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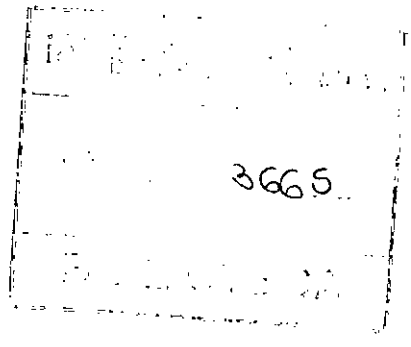

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EUROPEAN REACTIONS TO CHANGES IN THE INTERNATIONAL SYSTEM

by

Thierry de Montbrial

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EUROPEAN REACTIONS TO CHANGES IN THE INTERNATIONAL SYSTEM

Thierry de Montbrial
Professor of Economics , Ecole Polytechnique - Paris
Director of the French Institute of International Relations

This paper, written for the 1980 Hakone Conference, is no more than a discussion paper. Since it was impossible to deal with the international system in every aspects, I decided to concentrate on two of the most delicate issues facing us today, that is the Middle East (the situation created by the collapse of Iran and the invasion of Afghanistan, and the Arab-Israëli conflict), and more briefly, the economic crisis. I do not discuss the strategic debate (TNF modernization, SALT III, eurostrategic weapons ...) which dominated the transatlantic relations in 1979, nor major regional issues such as Southern Africa or South East Asia, which will however certainly be evoked in our discussions.

I. EUROPE AND THE AFGHAN CRISIS.

1.1. Analysis

The Soviet invasion of Afganistan seems to have been decided for three basic reasons :

1) The direct cause was obviously to prevent the fall of a pro-Soviet regime. More generally, the irreversibility of Communism one established in some country, particularly along the Soviet borders, is a dogma which cannot be put into question in the Soviet philosophy.

2) The intervention in Afghanistan breaks the line of instability which runs from Iran to Pakistan along the South flank of the Soviet Union. There was certainly the concern that, in the long run, troubles could have developed in the moslem republics of the Union.

3) The occupation of Afghanistan strengthens the Soviet military position in the Middle-East and the Persian Gulf, and will allow them to exploit fully any opportunity, should it occur, for instance in Iran.

In their calculations, the Soviets probably made three mistakes :

i) They - correctly - assumed that the US-Soviet relations were already in very bad shape before the coup (SALT III ratification in jeopardy, TNF modernization process in Europe under way), so that they had very little to lose in the short run. They probably estimated that, in the longer run, that is after the American presidential election, thing would be normalized (as it happened one year after Cuba, and one year after the invasion of Czechoslovakia). They were probably inclined to extrapolate these successes in the Third World in the past five years (Vietnam, Laos and Cambodgia ; Southern Africa ; Horn of Africa ; South Yemen..). Moreover, the Americans had not reacted to many signs the Soviet sent much before December 1979, meaning more and more explicitely that Afghanistan was considered a member of the Socialist community.

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In fact, the American reaction - certainly exacerbated because of the shock of the Iranian revolution and the humiliation of the Teheran hostages - was much stronger than expected. Indeed, the American administration interpreted the invasion of Afghanistan as a major change in the Soviet strategy, and this was a way not to recognize their misperception of the previous Russian moves in the preceding years.

ii) The Russians probably underestimated the hostile reactions of the Third World, as illustrated by the UN vote, and in particular in the Arab countries.

iii) They probably underestimated the vigor of the resistance of the Afghan people.

The Americans seem more prepared to revitalize a policy of containment. However, we are no longer living at the times of John Foster Dulles. Today, there is a rough strategic parity between the two superpowers at the nuclear level ; the Soviet capability to project conventional power, in Europe as well as in the Persian Gulf, is overwhelming ; moreover, most local powers, in this area, have become unstable, and many leaders are unwilling to share the fate of the Shah of Iran, and are therefore reluctant to offer military facilities to the United States (generally speaking, the "regional pillars" which played a major role in the Nixonian vision of the world proved to be nothing more than local giants with clay feet ...)

