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The following index lists the major topics in the audio recording and the approximate point when they occur in the recording according to an analog cassette recorder's tape counter. This tape counter index (TCI) has not been edited for accuracy by Archives and Special Collections.

MANSFIELD ORAL HISTORY COLLECTION

AMB. MANSFIELD'S SPEECH AT NOMURA MANAGEMENT SCHOOL 8/31/84

OH #22-377

Side A

000-017 [BLANK SPOT ON TAPE]

018-065 [SPEAKER TALKING IN JAPANESE]

066-070 [APPLAUSE]

071-099 MJM begins to speak. He is addressing the 4th advanced management program of the Nomura school. The school is dedicated to stimulating new thinking among Japanese managers. MJM says that the environment these managers will be working in is diversified and internationalized. A talent for creative and innovative thinking is necessary for dealing with the magnitude of the relationship between the U.S. and Japan, in both the economic and defense areas.

100-149 MJM claims that the overall condition of the relationship is healthy and sound. He mentions the positive effects of President Reagan's visit to Japan last November. The Prime Minister of Japan and Reagan have met four times since assuming their respective offices. He talks about the high level meetings which is indicative of the cooperative, consultative relationship Japan and the U.S. share on the foreign policy front. MJM shares his thoughts on the bilateral relationship in the two areas of defense and economics. The U.S. and Japan are the two largest economies in the free world. Japan is the U.S.'s largest overseas trading partner. He gives the dollar amount of the trade with Japan.

150-199 MJM claims that the U.S. market is important to Japan. It is the free trading system organized after the Second World War which has contributed to the economic strength of the two nations today. Both countries have an important stake in seeing that system maintained. He states that no one denies that there are imbalances in the trade. The approach of the U.S. is to seek greater access to the vast markets in Japan rather than close off U.S. markets to Japanese exports in order to reduce the trade deficit. To bring about increased economic strength and the well-being of people in both countries, there needs to be an opening up of markets for those items one country produces more efficiently than the other. During Reagan's November visit, he emphasized the importance of Japan opening its trade

and investment markets further.

- 200-249 Reagan specifically requested reductions in tariffs in certain categories where U.S. producers are highly competitive. In return, he pledged to fight protectionist sentiment which was growing in the U.S. The Japanese government has been most responsive to Reagan's request. A new trade package was developed to open its markets further. Another agreement was established which would internationalize the yen and to liberalize up Japan's capital market. The Japanese have implemented a number of tariff reductions; have also agreed to speed up forthcoming tariff reductions already agreed to. These measures will make the average Japanese tariff lower than that of any other industrial nation in the world, including the U.S.
- 250-299 Regarding agricultural trade, a four year beef and citrus agreement was negotiated to expand Japan's imports. New product standards and certification processes have been agreed to. Japan's ministries will now accept suitable U.S. test data for products from the U.S. Products, however, will still need to be tested in Japan. The ten billion dollar tobacco market will become more open to imports, allowing for independent importation and distribution of tobacco products.
- 300-349 The U.S. would like to insure that its high technology exports have a fair chance in the Japanese market. Japan has agreed to action on software protection, communication satellites exports, foreign investment in computer related "value added networks", or VANS. In the field of energy, the U.S. wants to establish its position as a stable supplier of coal and natural gas.
- 350-399 To facilitate this goal, private sector coal representatives will visit Japan in the following month to explore export possibilities. The future of the economic relationship between Japan and the U.S. will be characterized by harmony and competition. Harmony, because each is a major customer for the other's goods. Competition, because the economies are as often competitive as they are complementary. The overall relationship between the two countries is so important that both must seek ways to contain and manage trade frictions before they become political issues. More imports by Japan will help ease international debt and trade problems.
- 400-449 A yearly growth rate of 8% in Japanese imports would be in the bounds of possibility. Opening of the investment market in Japan especially in the areas of high technology imports and other new industries is desirable. Increased Japanese investment in production

facilities in the U.S. is important. Action by the Japanese in these areas will help stem the rising tide of protectionist feelings in the U.S. MJM asserts that the protectionist sentiments are in no one's interest in the long run. Action on the unitary tax in several states will hopefully be a positive signal to Japan.

