. Under this agreement, the United States has pledged to come to Japan's aid in case of attack -- and we will. Japan in turn offers us the use of various facilities to fulfill our obligations here and throughout Asia. Japan also provides more than one billion dollars in host country support for the upkeep of those facilities, where today we deploy approximately 60,000 troops.

Certainly we appreciate your doing more in your own self-defense. The United States, in order to honor its commitments as an ally and friend in the Asia-Pacific region, has to spread its resources over a vast area, making it difficult to meet the challenge of the growing power and range of our adversaries. The more Japan can do in its own defense, the more we can use our resources efficiently in this region and beyond.
Americans should remember that Japan has, for the past thirteen years, made steady and significant progress in its effort to increase its defense capability. And it is Japan's generous financial and political support for the U.S. forces here that has made it possible for us to rebuild a strong and stable presence in Asia -- which our Asian community of friends feels is the bulwark of their security.

I believe the U.S.-Japanese defense relationship has become qualitatively different for both nations in the past few years. We have reached a new kind of defense partnership in which both sides are working together to define and carry out a division of labor -- not only to ensure the security of Japan, but to maximize the contribution that U.S.-Japan defense cooperation makes to the deterrent power of the Western alliance as a whole.

But in a security relationship of our breadth and magnitude, there are always problems. Living in Japan as long as I have, I am very aware of the inconveniences and sacrifices that Japanese people suffer in hosting our bases in such a heavily populated area. Believe me, it makes us appreciate all the more the warm hospitality and support we enjoy in Japan.

Let me also touch a bit upon the roles cultural and academic exchanges play in our bilateral relationship.
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Let me also touch a bit upon the roles cultural and academic exchanges play in our bilateral relationship.
For as much as I have spoken about trade and defense -- the "flesh and bone" of our partnership -- I have not forgotten for a moment that the heart of our relationship has always been and will continue to revolve around people. And people are what these cultural and academic exchanges are all about .... Whether we are talking about exchanges of parliamentarians, labor leaders, journalists, performers and artists, teachers, students, lawyers, researchers, etcetera.

There's an old saying in the United States that "Ignorance is bliss." In other words, if you don't know about something it can't hurt you, can't bother you. I don't believe that for a minute. Some of the great benefits of our knowing each other will come from the sharing, the understanding, the cooperation, and the friendships that develop among us. And one of the major goals of cultural and academic exchanges is to create a public climate where the "flesh and bones" problems can be solved in a spirit of cordiality and mutual understanding.

Many of you are familiar with government-funded exchange programs such as the Fulbright Scholarships and America's International Visitor Program. But the responsibility for exchanges of course goes beyond governments. Private organizations also contribute to mutual understanding. The United States-Japan Advisory Commission Report specifically cited such positive developments as --

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-- the creation of the Japanese counterpart to the U.S. Association of Japan-America Societies for programming at local levels;
-- the extraordinary effort of Japanese Fulbright alumni to raise funds to enhance the Fulbright Program;
-- the efforts in some U.S. states to strengthen Japan-oriented studies, including school outreach programs;
-- increased Sister Cities activities;
-- and the proposed establishment of an America House in Tokyo, as a center for non-profit organizations involved in activities related to U.S.-Japan relations, similar to the Japan House in New York.

A better understanding of each other's people and culture -- which can be translated into accurate perceptions of our governments and policies -- will serve us in good stead now as well as in the future.

The media can also be an important force for growing awareness among both our peoples. Coverage of Japanese-American affairs has increased and improved during recent years. Japanese correspondents in the U.S. now number about 125, while American correspondents here number over 100. Stories, commentaries, in-depth articles -- I welcome them all, because they provide the necessary food for thought about Japan-U.S. relations.
Before I close these remarks, let me turn briefly to another subject that is as dear to my heart as the U.S.-Japan relationship. That is the future of the Pacific Basin, the coming "Century of the Pacific".

