10-11-1983

Southeast US/Japan Association


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ADDRESS BY AMBASSADOR MIKE MANSFIELD
BEFORE SOUTHEAST U.S./JAPAN ASSOCIATION LUNCHEON
KYOTO, JAPAN
OCTOBER 11, 1983

Gentlemen,

This is the seventh time I have had the pleasure of addressing the Southeast U.S.-Japan Association which is doing so much to further our relations with Japan. Groups such as yours, composed of individuals and organizations with direct and meaningful contacts between our two nations do much to keep this, the most important bilateral relationship in the world, bar none, on an even keel.

Last September in Nashville, Tennessee, I presented an outline of the U.S.-Japan partnership, with special emphasis on two of its most important pillars: trade and security. I said that despite occasional headlines to the contrary, our relationship was fundamentally sound and of enormous benefit to both our countries. I am happy to report that in the past twelve months there have been several developments which give me confidence that the situation I outlined last year in Nashville is even truer this year in Kyoto.
Today, while I shall focus my remarks on those welcome developments, I would like to stress at the outset that continuity and stability remain the most prominent characteristics of our relationship. While individual actors and isolated events may have their momentary impact, the overall trend remains one of cooperative action resulting in mutually beneficial results.

Japan and the U.S., as the two largest economies in the democratic world, continue to share a wide variety of goals and objectives. As friends and allies, we agree on the need to be vigilant before those who hold ideals and objectives different from ours and who -- as we have recently witnessed in the skies north of Japan -- would disturb the peace to attain their ends.

As the two largest trading nations in the world, we both believe in the importance of a trading system that permits the free exchange of goods and services which both of our peoples seek. Where we sometimes differ is not over goals or principles but over the pace of implementation. This is to be expected between two sovereign nations with a relationship as broad and deep as ours. However, I would like to tell my Japanese friends and American countrymen that the encouraging developments of the last year reflect fundamental continuity and stability between us and give me confidence that outstanding issues will be successfully resolved as they have in the past. So permit me to say a few words about what has happened since I last met with you which makes me optimistic.
First, last November the Japanese people welcomed a new Prime Minister into office. He has acted quickly to create a mood of activism and of confidence, based on clear priorities. He has further implemented much of the good work of his predecessors, former Prime Ministers Suzuki, Ohira and Fukuda, and he has initiated several new actions which I heartily commend. These actions have been both symbolic and substantive; and, as a former politician, I know that symbol is often as significant as substance in creating the foundation for meaningful action.

Immediately after taking office, the Prime Minister, in a telephone conversation with President Reagan, reemphasized the importance with which Japan views the bilateral relationship between our two countries. In the Japanese Diet, he announced his support for the series of market opening measures initiated by the previous administration of Prime Minister Suzuki, and he also presented a package of trade liberalization measures of his own. More importantly, he publicly pledged that he would do what he could to see that access to the Japanese market was equitable and open to foreign exporters. The legislation his administration has put forth to simplify standards and certification procedures is in keeping with that public promise.

In the U.S., the overall impression the Prime Minister has made is of a capable leader who has a clear vision of where he thinks Japan should be heading. At Williamsburg and elsewhere,
Mr. Nakasone explained his government's policies and the feelings of his people very significantly, through the communiqué issued following the Summit of the Seven Advanced Industrial Nations. Prime Minister Nakasone formally associated Japan with the position of the NATO alliance on reducing intermediate range missiles and removed any doubt as to where Japan stood in the international community.

This is significant for the Japanese-American partnership. As Americans we welcome the leadership that the Prime Minister has brought to resolving the issues remaining between us. In the past, there was a tendency on both sides of the Pacific Ocean to expect the U.S. to be the leader, protecting, advising and assisting Japan. It is clear that the reality has been different for several years. Prime Minister Nakasone has helped us all to realize that equality now prevails between our two nations -- equality in rights and responsibilities.