- 450-499 Painful adjustments might be necessary for each country as more open trade occurs. It is a price that each must be willing to bear. With respect to defense, Japan and the U.S. are tied together by the treaty of mutual security and cooperation. U.S. will come to the aid of Japan in case of attack. Japan offers the use of various facilities as the U.S. fulfills its security obligation for Japan and throughout the Pacific. The bilateral defense alliance has vital implications, for each one's security and also international security. Japan contributes more than one billion dollars per year for the upkeep of U.S. military facilities in Japan. The stability and security of Asia is enhanced by the bilateral defense relationship.
- 500-549 Japan offers generous financial and political support for the 61,000 U.S. troops deployed there. This support has made it possible for the U.S. to rebuild a strong and a stable presence in Asia. MJM compares the money West Germany spends for the upkeep of U.S. forces there with the amount spent by Japan. He believes that the U.S. - Japanese defense relationship has become qualitatively different for both parties in the past few years. Both sides are now trying to define and carry out a division of labor. This improves the security of Japan and also adds to the deterrence power of the western alliance as a whole.
- 550-599 These new defense responsibilities Japan has taken on do not alter the fundamental political framework for Japan's self-defense needs. Joint training exercises, joint planning and joint basing are all manifestations of the new defense relationship. The intention of the cooperation is to operate effectively together in securing the defense of Japan and the surrounding areas. Modernization of the Japanese forces allow increasing flexibility in the deployment of U.S. forces for the security of the region.
- 600-649 Problems do exist. MJM is aware of the sacrifices of the Japanese people in hosting the bases in such a small and populated area. The U.S. appreciates the warm hospitality and support its forces enjoy in Japan. MJM believes this is another measure of the strength of the alliance and popular support it has. The problems can be worked on while keeping in mind the larger security goals. He has attended, in the past few years, a number of U.S./Japan's security sub-committee

consultations in Hawaii.

- 650-699 At the most recent meeting in June of this year, MJM was gratified to find both governments in fundamental agreement on mutual goals and the need to work together. He claims that the defense relationship has never been better than it is today. In the future MJM sees that U.S.-Japan security relations will continue to develop productively. The U.S. would like to see Japan's defense efforts grow at a pace commensurate with the defense goals Japan has outlined for itself. But a democracy, by definition, must respond to the needs of all its people according to priorities ordered by a political consensus.
- 700-749 MJM turns to the future of the Pacific Basin, the coming century of the Pacific. He thinks that the development of the Basin during the next one hundred years will mark a turning point in world history. More than half the people in the world live in this area. Many countries are included in this area. The abundance of the natural resources, especially the people, the mostly friendly governments, the current trade volume, the great potential markets, and other factors make this an area of promise.
- 750-799 When one considers the demographic trends, the movements of populations, one can't help but conclude that a pattern is developing which outlines clearly the intersections of trade, of peoples, and of cultures in the Pacific Basin. In the words of Reagan, "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". He quotes the Secretary of State's words, "the Pacific and the future are inseparable". The Pacific Basin is where it all is, what it's all about and where our future lies.
- 800-820 The Japan- U.S. relationship, the most important bilateral relationship in the world, is of absolute importance in the peaceful development of the Pacific Basin region.
- 821-824 [End of speech...applause]
- 825-839 [Background noise]
- 840-852 [Speaker in Japanese]
- 853-859 [Blank spot on tape]
- 860-888 [Speaker in Japanese]
- 889-922 [Blank spot on tape]

923-952 [Speaker in Japanese]

953 [End of tape]

END OF SIDE A OF TAPE, CONTINUED ON SIDE B

Side B

000-025 [Speaker in Japanese]

026-032 A questioner asks: how to identify the perception level problem between Japan and the U.S., not only for the businesses, but also for the nation itself?

033-099 MJM answers that he agrees with the person's comments that there are differences in culture, customs, languages, but he thinks that those differences are gradually being ameliorated. It is a matter of necessity to join together as much as we can, understand each other as well as we can, and recognize reality for what it is. The world is shrinking because of telecommunications. The U.S. has to accommodate itself to its new position in the world, a position which doesn't offer it the stature it once had. MJM isn't certain whether Japanese culture is changing as much as it looks like it is on the surface. He mentions though that Japan has come out of its isolation, has become a part of the world. The Japanese have recognized that they can't live by themselves. He think Japan has faced up to reality and accommodate the new conditions and has done an excellent job in the process.

