

Perspective on 1992

By Shoichi Akazawa

The whole world is watching to see what will happen in the former Soviet Union. Although the Soviet Union amassed an impressive array of nuclear and other weapons and posed the most serious military threat to Western security since World War II, its time is over. The Cold War is finished, and the Soviet Union no longer exists as a military threat. Yet that does not mean that the Soviet threat is finished. Instead, the Soviet Union now poses a threat of another kind. The contradictions in Soviet political structures and economic mechanisms have dragged the Soviet Union down and broken it apart, raising the specter of political disintegration and economic chaos. In one of the delicious ironies of history, the rubble that was once the Soviet Union now threatens to bury Western peace and prosperity.

At the same time as Europe and the United States are anxiously watching the Soviet dis-union, Japan and the other nations of Asia are focusing on China. While China is today the world's strongest communist country, the many near-term problems that it faces are fraught with danger not only for China but for the entire international community. Will China be able to maintain its balance between central political control under Communist Party leadership and decentralized economic initiatives for open development? This question is especially crucial. At the same time, China has yet to find adequate solutions to the population, energy, food, environment and other pressing issues, and these are also pregnant with instability for China and the whole world.

Even as political turmoil batters popular assumptions, the global economy is slipping into recession, and not even the benefits of European integration can pull the economy out of its slump. The United States, for example, needs to radically reduce its fiscal deficit and improve its other domestic fundamentals if it wants to shake off the economic blahs.

What of Japan? Japan has been one of the best performers in recent years and is among the best-poised to recover. The

private savings rate remains high and the people remain hard-working. Yet Japan is not without problems of its own, and there are a number of issues that Japan must resolve in the remaining years of this century. Among the most crucial are the need to break free of the over-concentration on the Tokyo area, to shorten working hours, and to effect political reform, including reforming the election system. All of these issues should be solved in the next few years.

As many economists have already pointed out, the combination of environmental constraints and a tight labor market has pushed Japan's potential growth rate for the 1990s down one percentage point or more below what it was in the 1980s. The apparent prosperity of recent years notwithstanding, Japan remains a resource-poor country that must trade wisely if its people are to live well. As such, it is imperative that Japan continue to be a good world citizen in 1992 and the years ahead.

COMING UP

Tokyo, once uncomfortably nicknamed the largest village in the world, is today undoubtedly the vastest megalopolis even by international standards. A city that is continually changing, it is hard to judge whether it is developing or is nearing saturation and decaying.

What is surfacing, though, is the negative effect of the centripetal force exercised by the Tokyo megalopolis. Provincial cities and towns suffer due to the tendency for young people to move to Tokyo. The Cover Story item of the March/April issue of the *Journal* will examine the advantages and drawbacks of the Tokyo megalopolis.

A new feature in the next issue will be a regular column dealing with matters concerning distribution and marketing in Japan.

The *Journal* welcomes letters of opinion or comment from its readers. Letters, including the writer's name and address, should be sent to: the Editor, Japan Economic Foundation, 11th Floor, Fukoku Seimei Bldg., 2-2 Uchisaiwai-cho 2-chome, Chiyoda-ku, Tokyo, 100 Japan. Letters may be edited for reasons of space and clarity.

Perception Gap

The focus of your last issue, "The U.S.-Japan Communication Gap," is a problem I ponder almost every day. As a Tokyo-based correspondent for a U.S. television news show, it's my job to try to fill that gap. As a Japanese-American, I often find myself on the receiving end of American's misperceptions of Japan.

Nowhere was this "gap" wider or more dangerous than in the public perception of the 50th anniversary of Pearl Harbor. As a reporter, I tried to paint an accurate, unsensational portrait of Japan's wartime history. Yet throughout the U.S. media coverage, I noticed a discomforting "pack media approach." We often chose the same foci, interviews, drew similar conclusions (Japan's "Pearl Harbor Anxiety," a country that hasn't come to terms with its past, etc.). Meanwhile, the Japanese media harped on other themes: anticipated Japan bashing, revisionist theories about the "sneak attack" or "Roosevelt Conspiracies."