The second encouraging development during the past twelve months has occurred in the U.S. There is an economic recovery underway. GNP in the U.S. rose by an annual rate of 9.2 percent in the second quarter and the third quarter should see growth of about 6 to 7 percent in real terms. The Department of Commerce index of leading indicators was up in July for the eleventh straight month. Factory orders are up 11 percent since February, and the inventory/sales ratio declined, meaning that businessmen are moving their products faster than they are able.
TO REPLACE STOCKS. SALES OF CONSUMER DURABLES SUCH AS AUTOS ARE DOING MUCH BETTER, AND HOUSING IS HAVING ITS BEST YEAR SINCE 1978. ORDERS FOR CAPITAL EQUIPMENT HAVE GONE UP BY 18 PERCENT IN THE FIRST HALF OF THIS CALENDAR YEAR AS COMPARED TO 1982 -- ALL SIGNS THAT BUSINESS EXPECTS CONTINUED EXPANSION.

We have also been able to control inflation, with consumer prices in July up only 2.4 percent from a year earlier. This has contributed to changing the perception as to where we are headed economically, and the stock market is enjoying one of its longest periods of growth. People and corporations seem to be willing to take on more debt as their real incomes have gone up and confidence in long term trends improves. While interest rates remain high, the trend is downward.

The remaining hurdle to be overcome in achieving true recovery is to lower the unemployment rate further. This has begun with a decline in unemployment to 9.3 percent of the work force in July as compared to 10.7 percent last December. That's still too high, but progress has been made and high unemployment, like high interest rates, is a generalized problem of the advanced industrialized economies, not just the U.S.

The recovery in the American economy and the psychological impact it will have on the American people is a significant development for American leadership in the world, in general, and for the health of the Japanese-American relationship, in
I believe that it will offer the best hope that our bilateral dialogue will be conducted in a calm and reasoned atmosphere befitting two good friends.

The recent period of recession in the U.S. contributed to creating an atmosphere which led some Americans to look elsewhere for the causes of our problems. Let me say clearly that blaming other nations for our ills which were, to a large extent, of our own making, is not the way to solve problems. It only exacerbates them. We need to get more of our American workers back to the office and the factory, into productive jobs, vigorously competing with their Japanese and other competitors. Strong partners will make the bilateral relationship even stronger.

The third development which I would like to discuss is the increasing cooperation in security matters between our two nations. During the past several years, Japan and U.S. perceptions of the Soviet threat have come closer together -- although at tragic costs. We have watched Soviet forces venture into various parts of the world, most visibly in Afghanistan and Vietnam. In East Asia, the Japanese have been as disturbed as we have been with the scope and pace of a Soviet buildup far in excess of their defensive needs.

The Soviets, of course, have deployed more than 50 divisions, 25% of their ground forces to the Sino-Soviet border.
and north of Vladivostok and 26% of their air forces to the same areas. More recently, there have been increases in Soviet naval activity with their new access to anchorages at Cam Ranh Bay and Da Nang. Of the four Soviet fleets, their Pacific fleet is the largest and it is modern and formidable. Their surface ships and submarines are travelling the Japan Sea route between Vladivostok and Vietnam with increasing frequency.

On the Northern Territories, there have been new deployments of troops, and there is at least one combat air wing assigned there. Finally, the 108 or more SS20s which are in Siberia are persuasive reminders that the Soviet Union has a very large military presence in this part of the world.

In the past, Japan and the U.S. have had few differences over the facts concerning the Soviet military buildup. The events of the last year and especially last month have encouraged a joint perception as to what the proper response to the buildup should be. Japanese-American cooperation following the disaster, and especially the assistance and cooperation which the Japanese government provided the diplomatic efforts we made in the U.N. Security Council, is an example. A recent public opinion poll in Japan, which indicated that 92 percent of the public views the Soviet Union as a threat to their nation's security, is yet another.