100-159 Another questioner. He asks MJM to comment on the educational system in America and the lack of interest it is showing in Japan, while others are seeing the Japan - U.S. relationship as the most important in the world.

160-199 MJM responds that there are about 13,000 Japanese in American schools. He also thinks there are about 200 American students in Japanese schools. He sees this as a result of Americans not taking an interest in Japan as the Japanese have taken an interest in America. MJM would like to see a greater degree of educational exchange, and exchange of groups of all kinds. This helps to establish a better relationship. But he notes that there are few schools which offer the Japanese language, while in Japan, the attempt is made to teach English in the elementary and middle schools.

200-235 MJM thinks the Japanese has a very good educational system. He mentions that tests show that the Japanese in the high school level have an IQ 11% higher than American students at the same level. Americans must

change and come to recognize that America is not the only country in the world. We are neighbors whether we like it or not and we better get used to it. By trying to understand each other better through the development of the educational systems in both countries will be a positive step.

- 236-241 The questioner asks a second question. He asks what the big problem is that jeopardizes the bilateral relationship.
- 242-299 MJM states that the big problem will be economics, will be based on trade. Because of the larger volume of trade, the problems are increasing, but have increased gradually. The problem is shared by both countries. Japan has to open its markets more, in its own self-interest. This may mean some sacrifices on the part of the Japanese. It has been a chief beneficiary of the international trading system. The U.S. has to stop scapegoating Japan. Our own economic ills are of our own making and can in large measure be cured only by us. If the U.S. is going to compete, it has to become more productive, more quality conscious, more price conscious, more follow through conscious.
- 300-343 The problem can be solved by reforms in the U.S. and the opening of the markets by the Japanese. One thing which might come out of these reforms is a better relationship between industry and labor, and industry and government, which has too often been adversarial. The Japanese have an excellent relationship between industry and labor, and industry and government. One of the reasons for this MJM mentions is that Japan is founded on the idea of the group as opposed to the U.S. notion of the individual.
- 344-381 [In Japanese]
- 382-389 MJM asks the questioner to compress what he has asked into one question.
- 390-404 [In Japanese]
- 405-449 MJM cites the increase in the trade deficit the U.S. is running with Japan. One reason for this is the strong dollar in relation not only with the yen, but with all other currencies. The U.S. is pricing itself out of many markets, and other countries are pricing themselves into markets. Japanese products sell because of their quality, dependability, and price competitiveness. The strong dollar and the high interest rates must be tied to the deficit factor.
- 450-499 Japan can't do anything about the strong dollar, the high interest rates, or the deficit. Those things must

be dealt with by the U.S. MJM suggests an international monetary conference to work out a greater degree of parity between currencies. The strong dollar is killing the U.S. as far as international trade is concerned.

500-513 Japan might be able to help in coming to an answer about the strong dollar, but it can't do the hard work for the U.S.

514-603 [In Japanese]

604-619 MJM asks the questioner repeat the last part again.

620-649 MJM talks about the exchange of various kinds of groups to bring about a greater degree of understanding. The basic human element lies with the government themselves. Japan has the only real democracy in this part of the world.

650-699 The people have a great deal to say, as well as the news media, in how things are decided by the government. All the Prime Ministers who have been in power since MJM arrived in Japan have tried to bring about an accommodation with the U.S. so the difficulties could be dealt with.

700-749 If the answers though rest with the governments, the process will be a long one because the governments' hands are tied by the will of the people through the elected representatives. MJM feels the Japanese have done a good job in terms of trade and defense. He thinks, however, that they can do more in both areas. He repeats that he would like to see the Japanese open their markets more. MJM thinks that if they opened their markets completely, they would still have a surplus in the balance of trade with the U.S.

750-763 MJM feels that the difficulties in the trade relations will increase since there is going to be continued trade deficits for the U.S. This means that the solutions, the accommodations, and the compromises will be harder to find.

764-771 [In Japanese]

772-789 [Applause]

790 [End of recording]

END OF TAPE