The consequences of all that is that the credibility of the new American policy might depend, at least for some time, on the non-exclusion of resorting to the use of tactical nuclear weapons to "defend" the area, (this was explicitely recognized by Harold Brown) or the capability to respond elsewhere. But where ? The idea of a respons in Cuba, for instance, which some people suggested, does not seem very realistic, because of the consequences it could have in South America.

The prospect of a new major Soviet offensive in the Gulf cannot be totally excluded. Indeed, the concept of "window of vulnerability" covers more than the question of a Soviet temporary first strike

capability on American silos. More fundamentally, the economic, demographic, military (in relative terms) and strategic weaknesses (because of China) of the Soviet Union are likely to grow by the end of the decade. The temptation for their leaders to undertake more risky actions than in the past might therefore exist within the next five years. Should this happen, two results would be possible :

- either a general war from escalation and miscalculation (and of course the war would hurt Europe right away)

- or the US would not dare using atomic weapons. It would be "Cuba in reverse" which would have unmeasurable consequences on the balance of power, in particular through the collapse of US credibility in Europe and elsewhere.

1.2. European reactions

1) In order to understand the European reactions to the invasion of Afghanistan, I think it is important to have in mind the four following points :

i) The exasperation of some European leaders vis à vis the somewhat confused leadership of President Carter (e.g. : B1 and neutron bomb ; more recently, some mismanagement of Western cooperation concerning the Iranian crisis ; the "error" of the US vote at the UN, condemning the Israeli settlements ...)

ii) The Europeans have a tendency to consider the Soviet invasion of Afghanistan as a consequence of inadequate American reactions in the previous phases of Soviet involvment in the Third World. Thus, they feel they don't have to pay too high a price to rectify American mistakes There is also an indirect link with the perceived mismanagement of the energy crisis in America.

iii) The benefits of détente are much more visible for continental Europe than for America and even the UK.

- . in case of a world war, European territory and population would be devastated ;
- . détente means, for the Germans, easier communications between the two Germanies, and for the French, a major condition for its independence.

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- in addition, East-West trade is much more significant and important for Europe than for the United States.

iv) There is a tendency, in Europe, to disagree with the relevance of some of the means the US wants to use to "punish" the Soviet Union.

. Economic embargoes decided by democratic countries are never effective and amount to increasing disturbances and costs. In addition, Europeans do not want to "legitimize" the political use of exports of sensitive products which could some time have a boomerang effect against them.

. There are some doubts about the effects on the Soviet Union of the boycott of the Olympic games. However, many Europeans understand that this move might be more important from the viewpoint of a symbolic contribution to Western solidarity.

2) The major problem, in discussing European reactions to the invasion of Afghanistan, is probably the strategic one, as described above. As I said, the Europeans are aware that the balance of power in the Gulf is currently favorable to the Soviet Union, and therefore they feel that their security might depend on factors that they cannot control, and that they could, under certain circumstances, be caught in a conflict threatening their survival. This is probably the meaning of a recent declaration of Michel Poniatowski in France : "Si la Russie et les Etats-Unis vont jusqu'à commettre la stupidité imbécile de se suicider nucléairement, je ne vois pas pourquoi nous voulons absolument nous associer à ce suicide". The conclusion of Michel Poniatowski is that Europeans should have their own nuclear deterrent, which is of course a very controversial issue.

The perception of an unfavorable balance of power could favor, in Europe, some neutralist tendancies. Certainly, a new major setback of the United States could push some Europeans toward more compromising attitudes vis à vis the Soviet Union.

3) All this explains the apparent paradox that, although the Gulf is strategically more vital for Europeans than for Americans, Europeans (with the exception of the - verbal - reactions of the British) have been reluctant to overreacting to the Soviet invasion.

However, the European seem to have progressively hardened their positions vis à vis the Soviet Union. The German idea of a new "division of labor" among the members of the Atlantic Alliance to contain Russians is gaining momentum. Not the "negative" approach to the division of labor, rightly denounced by Kissinger, that would assign to the US the task of defence, and leave Europe with the monopoly of détente. But a more constructive concept of division of labor is possible. It can signify that the Europeans will do more for their own defence, especially in the conventional field, so as to allow more American presence in the Gulf. On the other hand, because of their historical experience and because they are no longer global powers, the European powers can play an important regional role, to some extent complementary to the American effort. Thus, Germany would continue to play a major role in the efforts to stabilize Turkey, the French in francophone Africa, and the British in Southern Africa. This division of labor cannot, however, be dictated by Washington, and it can only work if there exists some common perception of interests.