In the U.S., Soviet behavior has doubled the resolve of the
Reagan Administration and of the Congress to improve American defense capabilities. Both of our peoples are coming to realize that in the face of an unreasonable and dangerous adversary, the proper precaution is to be wary and to be prepared militarily, while remaining calm, steady and unprovocative.

I have used the time you have given me to reaffirm once again that both Japanese and Americans can look at their bilateral relationship with renewed confidence. Our political leadership is committed to it. Our economies are recovering, thereby letting our people get back to mutually productive endeavors which form the basis of a trading relationship worth over 60 billion dollars a year.

All of us, Japanese and Americans, should be mindful that, as always, the health and vigor of the partnership is not something which occurs automatically. It requires the contributions of all of us to maintain. Much work remains to achieve the goals we have both agreed to with respect to self-defense and liberalized trade. Prime Minister Nakasone, as were his predecessors, is committed to that end. Many steps have been taken, and important packages have been announced. What is needed is to see these new programs fully implemented, both with respect to access to the Japanese market and with respect to increased self-defense capability.

Americans, in turn, should acknowledge that while Japan can
DO MORE TO OPEN UP ITS MARKET WIDER TO FOREIGN COMPETITION. ONLY WE CAN SOLVE AMERICAN PROBLEMS. WHAT WE MOST NEED IS "THE OLD TIME RELIGION" OF HARD WORK, INCREASED PRODUCTIVITY, RESPECT FOR QUALITY, COMPETITIVE PRICING AND FOLLOW-THROUGH SERVICE. WE DID IT BEFORE AND WE CAN DO IT AGAIN. ONCE WE REALIZE THAT, WE CAN FACE OUR FOREIGN COMPETITORS AT THE MARKET PLACE AND THE NEGOTIATING TABLE IN A STRONGER POSITION.

Our Japanese friends should note that as the primary beneficiaries of the free trading system, they have an even larger stake in seeing to it that Americans remain interested in competing with Japan in the trading arena. To that end, Japan should continue to open up its market so that protectionism here does not become an excuse for Americans and others to turn to protectionism at home. In this regard, the Southeast U.S.-Japan Association can take pride in the knowledge that, in one measure of mutuality, Japanese investment in the U.S., the southeastern region of the United States has been among the leaders. In 1981, the Japanese invested 1.3 billion dollars in the U.S. Of that, 715 million dollars was in your part of the country. These increasing economic ties deepen our relationship in general and our perceptions of mutuality in particular.

Japanese and Americans know that neither of us alone can maintain the quality of life our people have come to expect. And alone, neither of us can have the security our people desire. Working together we can create a framework which can
GIVE US BOTH. Bilateral groups such as the Southeast U.S.-Japan Association have a significant role to play in that regard.

Through your dialogue here in Kyoto and your interaction throughout the year, you are lessening the distances both geographically and perceptually which always exist even between the best of partners. As I said, the most important bilateral relationship in the world didn't come about by accident, and it will require the cooperative efforts of all of us to sustain and make that relationship grow. ++ grow it must ++ will.
Chief Delegate, each of Seven States

Alabama  Governor George C. Wallace
Florida   Governor D. Robert Graham
Georgia  Governor Joe Frank Harris
North Carolina
South Carolina  Lt. Governor Michael R. Daniel
Tennessee Governor Lamar Alexander
Virginia Governor Charles S. Robb

For: Gov. George [Signature]
Co-Chairmen Hasegawa & Ray
Distinguished Japanese & U.S. Governors
H.E. Governor Hayashiwa
His Honor Mayor Amagawa
Their Excellencies, Ambassadors Fujis & Ushiku
Ladies & Gentlemen
The schedule and agenda
of the 8th annual meeting of
Japan-U.S. Southeast Association and
Southeast U.S.-Japan Association
at Kyoto International Conference Hall
1983

October 11 (Tuesday)

10:00-10:45 Opening ceremony

Greetings by

Mr. Norishige Hasegawa
Chairman, Japan-U.S. Southeast Association
Chairman, Sumitomo Chemical Co., Ltd.