The development of this Basin during the next 100 years will mark a turning point in world history. More than half the people of the world live in this area. Four South American nations front on the Pacific, as do all of Central and North America, East Asia, Australia, New Zealand, and the islands in between. When you think of the Pacific Basin, with its tremendous natural resources (the most important being the people of that region), the mostly friendly governments, the current trade volume, the great potential markets -- when you consider the demographic trends, the movements of population to the South and especially the West in my own country, you cannot help but come to the conclusion that a pattern is developing -- the intersection of trade and peoples in that Basin.

To quote Giovanni Agnelli, Chairman of FIAT, in December, 1983, "Modern America is going toward the Pacific and the European side of America is losing momentum."

To quote President Reagan on his November, 1983, State Visit to Japan,
"You cannot help but feel that the great Pacific Basin -- with all its nations and all its potential for growth and development -- that is the future."

And to conclude with Secretary of State George Shultz in Honolulu in July of this year, "The Pacific and the future are inseparable."

I have seen a lot happen in six decades. You will see a lot more in the decades ahead. And the world will see the Pacific Basin mature and come of age.

Ideas do come to life.
Possibilities do become realities.
Dreams do come true.
It is up to us.

Thank you.

* * *
QUESTIONS

1. Having just had the honor of hearing your address, we are deeply appreciative of the great importance you attach to U.S.-Japan relations. For Japan also, the knowledge that our relationship with the U.S. is the most important has been deepened even more. On October 21, the Prime Minister's Office published a public opinion survey in which 74.9% of the Japanese questioned responded that they felt close/friendly toward the U.S. Japanese who thought America was the country that Japan should be closest to amounted to 43.3%. In both cases the U.S. occupied the top position. So what I would like to ask you, Mr. Ambassador, is what is America's (true) feeling toward Japan? We have heard reports of harsh criticism concerning Japan because of "trade friction", among other things. But I would like to ask you to frankly state what the true situation is.

2. I am appreciative of the fact that in your just-concluded speech, you praised the efforts of Japan to open its markets. While I believe that there are many areas in which Japan must make additional efforts, when I look at the U.S. domestic movements -- turning away from free trade toward protectionism in a great tide -- this cannot but cause us concern/worry. For example, there are rumors that the voluntary restraints on car exports to the U.S. will be extended past March 1985, when they are due to expire. I realize this is a very sensitive issue, but I would like to ask you for your judgment on the situation or your analysis of what is happening.

3. These days, Soviet ships and aircraft are very active around Japan. How is the United States trying to respond to this heightened Soviet military presence, and what role does the United States expect Japan to play in this process from a long-term view? I would appreciate the Ambassador's views on these questions.

4. I was touched by your story that you have witnessed the evolution of U.S.-Japan ties over the past six decades, ever since you stopped in Nagasaki for the first time in 1922. This is only your eighth year as U.S. Ambassador to Japan. During this period Japanese-American relations have evolved very favorably -- as you just pointed out. In this connection, I have a request to make of you if I may. You have been serving in this very important position of U.S. Ambassador to Japan under both Democratic and Republican Administrations. Would it be possible for you to stay on as Ambassador for another four-year term? I am making this request on behalf of silent voices throughout the entire Japanese nation.
Darrell---The Amb asked that I return the attached once I was finished writing his Jiji Press Research Institute of Japan speech.
Foundation - ASEAN
(Econ. grnt?)

Development - Japan + U.S.

Hallmark of next 40 years and
the Center of Pacific

I've seen a lot happen
in 6 decades; you will
see a lot more in the
decades ahead, and the world
will see the Pacific Basin
mature and coming of age.

