

View from Japan

# American Self-righteousness

By Kitaoka Shin'ichi

The newspapers have dubbed the latest auto trade agreement an "ambiguous" settlement, but the written words of agreement plainly show the U.S. retreat. I believe the agreement constitutes a clear conclusion to the negotiations.

Each side had its own agenda that needed to somehow be compromised with the others: Japanese manufacturers wanted to avoid the unpleasant specter of sanctions; the U.S. wanted a guarantee that purchases of U.S.-made parts would increase; the Japanese government was unwilling to accept numerical goals. It seemed to me that a solution to this simultaneous equation would call for Japanese manufacturers to announce a plan of their own, the Japanese government to say it would not concern itself with that plan, and the U.S. to welcome it—and this is actually close to what they came up with.

To take a different perspective, I think it's safe to say that the role of the nation in trade policy has moved into a new dimension. Instead of the government negotiating with foreign countries on behalf of domestic companies, the companies themselves act upon their own judgement without, necessarily, participation of the government.

In the latest conference, talk abounded of how the U.S. flew in the face of international convention by taking unilateral action and demanding numerical quotas. This should not come as a surprise to anyone as the U.S. has been making demands on intractable problems for years.

After the Russo-Japanese War (1904-1905), for instance, the U.S. had its sights set on Manchuria, but trade not only failed to flourish, it declined. Though the U.S. itself was to blame or, perhaps, the economy, the U.S. believed that the cause lay in Japan's exclusionary policies. To open the Manchurian market, the U.S. considered running a rail line parallel to the Manchurian Railway, Japan's principle interest in Manchuria, to break its monopoly and

put a stopper on its rising profits. For Japan, which was a small country at that time, the Manchurian Railway was a major monument to its hard-won victory in the Russo-Japanese War, and the Japanese had a great psychological attachment to it. Despite its minimal foreign dependency at that time, the U.S. tried to recover its small trade profits with Manchuria by seizing Japan by its Achilles heel. This kind of diplomacy, with its decided subordination of the means to the end, may not be wise, but it has been common for years.

It is important to remember that countries such as the U.S., much more so than Japan, concern themselves with many issues, foreign and domestic, all of which are ultimately the responsibility of the president. Once an issue has come up, it is the fate of the president to wrap it up successfully before moving on to the next task. Success, at least in name, is the president's game. It is also important to remember that the U.S. tends to change its interpretation of certain agreements to suit its needs; we need to keep an eye out to prevent such occurrences. We can already see signs of this in the remarks of one high U.S. official about the number of parts to be procured and the method for counting dealers set out in the joint announcement.

Let me give another example—the U.S. proclamation of its Open Door policy to China in 1899. When it was first suggested, the "open door, equal chance policy" was to apply to trade. Other countries, however, expressed reservations. Russia was particularly hesitant, and the countries could not reach a clear agreement. At the beginning of the following year, however, the U.S. president announced that the Open Door policy had the "unanimous" support of all nations involved. The president's words stuck. In the beginning, the Open Door applied only to trade, but within several years it came to be widely interpreted in the U.S. as a guarantee for equal opportunity investment. This kind of discrep-

ancy is a very dangerous thing. Whenever the U.S. makes such false claims in public, I think it is imperative to challenge them, to point to the written agreement and say, "It doesn't say that here."

Of course, despite the dubious procedures and details of its implementation, the concept behind the Open Door policy, as with many other U.S. policies, was essentially a step in the right direction. Conversely, because the U.S. is so convinced of its righteousness, it sometimes ignores technical and procedural propriety. In any case, we cannot simply point out the procedural defects on the part of the U.S. without attempting to remedy the basic problem—in this case, the trade deficit with Japan.

In newspaper and other commentary on trade issues, such as the current one, some have said that the World Trade Organization (WTO) is powerless. I believe, to the contrary, that the WTO is very meaningful. The U.S. must have predicted it would lose in the WTO. The WTO is meaningful simply as a deterrent. As for taking the case to the WTO, trials are looked upon in the U.S. as a very legitimate way of deciding an issue and, in both the U.S. and abroad, are not perceived as completely negative actions. I therefore think that the WTO should be used in such situations.

Postwar relations between the U.S. and Japan were greatly enhanced, I think, by the fact that so many Americans knew Japan very well. Nowadays, visitors from the U.S. to Japan are decreasing. On an academic level, there are many who have never visited Japan, or would like to but are prevented by the high prices. It is crucial that Americans continue coming to Japan. More, if Japan does not open up to this, it will, in the long term, be a loss for the entire nation.

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