Mr. Richard Ray
Chairman, Southeast U.S.-Japan Association
Manager, Tennessee Operation, ALCOA

Remarks by the Chief delegate of each State delegation

10:45-11:25 Overview of Japan/U.S. Economy

Presentation by

Mr. Yuusuke Kashiwagi, Chairman
The Bank of Tokyo, Ltd.

Mr. Chester Diercks, President
Siemens-Allis, Georgia

11:25-12:00 Panel discussion

12:00-14:00 Luncheon (Sakura Room)

Luncheon speaker:

The Honorable Michael J. Mansfield
The U.S. Ambassador to Japan

14:00-14:40 Investment Issue

Presentation by

Mr. Takashi Ishihara, President
Nissan Motor Co., Ltd.

Mr. Mike G. Kazeef, Vice President/General Manager
Alumax, South Carolina
14:40-15:00 Coffee break
15:00-16:00 Panel discussion
18:30-20:30 Welcome reception and buffet dinner at Kyoto Grand Hotel (Heian Room, 1st Floor)

October 12 (Wednesday)
10:00-10:40 Trade Issue
  Presentation by
  Mr. Eishiro Saito, Chairman
  Nippon Steel Corporation
  Mr. Jim Kelso, Senior Vice President
  International Division Aladdin Industries, Inc.
  Tennessee
10:40-11:20 Panel discussion
11:20-11:40 Coffee break
11:40-12:00 Closing ceremony (Summary of the conference, adoption of joint statement)
12:00 Adjournment
12:00-14:00 Luncheon (Sakura Room)
  Luncheon speaker:
  Mr. Nobuhiko Ushiba
  Advisor, the Ministry of Foreign Affairs
DATE: October 5, 1983
REPLY TO ATTN OF: A/EX - Donald Y. Yamamoto كه
SUBJECT: Ambassador's Trip to Kyoto, October 10-12
TO: Ambassador Mansfield
Thru: DCM - William Clark

Following is a tentative schedule for your trip to Kyoto:

October 10, Monday:

14:12 Depart Tokyo on Hikari 139.
17:05 Arrive in Kyoto. Will be met by Consul General Killion and ADMIN Tinsley.
18:00 Check-in at the Miyako Hotel.

October 11, Tuesday:

10:00 Meeting with the Mayor of Kyoto.
11:00 Meeting with the Governor of Kyoto.
12:00-14:00 Luncheon and speech before the Southeast Association

October 12, Wednesday:

07:00 Check-out from Miyako Hotel.
07:20 Leave Kyoto on Hikari 176.
10:20 Arrive in Tokyo.

Talking points for your meetings in Kyoto will be prepared by Consul General Dalton Killion. An FSN from the Consulate General will act as interpreter.
DATE: October 4, 1983

REPLY TO ATTN OF: Donald Y. Yamamoto

SUBJECT: Ambassador's trip to Kyoto, October 10-12

TO: Ambassador Mansfield

Thru DCM Clark

Following is a tentative schedule for your trip to Kyoto:

October 10, Monday:
- 14:12 Depart Tokyo on Hikari 139
- 17:05 Arrive in Kyoto. Will be met by Consul General Killion and Admin Tinsley.
- 18:00 Check-in at the Miyako Hotel

October 11, Tuesday:
- 11:00 Depart for the Kyoto International Conference Hall
- 12:00-14:00 Luncheon and speech before the Southeast Association
- 15:00, 16:00 or 17:00 Meeting with Governor of Kyoto

October 12, Wednesday:
- 07:00 Check-out from Miyako Hotel
- 07:20 Leave Kyoto on Hikari 176
- 10:20 Arrive in Tokyo

Transportation: During your stay in Kyoto would you like the use of a car and driver that maybe supplied by the organizers of the S.F. Association Conference?

The final draft of your speech should be ready by the morning of October 6th, Thursday. I will personally check into this.