II. EUROPE AND THE MIDDLE EAST CONFLICT (*)

2.1. Position of individual countries

We shall discuss the positions of France, FRG and Great Britain. (We can assume that the positions of other European countries are less important for an understanding of Europe's policy in the Middle-East).

1) France

Since 1967, France's policy toward the conflict has been characterized by a remarkable continuity, that is emphasized by French diplomats to rebuke the accusation that their diplomacy is only motivated by the oil crisis. After the independence of Algeria, de Gaulle sought to reestablish French influence in the Arab world, a prerequisite for achieving global influence in the Third World to counterbalance the predominance of the United States and the Soviet Union. This stance implied curtailing the overly close relationship with Israel based on a common anti-Arab position. Of course, oil was even then another motive. But the fundamental ispiration of de Gaulle was certainly political. Thus France became, after 1967, the first European country to establish a special relationship with the Arab World, providing it with military assistance, as part of a diplomatic support to the Arab cause at the United Nations. Defending the principle of Israël's right to exist, France was going as far as possible in the direction of the Arab World. In concrete terms, in the last years, France's attitude has implied two things :

- Being the first European country to emphasize the importance of the Palestinian "national" question, no longer seen as a refugee problem. In 1975, a PLO representation was opened in Paris ; there were successive meetings between PLO leaders, in particular Khadumi, and French officials. During his recent visit in the Middle East, President Giscard d'Estaing spoke of the right of the Palestinian people for "self-determination" - as had the Germans since 1974 without provoking the same reactions ! - and stressed the importance of PLO.

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(*) This section draws heavily on an unpublished paper by Dominique Moïsi.

However, Giscard has not accepted to receive Arafat in Paris without conditions.

- Vis à vis the peace process since 1977 and the Sadat initiative, the French maintain their policy of reservation to a negotiation from which, as in Geneva, they were excluded. They are paying minimal lip servic to the American efforts summarizing their reservation by a formula of a need for a "global solution" and not a separate peace, without however offering precise alternative solutions. France alone among the Nine has been very reserved in its appreciation of the Sadate's first trip to Jerusalem, refusing to recognize fully the emotional and symbolic value of his gesture, an attitude that was criticized even in some circles generally favorable to the Middle-East policy in France. However, Begin's interpretation of the Treaty with respect to Cisjordania can only reinforce France's skepticism, and seems to justify a posteriori its reservations.

The French sometimes give a functional interpretation of their policy in terms of "division of labor" : it is essential for the West to keep contact both with the moderate and extremist Arab regimes. Since the United States is so close to Egypt, France feels it is important to maintain contacts with countries - such as Irak - that refuse the Egypto-Israeli process, which happen to be also major oil producing countries. The Americans' objection - which the French government dismisses - is of course that the French attitude could undermine their efforts and contribute to the failure of the process which started with the Sadat initiative.

Recently, the old French ambition of having a global Mediterranean and Middle East policy has given birth to a new"diplomatic catch word", the Trilogue. It is a project to link the Euro-Arab dialogue which started in the fall of 1973 after the first oil shock, and the Euro-African cooperation, and to consolidate the triangular relation between Europe, Africa and the Middle East. It is too early to evaluate the substance of a project which fits with the general philosophy of regional cooperation to which France is attached.

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2) The Federal Republic of Germany

German policy in the Middle East is still dominated by its exceptional relations to the State of Israël. It is Nazi's Germany whose crimes led, in effect, directly to the creation of the state of Israël by giving final justification to the existence of a Jewish State.

