

A Shared Destiny

By Mike Mansfield
United States Ambassador to Japan



The United States and Japan have accomplished a great deal in the past decade through hard work. Despite the overlay of emotionalism that has sometimes marred the relationship, we can proudly point to many concrete examples of bilateral and multilateral cooperation and achievement across a broad range of issues.

The science and technology agreement represents a major step forward in scientific cooperation between our two countries — world leaders in basic and applied science. It provides the mechanisms to ensure comparable access to each other's research.

Our nuclear agreement provides Japan with the basis it needs for long-term energy planning while at the same time giving the U.S. the tight safeguards we require for monitoring the nuclear fuel cycle. We all benefit.

The trade friction that has dominated public attention for the past several years has by no means ended. Nevertheless, both sides can be justifiably proud of the

progress we have made in lessening that friction within just the past few months.

The beef and citrus agreement will allow market access to cost competitive U.S. agricultural products. It successfully eliminates an irritant in our bilateral relations that had continued for over 15 years.

The public construction project accord provides access for U.S. construction firms to a number of publicly financed Japanese construction projects, and, hopefully, opens the way for further market opportunities of this type.

We have also reached new levels of maturity in our political relationship. Frequent high-level political contacts contribute to mutual understanding and help to ameliorate the tensions that arise when two nations are as mutually interdependent as our two countries are.

Our bilateral security relationship has never been stronger. Japan is shouldering a greater share of its own defense and presently contributes nearly 40% of the costs for U.S. Forces in Japan. Our bilateral military exercises and joint studies

clearly demonstrate the high level of sophistication and interoperability we enjoy in this vital relationship.

The U.S. and Japan are now true global partners. In consultation with the U.S. and other allies, Japan is providing increasing amounts of official development assistance and is now the world's second-largest donor, after the U.S. An undisputed economic power, Japan has joined the U.S. in playing a prominent role in international economic organizations such as the World Bank and the International Monetary Fund and in many agencies of the United Nations.

Just as in any mature relationship, strains are inevitable. But the basic health of our bilateral relationship has demonstrated itself repeatedly. Now standing on the threshold of the century of the Pacific, we find our national destinies, Japanese and American, more intertwined than ever before. I am confident that with continued effort our partnership can be a tool to build a better life not only for our own peoples, but for the entire world. ■

Looking at the Ledger

By Akio Morita
Chairman and CEO, Sony Corporation



The manufacturing industries of the U.S. and Japan are as related as your right hand is to your left. In this situation, grim talk of protectionism and retaliation and a trade war seems suicidal. It is unfortunate that, particularly in an election year, blaming a mysterious presence from overseas (which can't vote!) for the current state of the U.S. economy is known to attract a certain vote, indignation being a well-known substitute for painful self-reflection.

There would be no talk about a trade war if the present trade imbalance between the U.S. and the rest of the world did not exist. The trade imbalance, because of its size and its intractability, has caused a great many people to conclude that there is something wrong with the basic mechanism of world trade. All will be set right, the reasoning goes, if only the exchange rates can be properly adjusted, or if the intransigent Japanese market can only be pried open.

And so it is that there has been a steady stream of international conferences attended by experts in finance and economists, by high government officials and top administrators of trade councils—gathering to discuss how the system can be put right. The assumption seems to be that by adjusting this knob a little and pulling this lever back a little, the international trading system can be brought into line and trade between countries balanced, as a spinning top is balanced.