Idea.com to life
Possibilities become realities
Dreams begin to come true.
THE U.S., JAPAN & THE FUTURE OF THE PACIFIC BASIN

It is a great pleasure for me to speak before the Asia Pacific Association of Japan on this auspicious occasion. I would like to extend my congratulations on this, your tenth anniversary and commend you for the fine work you have done to further our understanding of the important issues of our time. Another reason I am pleased to be here is that you have given me an opportunity to discuss one of my favorite topics, the Japanese-American relationship and the future of the Asian and Pacific region. That may sound like two topics to you but I would like to try and demonstrate why it is really one interrelated idea.

The Japanese-American partnership has developed over more than thirty-five years of close and meaningful contact. Today it is the most important bilateral relationship in the world, bar none. It hasn't always been this way. I have witnessed the evolution of our ties over the past sixty years. We began as two disparate people at opposite ends of a vast ocean, products
of very different histories, speaking very different languages. The decade of the forties saw us engaged in a tragic war; a commonality of interests brought us back together in the productive partnership we enjoy today. While our cultures remain distinct and our languages are different, we have begun to transcend these barriers of both distance and perception.

Now, by almost any objective measure -- political, economic, or cultural, to name just three -- what Japan and the U.S. do alone and together is of tremendous importance to our two countries and to the entire world. And what keeps us working cooperatively is that -- unlike other bilateral relationships which, though important, are sometimes based on adversarial associations -- Japan and the U.S. are allies who have many common goals and objectives, further reinforcing the bonds which unite us together.

The productive ties we have been able to establish need not be an isolated phenomenon. They can be an example, suggesting what is possible throughout the entire Asian and Pacific region in the years to come. In my opinion, the next century will be the century of the Pacific, and the strength and durability of the Japanese-American partnership will be the vital ingredient to fulfilling the great promise I see in this part of the world.

I am confident that together we can work cooperatively to realize what I know is a common goal. In this regard, the work
of private organizations such as the Asia Pacific Association is significant. Your activities over these ten years have made an exceptional contribution to the body of knowledge on important international issues facing this region. The educational process you have helped initiate is doing much to narrow the distances which may still exist between us.

In my own country, there is clearly a growing appreciation of the importance of East Asia because there is an increased awareness that the U.S., too, is a Pacific nation. In the past, it is true, we looked over our shoulder, back at Europe where most of our ancestors came from. However, some of us have always faced the other direction, towards the Pacific. In the words of the famous American poet, Walt Whitman, the theme throughout our history has been, "Westward, ever westward to Oregon." Were he alive today, he would most likely say, "Westward, ever westward to the Orient," for that is where America's future is and where most of the opportunities lie. Let me cite a few trends which substantiate that.

Over the more than two hundred years of our history, the American population has steadily moved westward and the geographical center of the nation has moved with it, away from the Northeastern U.S. on the Atlantic seaboard, toward the west, which fronts on the Pacific Ocean. Today the most populous state in the union is California. And we are still moving west.
At the same time, as our own population moved to the Pacific, we have seen worldwide demographic projections which indicate that by the year 2000, there will be five times as many people in East Asia as there will be in Western Europe. Clearly this is a development which draws our attention to this part of the world and challenges us to take notice of what is happening.

On the economic front, some of the most dynamic markets and societies are in East Asia. The achievements of Japan are already well known, but the accomplishments of other nations in the region have also been noted by Americans, because growth rates in this part of the world have been moving ahead at a pace far above the world average.

To give a concrete example: in the eight year period ending in 1981, Japan, Taiwan, South Korea, Hong Kong, Burma, and the five ASEAN nations have enjoyed, as a group, an average growth rate of 9 percent per year. In contrast, over the same period, the U.S. grew by only 2.7 percent annually, and the ten nations of the European Community (EC), grew by only 1.9 percent.