Germany's rationale is, to a large extent, the opposite of France. It is keeping a "low profile" policy and takes great care not to appear to be moving ahead of the other Europeans. It is using the Political Cooperation process as an alibi to move its own position behind the screen of the need of European cohesion. Since 1973, and even more since 1977, Germany's evolution away from its previous stance of total support to Israël, an evolution confirmed by Iraëli irritation and Arab rating , is highly visible. Domestic evolution in the Federal Republic and Israël has favoured this change of line. The SPD is freer than the CDU was to move away from Israël, given the resistant past of some of its prestigious leaders. The victory of a non socialist coalition in Israël in 1977, by cutting the links existing inside the Socialist International between government leaders in the two countries has accelerated that process.

- On the Palestinian problem, the Federal Republic went further than France and England in the recognition of the right of the Palestinians, since they used the word "self-determination" before Giscard. However, in their relations with the PLO, they have been more restrained than France.

- On the peace process, Germany has been more favorable than France to the Sadat initiative and the Camp David Agreement, because of its relations with the United States, but also because of its privileged commercial links with Egypt.

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To summarize, starting from a position that was totally at the opposite pole of France, Germany's evolution on the Middle East conflict has brought it closer to France as Auschwitz faded in the distance and as the oil needs loomed increasingly on the horizon.

3) Great Britain

Great Britain 's diplomacy in the Middle East stands half way between that of France and Germany. The former mandatory power over Palestine, Great Britain is the inheritor of a colonial past which is still evident in the largely pro-Arab Foreign Office and inside the Conservative Party. This colonial past accounts to a great extent for Great Britain's satisfactory relations with most of the States of the region and commercial successes.

The British even more than the Germans, are largely motivated in their policy in the area by their links to the United States, free as they are by a crucial, new factor, their independence from Arab oil.

- On the Palestinian question, they speak of their right to express their national identity, therefore denouncing the incomplete character of resolution 242 which does not take into account the legitimate political rights of the Palestinians and their rights to a homeland. Like the French, they have denounced Israël 's policy of settlement, the decision to allow Israëli citizens to buy land in the occupied territories and also Israël's policy in Lebanon that undermines the authority of the Lebanese government.

Unlike the French and like the Germans, the British have been much more prudent toward the PLO, and for the same dual reasons : the privileged link with the United States and the existence of a terrorist problem on their own territory (the IRA and the Baader-Meinhof group).

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- On the peace process, believing that only the United States could produce a settlement, the British have supported without reservation Sadat's trip to Jerusalem and the Camp David Agreement, though underlying the necessity for global peace.

America's faithful ally, Great Britain, might still be the European country that can best claim the title of mediator in the region, thanks to its good relations with most Arab countries and decent ones with Israël.

2.2. European position

Not in a position to play an instrumental role, Europe has withdrawn into :

- Declaratory policy through Political Cooperation
- Economic orientation through the Euro-Arab dialogue.

1) Political Cooperation

The process of European Political Cooperation , which started ten years ago, took the Middle East as early as 1970 as one of its two priorities (the other being the CSCE).

On the Palestinian issue, there is a steady progression between the November 1973 EEC declaration on the Middle East issued in the wake of the oil crisis that stressed the fact that "in the establishment of a just and lasting peace account must be taken of the legitimate rights of the Palestinians" and the June 1977 declaration stressing the need "for a homeland for the Palestinian people ". This evolution has been prepared and announced by a series of statement, issued by the individual EEC governments since 1974.

Whatever the importance of French initiatives and pressures, it remains to be said that the essential fact in the June 1977 declaratio was the willingness of West Germany, the Netherlands and the United Kingdom to give in to pressure from within and outside the Community,

and to accept wordings that were very far away from their one's previous stances, therefore materializing the evolution that was taking place.

The EEC statements on the Middle East peace process since 1977 are also symbolic of the evolution of the Nine. Just to mention the last statement on the Peace Treaty itself, issued on March 26th 1979, it insisted that only an overall agreement would bring real peace and that "the Israël policy of settlements in the occupied Territories had become an obstacle to peace". The approval given to the Treaty was only muted. The enthusiastic terms originally used to describe Sadate's trip to Jerusalem (great courage... unprecedented ... historic ... were no longer employed. Moreover, for the first time, the Nine clearly single out the Israëli policies of settlement as being the chief impediment to peace.

