

Japan sees U.S. as economically hopeless

by Kathy Wolfe

U.S. President George Bush's trip to Tokyo Jan. 7-10 confirmed Japanese suspicions that the United States, relative to Japan, is to be viewed as Americans viewed destitute Britain after World War II, "as the former superpower with no real clout," the MacNeil/Lehrer News Hour reported on Jan. 9. "The United States is still a military superpower, but economically, it's hopeless," said Motofumi Asai, a former Tokyo diplomat, now professor at Nihon University.

"If this is the beginning of the President's 'new world order,' one must worry about future U.S.-Japan relations," commented *Nikkei*, Japan's leading financial daily, Jan. 10, on Bush's ridiculous trek to a "Toys R Us" outlet north of Osaka. "President Bush has, by giving a speech at a toy store, utterly erased the myth that many Japanese still held about America and Americans."

"Some saw a growing Japanese sense that Tokyo is now an equal, if not dominant, figure in the partnership," UPI Tokyo correspondent Linda Sieg reported Jan. 10. "There were more voices in Japan who said: 'Why should we listen to America, shouldn't America be listening to us?'"

Action Plan is 'embarrassing'

The Tokyo Declaration Global Partnership Action Plan on increasing U.S. exports to Japan, signed by Bush and Japanese Premier Kiichi Miyazawa Jan. 9, is irrelevant economically and more damaging than helpful politically. The agreement is not even binding. Ministry of International Trade and Industry (MITI) official Kozo Watanabe, who led the Japanese negotiating team, stressed that the government has no authority to punish automakers if they fail to comply. "The plan is the product of voluntary decisions by the Japanese auto industry in consideration of the gravity of Japan-U.S. relations," Watanabe said.

The Bush administration claims that the U.S. team won a \$10 billion increase, totaling \$19 billion, in Japanese purchases of U.S. auto and auto parts by 1994. Immediately following the signing of the Bush-Miyazawa accord, however, the Big Three auto industry chairmen, the United Auto Workers, and many congressmen, told the press that the real content of the accord is negligible.

The volume of new imports from the U.S. agreed to by the Japanese is so minuscule that it's "embarrassing," Ford Motor Co. chairman Harold Poling told the press Jan. 9. "Whether there are any jobs created by it, I'm guessing there

is something positive there, but not enough."

"I am not smiling," said Tenneco chairman J.P. Reilly.

Bush and the Big Three auto executives, Ford's Poling said, for two days pounded on Japan to sign an agreement to cut \$8 billion of the Japan-U.S. trade deficit a year for five years, starting "yesterday," to eliminate the 1991 U.S.-Japan trade deficit of \$41 billion.

Bush, however, was forced to accept the counterproposal of Japan's MITI, giving the Bush team only \$1.7 billion a year in increased auto part exports. The plan Bush actually signed gives the U.S. only a \$5 billion rise in auto and auto part exports to Japan from 1990 to 1993, from about \$7 billion in 1990, to about \$12 billion in 1993—a paltry \$1.7 billion a year.

What about Bush's vaunted \$19 billion? Out of that, \$15 billion will be U.S. auto parts which Japanese plants in the United States will now buy from U.S. suppliers! Japan itself will still only import \$4 billion of U.S. auto parts by 1994, and under \$10 billion worth of U.S. autos.

Toyota to Detroit: 'Look in the mirror'

The Big Three automakers and Washington should stop pounding Japan and "look in the mirror" for the source of their problems, Bob McCurry, executive vice president of Toyota Motor Sales U.S.A. told the press Jan. 9. "It's time to give ourselves a wake-up call. We need solutions, not scapegoats," said McCurry, who spent 28 years at Chrysler. "Instead of blaming others for what we've become, we need to look in a mirror and ask ourselves what we can do to get back on track."

He said the Japanese built their strength in the United States by refining American ideas and methods and planning for the long run. "I've seen first-hand the failure of American industry to take the long view," McCurry said. "Even as the Japanese automakers were taking the advice of American quality experts, Detroit was still churning out Pintos. The day of reckoning had to come. We are overreacting to Japan's shortcomings, when we could accomplish more by fixing our own. We've got a budget deficit. We've got an education deficit. We've got an investment deficit. We've got a quality and productivity deficit. And we too often reach for short-term quick fixes."

Bush also totally failed to get Japan to accept U.S. rice imports, Japanese Agriculture Minister Masami Tanabu said on Jan. 10. Referring to the ongoing battles around the General Agreement on Tariffs and Trade, he told reporters: "The Tokyo Declaration says the GATT draft is not a final text. So we can insist on our arguments and it is possible to include them in the final text." Tanabu, who has maintained a hard line on the rice issue, said that "Japan cannot accept comprehensive introduction of tariffs on farm imports," which would allow rice imports. Japan, unlike the United States, is concerned about protecting its national food security from foreign dumping.