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# Mansfield Library

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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  
Ambassador at LDP Karuizawa 7/27/85  
OH #22-395

[SIDE A]

000-075 A person is introducing MJM in Japanese.

076-150 MJM begins his speech. MJM is going to talk about the problems that face the US and Japan today and what things need to be done to rectify the problems. MJM explains that his job is to carry out the wishes of the government of the US. MJM says that sometimes they have disagreements but they are ironed out. It is also MJM's responsibility to report the situation as he sees it here in Japan. MJM says that he has learned a lot of things in the past eight years but the most important of all is that the relationship between the US and Japan is the most important bilateral relationship in the world.

151-200 MJM comments that this relationship is the foundation to the development to a Pacific community. MJM talks about the Pacific basin, which encompasses the Australian continent and the continents of North and South America and Asia. 58% of the world's population lives in this area. It is an area of vast resources with friendly peoples and governments. MJM appreciates what the Japanese have been able to do in the past 14 years. MJM says that there are very few problems in defense but there are still many problems in trade.

201-250 In 1983 the US had a \$16.9 billion deficit with Japan. Last year the deficit reached \$37 billion. This year the deficit will be at least \$47 billion. MJM states that no matter what the causes of the trade problems, both countries need to take steps to correct the problems. For Japan the key word is access. The US wants the same access to Japanese markets as the Japanese have to US markets. Although the US increased its exports to Japan last year by 8.8%, it didn't do much to ease the difference in the imbalance.

251-300 MJM warns that even if the Japanese open their markets, we can't expect to get rid of the trade imbalance because it just won't happen. MJM stresses the need for the US to solve some of the trade problems because many of them are the fault of the US and no other country. MJM refers to the high value of the Dollar as one of the problems the US has to face. Over the past few years the value of the Dollar has increased worldwide by 50%.

301-350 The second major problem the US has to face is the high

interest rates. Although the interest rate has dropped to 9.5% in the last month it is still much too high. MJM comments that there has been a lot of money flowing in from Japan and Europe and South America. This money is not used in the US to pay off the national debt but to pay off the interest on the debt. The US debt last year amounted to \$111 billion. The interest on the debt this year is likely to amount to \$134 billion.

351-400 The US deficit last year was reduced by \$57 billion but this isn't enough. MJM repeats the comments made by US trade officials about the US debt. Outgoing US trade representative Bill Brock said that about three quarters of the US trade deficit is the fault of the US. There are still some things that need to be done by Japan, the biggest of which is to open the markets more and secondly to reduce tariffs and quotas on US imports.

401-450 MJM is looking forward to the release of the Japanese trade measures that it will take to help the US out. Nevertheless the US shouldn't wait for the Japanese to begin solving the trade problems between the two countries, the US needs to take the initiative now. MJM comments that if the money from foreign countries stopped flowing into the US then the US debt would grow even more quickly causing more problems than there already are.

451-500 There are several other things MJM would like to see done to correct the debt problem. MJM would like to see the US change the oil law that won't allow the US to sell Alaskan oil to Japan. If the US could ship the oil to Japan rather than down through the Panama Canal and up the Gulf Coast then the US could put a very large dent in the trade deficit. If this oil were shipped to Japan it is estimated that the deficit would be lowered by at least \$5 billion.

501-550 MJM talks about the great relationship in trade the US has had with Asia. In 1975 the two way trade between Asia and the US was \$42 billion. Today the US trade with Japan alone was \$84 billion. With all of East Asia including Japan the trade is about \$184 billion. Now the US trade with Asia exceeds that of the US trade with Western Europe, which was not the case a few years ago. MJM says that this shift in trade emphasis is good because it will help in the development of the Pacific basin.

551-600 MJM is concerned about what is happening in the many areas of the world but the one area he is most concerned about is the world economic situation. The economic problems are now becoming political factors and as a result MJM sees more bills being introduced

into Congress that are of a protectionist nature. MJM comments that the people in Congress, many of whom are long time friends of his, are becoming frustrated and introducing these protectionist bills because of the large deficit the US has with Japan.