2) The Euro-Arab dialogue

The Euro-Arab dialogue, which was initiated after the Middle-East War of 1973, was not thus far, very successful for two reasons.

- On the one hand, the members of the Arab League see it as a political framework, whereas the members of the EEC want to leave out the discussion over the Arab-Israëli conflict. In particular, the question of the Palestinian representation took a long time to be solved.

- On the other hand, in the economic field, the Nine show a clear preference for specific projects, whereas the Arabs would prefer a structural framework to organize financial, commercial and technological cooperation. They would also like to obtain a preferential agreement with the EEC.

Thus, the Euro-Arab dialogue has not yet produced very impressive achievements. But it is going on and might have a future.

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3) Europe and the United States

The Middle East has always been a source of contention between Europeans and Americans since the Suez crisis. From 1956 on, through sequential steps, America has replaced Europe as the main Western power in the region. Today, Americans are criticizing Europeans for behaving in an irresponsible way, not understanding that, having eliminated them, they are now bound to declaratory policies. History teaches that it is difficult to be "responsible" without having responsibilities ...

On the other hand, the Europeans observe that the United States alliance with Israël is still unbalanced , and therefore unhealthy for the interest of peace in general, and for the West - especially Europe - in particular. In spite of recent American evolution on the Palestinian question, the Europeans have been increasingly frustrated with American inability to translate into acts the evolution of their thinkings, as shown by American passivity with regard to Israëli settlements policy, a passivity which they rightly attribute to electoral considerations.

III. EUROPE AND THE ECONOMIC CRISIS

A preliminary observation : the coexistence of a political crisis and an economic crisis for a number of people or even analysts, leads to drawing a parallel between the current situation and the situation in the thirties.

1) The economic problem of the seventies was to adjust to a situation characterized by :

- declining relative power of the US, and its unwillingness to constraint US domestic economic policy for the sake of global stability ;

- increasing interdependence (the growth of international trade has been on the average , about twice as fast as the growth of production since the war) ;

- the entry of the Third World into the post-decolonization phase gave some of its members a real amount of power (e.g. OPEC).

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The combination of these factors explains the disruption of the world economic system.

How did Europe contribute to overcoming the difficulties ?
It can certainly not be said that EEC members acted in an unified way. For example, at the time of the "locomotive debate", Germany was relatively isolated (although its position was somewhat comforted by France after Mr. Barre's appointment as Prime Minister of France) ; on the other hand, France, Germany and the UK have very different trading interests. As far as energy is concerned, there is a deep lack of mutual understanding among EEC members, partly for objective reasons (the UK is totally self-sufficient, France and still more Italy, highly depend on the external world and especially OPEC, Germany occupying a medium position), partly for "philosophical" motives (Germany, for instance excludes non-market solutions to the energy problem, and France pleads some form of organization of the energy market within Europe and among Europe and its partners).

However, in spite of many difficulties, Europe or European countries played a constructive role to limit the consequences of the crisis.

- The Western economic summits (since the first Rambouillet meeting, which was an initiative of the French President) certainly contributed to avoiding the temptation of beggar-my-neighbour policies. In particular , the trade pledge proved to be rather successful. The conclusion of the MTN's was satisfactory. The EEC is today the most open zone, even if only because it is more difficult to agree on protectionists measures or to dissimulate them among nine nations than within one nation (steel and textile are only two exceptions that are paralleled in US and Japan while agriculture is protected worldwide under other forms). In a way, Europe exercises a kind of "passive leadership".

- Progressively, a common conception of economic policy emerged, closer to the German conceptions than to the original keynesian locomotive theory. The priority should be given to fighting inflation. To achieve this, some temporary stagnation or even decrease of real income should be accepted ; particular attention should be paid to controlling the supply of money, investment should be stimulated by the improvment of profit margins rather than by budget deficits which should be kept within limits consistent with the objective of a sound monetary policy.