As journalists, we carried out our jobs—sometimes well—but didn't seem to bring the peoples of Japan and America any closer to understanding past frictions, or each other.

Sadly, the human cost of this "perception gap" was paid by the Japanese-American communities in California. On December 7, my parents tell me they once again walked around in fear: in San Jose's Japantown, a car was torched with a sign, "Remember Pearl Harbor;" the Japanese-American community center was vandalized; a Buddhist priest's home was bombarded with molotov cocktails.

Japan must realize that its actions, utterances and blunders directly impact an innocent community in the U.S. The media must be a forum for honest debate, not sensational headlines that play to readers' basest emotions.

With so much at stake, I urge your editors to be rigorous in analyzing Japan and America's problems, and more courageous in exposing the hard truths about Japan.

Wendy Hanamura
Television Correspondent, Tokyo

Lessons from Japan

Leaving Japan after more than 15 years' stay, I think about how much I have seen, learned, liked and—as well—sometimes disliked. I believe I was lucky to arrive in Japan in the mid-1970s, when the economy was already very strong but the country was not yet aware of how strong it was in relation to the rest of the world.

I was thus able to see a Japan that today seems so far in the past: no fancy cars and almost all of them black, no women driving, very few foreigners around, one or two bread shops in Roppongi, and Kasumigaseki was the only tall building in central Tokyo. I could go on. When you talked about how strong the Japanese industries were the reaction invariably was, "Maybe, but we are such a poor country, without natural resources and we have to struggle in order to survive." What a difference to today's attitude.

The country is coming to terms with its own worth, its power, but it is also beginning to grapple with its past history and it is trying to find its rightful place in the community of nations. The political class, like in most other countries, is not at the vanguard of the movement and the changes, it is only reacting, often in the wrong way.

Life, though, moves ahead and we will see more big changes coming. Internationalization will spread widely and deeper and it will affect every aspect of the nation's life. Japan will keep its identity but will be more closely linked with the rest of the world. We have much to learn about Japan and from Japan. Japan already knows much about the world but should maybe try to understand it better and there is certainly much that Japan can learn from other countries. I am sure that a close and friendly relationship will benefit everybody.

C. Bellavita
*Manager of the Marketing Division
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Diet Gives Miyazawa Rough Start as Premier

Newly installed Prime Minister Kiichi Miyazawa got off to a somewhat shaky start in his stewardship of state affairs, stumbling in his initial attempt to get Diet approval for legislation to allow Japanese troops to participate in United Nations peacekeeping operations and disaster relief missions overseas.

The rough start demonstrated the headaches facing the Miyazawa Cabinet as it seeks to grapple with other knotty issues, including financial measures and the restructuring of the economy during a time of slowdown, as well as political reform programs.

The proposal, popularly known as the "PKO bill" in Japan, was just one of a number of major pending issues Miyazawa inherited when he succeeded Toshiki Kaifu as prime minister on November 5. Miyazawa won the presidency of the ruling Liberal Democratic Party on October 27 with a majority of the votes cast.

The PKO bill, aimed at sending personnel from Japan's Self-Defense Forces overseas on peacekeeping missions for the first time since the end of World War II, was initially rammed through a special Diet committee, amid shouting and shoving among ruling and opposition party members. Miyazawa, however, later

changed his mind and allowed the committee to review the bill before it was passed by a plenary session of the House of Representatives.

It was the first crucial test of his ability as prime minister. Miyazawa, a Finance Ministry bureaucrat-turned-politician, reached the zenith of Japan's political world by defeating Michio Watanabe and Hiroshi Mitsuzuka in the LDP presidential race. Miyazawa appointed Watanabe to be deputy prime minister and foreign minister, apparently in recognition of Watanabe's unexpectedly good second-place showing in the party presidential contest.