On the trade front, the same East Asian group of ten increased their trade with each other and with nations outside of the region to a point where today they account for 15 percent of total world trade. More significantly, the growth of trade in this region is higher than that of either the U.S. or the EC.
We in the U.S. have been aware of these trends for several years and, indeed, we have participated in the growth which has taken place. Our own trade with East Asia has increased by almost 200 percent during the decade of the '70s, while our trade with the European Community increased by only 120 percent. American trade with East Asia now makes up 25 percent of our total world trade. This is an increase from 20 percent in 1974. With the EC, the trend is moving slightly in the opposite direction. Trade has declined to 20 percent in 1981 from 21 percent in 1974. Finally, in 1974 our total trade with East Asia amounted to only 42 billion dollars, but today it is worth 120 billion dollars. Contrast that to the 90 billion dollars worth of trade we have with the EC.

All of these signs of growth in East Asia are most dramatically manifest in Japan, our most important bilateral partner. Until recently, our relationship has been dominated by our economic and trade ties, but I believe that this is changing. The administration of Prime Minister Nakasone, building on the foundation established by several predecessors, seems determined to see Japan assume more and more of the political responsibilities commensurate with Japan's great economic power. This is a development we in the U.S. heartily welcome, and which I, personally, feel is long overdue. For too long there has been a perception on both sides of the Pacific that the U.S. would lead, protect and advise Japan. It is clear that the reality has been different for several years. Our
BILATERAL RELATIONSHIP IS CHARACTERIZED BY EQUALITY -- EQUALITY IN RIGHTS AND RESPONSIBILITIES.

A RECOGNITION OF THIS EQUALITY -- BY BOTH OF US -- IS AN IMPORTANT ACCOMPLISHMENT, BECAUSE OUTSTANDING ISSUES IN BOTH THE TRADE AND SECURITY AREA REMAIN FOR OUR TWO GOVERNMENTS TO RESOLVE. AS IN THE PAST, I BELIEVE WE WILL AMICABLY ARRIVE AT SOLUTIONS WHICH ARE ACCEPTABLE TO BOTH SIDES. HOWEVER, AS WE DISCUSS OUR PROBLEMS, WE SHOULD REMEMBER THAT MANY OF THE DIFFERENCES WHICH CONFRONT US ARE THE PRODUCT OF THE GREAT SUCCESS WE HAVE BOTH ENJOYED. AN APPRECIATION OF THAT FACT WILL HELP US KEEP THE PROBLEMS IN PROPER PERSPECTIVE.

CERTAINLY WE WOULD LIKE TO SEE JAPAN COMPLETE THE PROCESS OF OPENING UP ITS MARKET. WE BELIEVE THAT WE COULD SELL MORE MANUFACTURED GOODS AND AGRICULTURAL PRODUCTS HERE WERE WE GIVEN THE ACCESS WE SEEK. HOWEVER, HAVING SAID THAT, THE U.S. ACKNOWLEDGES THAT YOU ARE ALREADY THE SINGLE MOST IMPORTANT CUSTOMER FOR THE AMERICAN FARMER, HAVING PURCHASED 15 PERCENT OF OUR TOTAL AGRICULTURAL EXPORTS LAST YEAR.

CERTAINLY, WE WOULD LIKE TO SEE YOU DO MORE IN YOUR OWN SELF-DEFENSE. THE U.S., TO FULFILL ITS OBLIGATIONS AS AN ALLY AND FRIEND IN THE ASIAN AND PACIFIC REGION, HAS TO SPREAD ITS FORCES OVER A VAST AREA, MAKING IT DIFFICULT TO MEET THE CHALLENGE OF THE GROWING POWER AND SCOPE OF OUR ADVERSARIES. THE MORE JAPAN CAN DO IN ITS OWN DEFENSE, THE MORE WE CAN USE
OUR RESOURCES EFFICIENTLY IN THIS REGION AND BEYOND. HOWEVER, WE SHOULD REMEMBER THAT JAPAN HAS, FOR THE PAST TEN YEARS, MADE STEADY AND SIGNIFICANT PROGRESS IN ITS EFFORT TO INCREASE ITS DEFENSE CAPABILITY.