As far as monetary problems are concerned, although the Jamaica agreement can definitely not be considered as having led to the reconstruction of a system, it embodies the idea of closer cooperation among the major central banks, leading to more stable exchange rates. Moreover, the European Monetary System - the result of a German-French initiative , or to be more precise, a Schmidt-Giscard initiative - eased the tensions among EEC. EMS provides so far no more than a"local" stability zone rather than a contribution to "global" stability. It could however provide a basis for joint (ECU/Yen/Dollar) management of the monetary system, but only if ECU becomes more than the present internal unit of account.

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Europe has also played a role in resisting American pressures to eliminate the monetary role of gold which might be the "barbarian relic" once described in Keynes, but which will probably remain worshipped - and there are some good reasons for that - for at least a few more centuries. Indeed, gold could play some more active role in the reconstruction of the international monetary system.

2) It is probably in the field of North-South relations that Europe's contribution toward a new international order is most promising.

Europe (and with much more efficiency, the Soviet Union !) certainly understood much earlier than the United States - and probably Japan - the importance of the Third World in the new international system. Benefiting from the historical experienc of some of its members, in particular through the colonial period, EEC has shaped a bold North-South policy, based on a concept of cooperation which embodies much more than purely mercantile relations. The Lome (I and now II) Conventions are concrete and substantial achievements. Lome has been a channel for innovative ideas (Stabex, and now a new approach to minerals). The ideas of "dialogues" (Euro-Arab ; Euro-Gulf) and "Trilogue", although still more or less vague, stem out from the same philosophy that new forms of cooperation - not excluding security - should be invented, among regional entities . This does not mean giving up the idea of maintaining or rebuilding a multilateral framework for economic cooperation. It means that many problems cannot be solved at such a high level of organization.

To sum up , Europe is , by nature, in favour of a multipolar world, organized around a limited number of poles, in which a collective leadership, based on cooperation, would take the place of what can be called (in game theoretic terms) the imperial leadership of a single state, and would wait for the hypothetical emergence of a world governed by international law.

M. Nishi.

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RESPONSES TO INTERNATIONAL CHANGES: A JAPANESE STYLE

Masashi Nishihara

National Defense Academy

The Fifth Japan-Europe Conference

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RESPONSES TO INTERNATIONAL CHANGES: A JAPANESE STYLE*

Masashi Nishihara

It has been some time since the events in Asia and the Middle East began to force Japan to revise its time-honored "salesman's diplomacy," or what was popularly called "omnidirectional diplomacy." It aimed at promoting friendly relationships, omnidirectionally, with all nations, including the Communist and developing countries, radical or moderate. By deemphasizing political and ideological issues, Japan made every effort in promoting its economic interests overseas. Such diplomacy was feasible when Japan's economy was weak, and when the United States provided a fully protective role which made it possible for Japan to make a separation of politics from economics. It was a classical product of the cold war in which the U.S. took a strong leadership in the non-Communist world.

Such events and phenomena that have compelled Japan to seek a new kind of diplomacy are so often talked about that a simple listing of major familiar ones would be sufficient: the Sino-Soviet conflict, China's entry into the world community, the Sino-American rapprochement, the Soviet-American detente, the Arab boycott of oil, the U.S. defeat in the Vietnamese war, the planned withdrawal of U.S. troops from Korea, the new conflicts in Indochina, the Soviet-Vietnam treaty of friendship and cooperation,

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* The views expressed here are the author's own, and should by no means be interpreted to stand for those of the Defense Agency to which the author belongs.

Soviet arms buildup in Western Pacific, and, most recently, the Iranian revolution and the Soviet invasion of Afghanistan.

The events of 1979 were so remarkable as to give the impression that the international system has suddenly changed. But that would be a mistaken view. Seeds of change have been detectable for some time. So have signs of Japan's diplomatic changes. Changes in Japan's diplomatic style have been slow and often blurred. The revision of the "omnidirectional diplomacy" has not been clear either, as some important segments within the Tokyo government, especially, the MITI (Ministry of International Trade and Industry) still strongly adhere to that diplomatic principle.