- 601-650 MJM is very concerned when a protectionist bill comes up because it may pass. MJM then talks about a bill introduced last week by Dan Rostenkowski, chairman of the House, Ways, and Means Committee. MJM says that although the Japanese may not know the this committee but they had better learn about it quick because it is the most powerful committee in the Congress and it considers trade.
- 651-700 MJM comments that one seat in the House was up for election last week to be filled and trade is being used in campaigning. MJM feels that in the future elections for Congress members trade will be a key issue. Even the Congressmen think that trade will be the big issue in the next election. Since this is true protectionist legislation can be expected to be brought up.
- 701-750 MJM stresses the need to get away from these type of emotional reactions because they lead to protectionist legislation. MJM feels that protectionist legislation is what led to one of the causes of WWII. Protectionist legislation only hurts the countries involved, no one benefits. MJM comments that Japan is the country that has benenefitted the most from the current world trading policies and if protectionist measures were to be enacted, Japan would be the country that would suffer the most.
- 751-800 MJM talks about the need of Japan for resources to survive. Japan has nuclear power and coal supplies that will only make up for about 5% of Japanese energy needs. The Japanese now have about 23 nuclear power plants under construction and when these are finished they will make up only about 15% of the Japanese energy needs.
- 801-850 MJM states that we must avoid protectionism at all costs. He notes that both countries have to deal with a lot of opposition in their respective countries. In both the US and Japan the government has to deal with the farm blocks. They are very powerful and they want action to be taken. MJM believes that some action should be taken and he emphasizes the need for Japan to open its markets more.
- 851-900 It is up to the US to do things like deal with interest rates, the high value of the Dollar and the debt. MJM says that if both countries take care of these problems and their own responsibilities then both countries will

be in good shape and be able to face the decades ahead.  
MJM concludes his speech.

901-934 The announcer is talking in Japanese.

[END OF SIDE A]

[SIDE B]

000-100 The announcer is still speaking in Japanese. He is evidently asking for questions. Someone else is speaking in Japanese. [No translation of the question is given on tape].

101-150 MJM says that demand is the wrong word to use in describing what the US wants from Japan. MJM comments that the action taken by the Congress represents the opinions of people who are becoming very worried about the state of American trade. MJM makes the point that there are no quick fixes in trade, however. MJM thinks that the deficit with Japan will still remain at about \$47 billion for this year but the Japanese proposed "action" package should have some effect in easing the trade problem. This easing of trade tension will take a period of several years, however.

151-200 MJM talks about the telecommunications bill and some of the changes that the US would like to see in it. MJM tries to make clear the point that the Congress is considering protectionist legislation because the members want to be reelected to office.

201-425 Someone is speaking in Japanese. Someone else is speaking in Japanese.

426-500 MJM agrees with what the guy said (whatever he said, since it wasn't translated on tape). MJM is taking about the tariff rates in Japan. The Congress doesn't like the Japanese tariffs and they want the Japanese to remove all of them. MJM agrees that Japan has the lowest tariff rates of any nation in the world. MJM notes that the Japanese tariff rates really don't have much impact on American trade anyway. If the Japanese were to remove all of the tariffs on American products the US trade deficit would be cut by no more than \$1 billion.

501-550 MJM concludes his answer and thanks the members of the LDP commenting that they as well as the people in the US need to cooperate more to solve the problems between the two countries. The speaker at the meeting is talking in Japanese.

551-600 Someone else is talking in Japanese.

- 601-660 MJM says that he isn't a financier and so he really doesn't know how the matter of an overvalued Dollar will be handled. MJM says that the Congress is facing up to the problem and bills are being introduced in the Congress to try and correct the value of the Dollar. MJM comments that the people in the Congress don't seem to be getting anywhere though. At least they are moving in the right direction. MJM mentions that the Congress is also now addressing the question of the US import/export act which doesn't allow the US to export oil out of the US. Since the west coast of the US doesn't have the necessary refineries the oil is shipped from Alaska through the Panama Canal and up to the Gulf Coast. This costs \$5 per barrel to ship the oil.
- 661-700 MJM notes that the US can ship oil up from Mexico at a cost of 75 cents per barrel. Therefore, if the Congress could get the bill amended then the US could ship the oil, from Alaska, to Japan and the rest of East Asia. This would allow the Japanese to then have another source of oil rather than relying so heavily on Middle Eastern sources.
- 701-740 To illustrate the significance of the US-Japanese relationship MJM uses the example of the Iranian crisis and Japanese oil imports. During the Iranian crisis the Japanese refused to pay the extra \$2 per barrel for oil and so the Iranians cut off shipments to Japan. The Iranian oil supply amounted to 13% of Japan's imports. Therefore, if the US could ship oil to Japan it would give the Japanese another oil source and also reduce the US trade deficit, thus benefitting all concerned.
- 741-770 The speaker of the LDP makes concluding comments in Japanese.

[END OF TAPE]