THE FACT IS, TODAY WE HAVE A TRADING RELATIONSHIP AMOUNTING TO OVER 63 BILLION DOLLARS -- THE SINGLE LARGEST OVERSEAS TRADING RELATIONSHIP IN THE WORLD. FOR THE U.S., JAPAN IS A VITAL MARKET WITH ONE OUT OF EVERY TEN DOLLARS OF AMERICAN EXPORTS COMING HERE. AS A MATTER OF FACT, JAPAN RECEIVES NEARLY 18 PERCENT OF ALL ITS IMPORTS FROM THE U.S., AND THIS INCLUDES 33 PERCENT OF ITS MANUFACTURED IMPORTS AND 55 PERCENT OF ITS MACHINERY AND EQUIPMENT IMPORTS.

ON A GLOBAL BASIS, OUR TWO NATIONS MAKE UP MORE THAN A QUARTER OF THE WORLD'S TOTAL OUTPUT OF GOODS AND SERVICES. WE ACCOUNT FOR MORE THAN 50 PERCENT OF THE WORLD'S OVERSEAS INVESTMENT. WE MAKE UP 35 PERCENT OF THE WORLD'S TOTAL TRADE. WE ARE THE MAJOR CONTRIBUTORS TO THE UNITED NATIONS AND INTERNATIONAL LENDING INSTITUTIONS. WE PROVIDE EMPLOYMENT TO MILLIONS OF PEOPLE IN THIRD COUNTRIES, AND OUR TECHNOLOGY IS A MODEL FOR THE REST OF THE WORLD. IN SHORT, WHAT WE DO ALONE AND TOGETHER HAS ENORMOUS CONSEQUENCES TO OUR TWO NATIONS, AND TO MANY OTHERS AS WELL.

WITH RESPECT TO DEFENSE, JAPAN AND THE U.S. ARE TIED TOGETHER BY THE TREATY OF MUTUAL SECURITY AND COOPERATION.
Under this agreement, the United States has pledged to come to Japan's aid in case of attack—and we will—and Japan, in turn, offers us the use of various facilities to fulfill our obligations here and throughout Asia. Japan also provides more than one billion dollars for the upkeep of those facilities where today we deploy approximately 47,000 troops. However, we will need more than these physical symbols of our defense cooperation in the years to come, because the potential adversary we face is well armed and, as the events of the past few years have demonstrated, very willing to act upon its capabilities. We will need to be alert, prepared and equally determined to defend our own interests while being calm and unprovocative.

The challenges we confront are great, and the responsibilities we share are many. With imagination and flexibility, the challenges can be turned to opportunities. As a start, we can try to resolve our bilateral problems with some understanding for the needs and constraints of the other and by giving priority to our mutual goals which have worldwide implications.

For instance, the defense of the free trading system, which has been of enormous benefit to both of our nations and to the East Asian region, is an objective we share. Japan, as the foremost beneficiary of the system, has the most to gain from seeing to it that the U.S. and other trading partners remain
Interested in competing with her. In your own interest, you should continue the process to open up your markets so that the remaining protectionism in Japan does not become an excuse for others to revert to protectionism elsewhere.

We Americans, in turn, are coming to the realization that we will not solve our own economic problems by looking only beyond our borders for the source of our ills. Raising walls of protectionism will not improve our situation. It will only make it worse. While Japan can certainly help by enabling Americans and others to have greater access to its market, American hard work, increased productivity, respect for quality, competitive pricing and follow-through service will be essential if we are to be a competitive trading partner.

A healthy and free trading system, which keeps nations bound together, is the best guarantee that there will be political stability and a commitment to maintaining the system in which we both have so large a stake. And, coincidentally, political stability and economic prosperity just happen to be the best defense against our common adversary, who exploits weakness but respects strength.