Along with the modification of the "omnidirectional diplomacy" have come the emerging signs of a more explicit political role in the international affairs. Here again, though implicit, Japan had in the past played an important political role, in the sense that its trade relations and economic cooperation projects have had significant political effects. But in recent years, Japan has begun to play a more conscious and explicit role over political matters. It reflects a realization on the part of the Foreign Ministry that a more explicit political role is important to pursue economic interests and preserve what it has so far achieved economically. It also represents a growing sense of genuine international responsibility in that Japan should not just be a beneficiary of the international order but also a contributor to the making of a better international order. The following is a brief summary of the scope and limits of such new political roles seen in the last few years, or of Japanese strategies regarding changes in the international system.

Indochina

Japan's political and economic strategies toward Southeast Asia are to help sustain the political stability and economic viability of the non-Communist area, primarily, the five ASEAN nations. It is in Japan's interests to see the non-Communist region free from the Sino-Soviet rivalry and the tensions within Indochina. The Tokyo government has no military ability to force the Soviet Union and the PRC out of the region, but, by using its economic power, it encourages the ASEAN nations to seek closer economic and political ties with Japan and the U.S., so that they feel no particular need to be dependent upon the Communist giants.

The Japanese have become aware of the political impact of their economic power, which they have begun to use more extensively since about 1977. Cited as examples of this diplomatic activity are Prime Minister Fukuda's visit to the region in 1977 with the commitment of economic aid to ASEAN members and ASEAN as an organization, the emergency aid for the economic development of Northeast Thailand in 1979, and the substantial contribution to the Indochinese refugees in 1979 (half of the cost required by the UNHCR for Indochinese refugees and half the expenses for Indonesia's refugees processing center). Japan's active participation in the enlarged conference of ASEAN foreign ministers held in Bali in early July 1979 was another example. Equally significant was Japan's freezing (not cancellation) of aid to Vietnam, showing its disagreement to the latter's conduct in Cambodia. If this were ten years ago, Japan probably would have continued to provide aid to Vietnam, arguing for the separability of politics and economics.

In fact, the Japanese government has shown active concern about the Indochinese problem. In 1977 the prime minister had pledged to work

for a political and economic "coexistence" of Indochina and the ASEAN. The instability of Indochina threatens the security of the ASEAN areas, particularly that of Thailand. Tokyo communicated with Hanoi about its displeasure over the Vietnamese invasion of Cambodia. As was stated in the Japanese delegates' speech at the U.N. in October 1979, the government has been trying to contribute to the regional order by bringing about the withdrawal of Vietnamese troops from Cambodia and thus neutralize Cambodia. Japan retains its lines of communication with Hanoi (for, unlike the EC and Australia, it has not cancelled but only frozen its aid), while recognizing the Pol Pot regime and being able to talk with Beijing as well. It is the only major country in the West that maintains cordial relations with Hanoi and should be able to play a significant political role for Indochina.

The Soviet Arms Buildup in Western Pacific

The Japanese are surprisingly indifferent to the progress of the SALT negotiations, which are perceived to be primarily matters of concern for the Kremlin and the White House, although actually their national security ultimately depends upon the outcome of the strategic arms race. They are instead more sensitive to the regional buildup of Soviet arms and the relative decline of U.S. military power. In January 1979 the Defense Agency made public that the Soviets had been constructing military bases in the disputed islands of Etorufu and Kunashiri off Hokkaido. During the Sino-Vietnamese war the Soviet fleet and aircraft moved down the South China Seas through the Tsushima Strait. In June a Soviet aircraft carrier, Minsk, completed a long journey to Vladivostok. In the meantime, long-distance bombers Backfires and SS-20 were, it was also learned,

deployed in the Soviet Far East.

Japanese responses to these Soviet arms buildups have been conflicting. Conservative mass media and political commentators cried about the Soviet "threat," and the Defense Agency's annual white paper, issued in July 1979, also emphasized Soviets' "capability of projecting military forces and providing emergency military assistance to distant areas." The white paper then continued to state that "the motive behind such Soviet military buildup can be only subject to speculation, but in view of Soviet global strategy, the Soviets appear intent upon using their military power as a means of expanding their political influence." (p. 3) Yet, the middle-of-the-road newspapers and the Foreign Ministry cautioned against public overreaction to the Soviet "threat." In the meantime, big business circles still have registered the attraction of participating in the Siberian development.