A graduate of the prestigious University of Tokyo, Miyazawa is regarded as an expert on economic affairs, having been in the Finance Ministry before turning to politics. He had previously served as deputy prime minister, finance minister, director general of the Economic Planning Agency, foreign minister and chief cabinet secretary. With his victory in winning the party presidential post—which carries with it the premiership—in his last try at age 72, Miyazawa assumed the reins of government with the nation's expectations that his conservative Cabinet would be a genuine administration.

The LDP, which has been in power continuously since 1955, has had a run of short-term premiers in recent years, in the wake of financial and sex scandals. Kaifu, regarded as a representative of the



U.S. President George Bush greets Japan's Prime Minister Kiichi Miyazawa in his recent visit to Tokyo.

Photo: Kyodo News Service

party's "young" generation, was originally picked for his clean image. Although he retained his popularity among the people, Kaifu was forced out following his failure to get a package of political reforms through the Diet, where they met with strong opposition from LDP legislators. In addition, the largest intra-party faction, founded by former Prime Minister Noboru Takeshita, withdrew its support from him.

The Takeshita faction played a pivotal role in the election of Miyazawa as party president and premier. In return, the faction has put itself in a position to take the initiative in running political affairs, with six faction members landing Cabinet ministerial posts, including Tsutomu Hata as finance minister, Kojo Watanabe as minister of international trade and industry and Keiwa Okuda as minister of transport.

This raises the question as to how much and how far Miyazawa can assert his own style, since the Takeshita faction has effectively seized control of the ruling party. Faction member Tamisuke Watanuki became LDP secretary general and Ichiro Ozawa, acting head of the faction and former secretary general, is keeping his clout over party affairs from behind the scenes.

The most important issue confronting the Miyazawa Cabinet is liberalization of the domestic rice market in connection with the Uruguay Round of trade talks under the General Agreement on Tariffs and Trade (GATT). In the midst of calls, especially from the United States, for abolition of Japan's ban on rice imports in favor of the introduction of tariffication of rice imports, Miyazawa appears to be inclined toward opening the rice market. In sharp contrast to successive prime ministers who adhered to the policy of banning the entry of foreign rice into Japan, Miyazawa told a news conference shortly after assuming office that he was prepared to make concessions to the United States and European countries.

Conservative Diet members who are against rice imports still wield considerable power within the LDP, which traditionally has depended heavily on farm votes across the country. Any change in the party policy on agriculture will have

an impact on the House of Councillors' election scheduled for next summer. Against this background, Miyazawa seems to have no choice but to make what could be the biggest decision of his political career. ■

Tokyo Motor Show Taps Auto Trends

The 29th Tokyo Motor Show highlighted the Japanese auto industry's concerns over open markets, the environment and safety. Held at the Nippon Convention Center (known as "Makuhari Messe") on Tokyo Bay from October 25 to November 8, 1991, the exhibition—staged every two years—drew a record 2 million visitors. Already ranking alongside Geneva and Frankfurt as one of the most prestigious motor shows in the world, it drew car makers from around the world.

Japan Motor Industrial Federation, Inc., organizer of the show, took pains to emphasize the openness of the Japanese

car market. Foreign carmakers were allotted as much space as domestic makers in a bid to make foreign cars more familiar to Japanese consumers.

The growing concern of Japanese automakers about safety and the environment were reflected in this year's new concept cars. Instead of horsepower, they emphasized light, compact designs for Japan's narrow roads, improved mileage and lower carbon dioxide emissions through the use of alternative energy sources. Designers for Japanese carmakers are being forced to take into account worsening traffic congestion, increasing auto accidents and the environmental impact of exhaust gases.

Toyota's AXV-IV and Honda's EP-X, on display at the show, use lightweight aluminum and magnesium for their bodies. Nissan's TRI-X has an engine burning a mix of gasoline and methanol, while Mazda's HR-X runs on hydrogen. Carmakers were not preoccupied with the environment and safety alone. They also had colorful sports cars and deluxe sedans to attract leisure-oriented customers in a bearish market. ■



Sensitive to foreign complaints about market share, organizers gave almost as much space to imported cars as domestic models at the 29th Tokyo Motor Show.