This brings me back to my opening remarks concerning the great future I foresee for the Pacific Basin. The development of this vast area will contribute to the process of furthering both political stability and economic prosperity. The concept
OF A PACIFIC BASIN COMMUNITY HAS BEEN A VISION LONG HELD BY MANY
DISTINGUISHED INDIVIDUALS, AND THE IDEA IS THE NATURAL PRODUCT
OF BOTH GEOGRAPHICAL AFFINITY AND ECONOMIC REALITY. THE
DEMOCRATIC NATIONS OF THE REGION HOLD MANY COMMON IDEALS WHICH
MAKES FURTHER ASSOCIATION PROBABLE AND PRACTICABLE.

Most of the nations of the region depend on regional markets for more than 50 percent of their exports, and the future development plans of many of these nations are premised upon increased trade. Given these facts, a harnessing of the creative energies and the economic potential of all these nations in a cooperative union to achieve common ends is a logical next step.

The U.S. and Japan have demonstrated what cooperation can achieve. Japan has also taken the lead in promoting the idea of a Pacific Basin Community by producing the first comprehensive plan, offered in 1980 by the late Prime Minister Ohira. The institutional framework for pursuing the proposal is already in place in private sector groups such as the Pacific Basin Economic Council (PBEC), and the Pacific Trade and Development Conference (PTDC). These are the proper fora to discuss our mutual concerns of trade, development and economic cooperation.

Americans definitely have a role to play. We can do our part to strengthen the foundation on which the concept of a Pacific Community will be established. One of the ways is to
BEGIN A SERIOUS EDUCATIONAL CAMPAIGN ABOUT THE NATIONS WHICH MAKE UP THE PACIFIC REGION. AND A GOOD PLACE TO START IS TO BEGIN TO LEARN MORE ABOUT OUR MOST IMPORTANT PARTNER, JAPAN.

SOME OF YOU HAVE DILIGENTLY STUDIED OUR COUNTRY AND LANGUAGE FOR MANY YEARS. IT IS TIME NOW FOR AMERICANS TO DO THE SAME. AT PRESENT, I UNDERSTAND THAT THERE ARE APPROXIMATELY 80,000 STUDENTS FROM ASIA STUDYING IN THE U.S. UNDER A VARIETY OF PROGRAMS AT VARIOUS EDUCATIONAL LEVELS. OF THIS NUMBER, APPROXIMATELY 13,000 ARE FROM JAPAN. ON THE OTHER HAND, THE BEST ESTIMATE I HAVE AS TO THE NUMBER OF AMERICANS STUDYING IN JAPAN IS ABOUT 800, AND I WOULD GUESS THAT THE NUMBER STUDYING IN OTHER ASIAN NATIONS IS EVEN SMALLER.

A BETTER UNDERSTANDING OF EACH OTHER'S PEOPLE AND CULTURE -- WHICH CAN BE TRANSLATED INTO ACCURATE PERCEPTIONS OF OUR GOVERNMENTS AND POLICIES -- IS AN IMPORTANT ELEMENT TO BUILDING A SUCCESSFUL PACIFIC BASIN COMMUNITY. ALL OF US, JAPANESE AND AMERICANS, WITH AN INTEREST IN THESE ISSUES, HAVE ROLES TO PLAY IN FURTHERING THIS PROCESS.

ISLANDS IN BETWEEN, AN AREA WHICH HOLDS MOST OF THE WORLD'S PEOPLE, TREMENDOUS RESOURCES AND FRIENDLY GOVERNMENTS -- THE DEVELOPMENT OF THE PACIFIC BASIN WILL DEPEND ON THE STRENGTH AND DURABILITY OF THE JAPANESE-AMERICAN RELATIONSHIP, A RELATIONSHIP WHICH MUST BE BASED ON EQUALITY, MUTUAL TRUST AND UNDERSTANDING.

TOGETHER WE CAN WORK TO REALIZE THE GREAT POTENTIAL OF THE PACIFIC BASIN. ALONE NEITHER OF US CAN HAVE THE PROSPERITY OUR PEOPLE HAVE COME TO EXPECT. ALONE NEITHER OF US CAN ENJOY THE SECURITY WE DESIRE. TOGETHER WE CAN WORK TO CREATE A FRAMEWORK WHICH CAN GIVE US BOTH. WE HAVE COME SO FAR TOGETHER AND ACHIEVED SO MUCH. I AM SURE THAT WE WILL CONTINUE TO TURN TODAY'S CHALLENGES INTO NEW ACCOMPLISHMENTS TOMORROW.

It is in the Pacific Basin where it all is, what it's all about + where our futures lie.
Hundreds of demonstrators called for an end to 11 years of anti-communist radio stations after midday demonstrations in a bid to prevent coverage of the spread protests, and led a midnight-to-dawn curfew in Santiago.

At least 20 people were injured in clashes with police, including a freelance journalist working for a weekly magazine and the London Post, Martin Ansten, who was clubbed over the head and kicked on the ground by police.

A government spokesman said another 20 people were arrested in the city center and on three university campuses where fired rubber bullets and tear gas cannisters to break up demonstrations.

The spokesman said another 80 people were arrested in a specific coast port city of Valparaiso, 73 miles (117 km) south of Santiago.

Mondale Attacks Educ. Programs

SAN JOSE, Calif. (UPI) — Walter Mondale scolded President Reagan Wednesday for cutting the nation's education programs, saying: "We are not a people who steal from our children."

At a student forum at San Jose State University, Mondale charged that Reagan "has no plan to educate our children."

It was the second blistering attack of the second day of Mondale's presidential campaign against Reagan. Mondale planned to fly to Salt Lake City where he will address the national convention of the American Legion Wednesday morning. Reagan addressed the convention Tuesday.

Foreign Students In US At Record High

NEW YORK (UPI) — A record 338,894 foreigners, 99,480 of them female, studied in America's colleges during the 1984 school year with the biggest contingents coming from Taiwan, Iran, Nigeria and Malaysia, a report funded by the U.S. Information Agency said Tuesday.

The foreign students constituted nearly 3 percent of the record 12.3 million college enrollment during the year.

The report from the Institute of International Education showed an increase in students from Asia but a decline in numbers from other areas.

"Declines in foreign student numbers from Africa, Latin America and the Middle East are especially unfortunate at a time at which the United States seeks to strengthen its traditional ties of friendship with developing nations," said Dr. Richard Krasno, head of the Institute.

The decline from Central America were 14 percent; from the Middle East, 9.8 percent; Eastern Europe, 9.5 percent; South America, 9.2 percent; Asia, 2.3 percent.

Foreign enrollment, while at a record and up 0.6 percent over the previous year, has grown less than in previous years, the report said.

Asia accounted for greatest number of students, 132,270, and with the highest growth, 10.5 percent. Asian nations sending the largest number were Taiwan, Malaysia, Korea, India, Japan.

The report also showed Taiwan, with 21,960 students, succeeded Iran as the top country of origin among foreign students. Iran, second with 20,260, was down 60 percent from its 1980 high of 51,310 students.

Lewis Raises Record Fund

LAS VEGAS, Nev. (UPI) — American entertainer Jerry Lewis broke all television charity records by raising a whopping $32,074,566 for the Muscular Dystrophy Association in his 22 1/2-hour star-filled Labor Day telethon.

Officials said they believed the figure, which surpassed the MDA's record set in 1981, indicated a turnaround in the two-year drop of donations attributed to nationwide economic problems and unemployment.

More than 100 stars appeared Monday on the 19th annual Telethon Broadcast Live from the Caesars Palace Hotel on the Las Vegas "Strip" with feeds from four other cities.

Stars who appeared during the broadcast included the Jacksons, Diana Ross, Wayne Newton, Tony Orlando, George Burns, Liberace, Andy Williams, Charlie Callas, Bill Cosby, Ann-Margret, Buddy Hackett and Don Rickles.

The figure broke the 1981 record of $31,498,772 and pushed the 19-year total in donations to more than $572 million.3