This basic lack of consensus about the Soviet threat still persists within the government even after the Afghan incident, which will be discussed later. In late December Prime Minister Ohira stated in public that "the Soviet Union is basically a cautious and defensive nation." In early March this year the Defense Agency again carried the theme that the Soviet military deployment in Northeast Asia may well be targetted at Japan. With such lack of consensus, the Japanese security policy has had no significant changes toward the Soviet Union. Government debates are centered around how Japan can and should respond to the U.S. demand for a greater security burden rather than to the Soviet military presence itself.

Here one can detect the government's cautious attitude toward Moscow. It wishes to avoid provoking Moscow and to maintain cordial relations with it, so that it can retain its fishing interests in the

Okhotsuk Seas and promote investments in Siberia. Because Japan cannot contain Soviet military power, it needs assistance from the U.S. and China. In this sense a friendly and strong China serves as Japan's buffer against the Soviet power. Japan's strategy toward the Soviet power in Northeast Asia thus lies in a delicate balance: to imply to Moscow that Japan has a U.S. card and, maybe in the future, a China card as well, but never to provoke Moscow by showing off such China card.

A China Card?

Post-1972 China has been a friendly power for Japan. It seeks to use a Japan card against the Soviet Union. The 1972 joint communique and the 1978 treaty of peace and friendship were designed, to Beijing's eyes, to widen an international front against Soviet hegemonism. It urges Tokyo's increased defense spending, requests Japan's substantial economic aid to China, and even offers exchanges of military personnel and strategy specialists. China is more friendly to Japan than vice versa.

Japan's strategies would be to see an economically viable and politically stable China, which is at the same time friendly, but to avoid the impression that a Japanese-Chinese alliance or a binational "coprosperity sphere" is coming. In this respect, Article IV of the 1978 Sino-Japanese treaty, which stipulates that the treaty "shall not affect the position of either contracting party regarding its relations with third countries," proves highly helpful in providing a legal basis for Japanese efforts to keep some distance from China's anti-Soviet campaigns. When the Chinese planned for their punitive war against Vietnam, "little hegemonist," in February 1979, and urged Japan to take their side, the latter took a clear position that it would make a different, independent

response to the conflict in Indochina. When the war began, Japan pointedly requested upon Beijing to exercise self-restraint.

To avoid giving the impression of an extensive Japanese-Chinese economic collaboration is also important politically in terms of Japan's relations with the ASEAN nations, who suspect that Japan might divert its investment targets from the ASEAN region to a potentially much greater Chinese market. This concern led Japan to adopt a principle of not giving more aid to China than to the ASEAN region, and even to organize in Tokyo a Japan-ASEAN conference of economic ministries just ten days prior to Ohira's visit to Beijing. Japan further wishes to fend off to the American and West Europeans the image of an extensively close Japanese-Chinese tie. This has led the Ohira government to set up another principle of coordinating aid programs within the West. Thus, despite apparent impressions of rapid deep commitment, Japan approaches China with relative caution and by bearing in mind the proportion to the ASEAN region and the West's general interests in China. This politically sensible behavior, it should be noted, is a recent phase of Japanese diplomacy.

Whether Japan-China relations will develop to be a factor of stability or of instability for Asia's international system remains to be seen. But at least the fact that the two Asian powers can communicate with each other on many subjects is a stability factor. With no major issues with Beijing, which does not oppose unofficial Japanese relations with Taiwan, Japan has widened the scope of its diplomatic activities. The Ohira-Hua meeting of December 1979, discussing the Korean and Indochinese issues, is perhaps no less significant than is a Thatcher-Schmidt-Giscard meeting treating European issues. Japan's regional role is becoming clearly visible.

Pacific Basin Cooperation: A Solution to North-South Problems?

Prime Minister Ohira's proposal for a Pacific basin cooperation concept is another indication of Japan's recent desire to play an active regional role of political consequences. It has not yet been formulated into his foreign policy. So far, his private study group, whose chairman was Saburo Okita until his appointment as foreign minister in November 1979 issued an interim report in that month and is planning to complete a final report by mid-April 1980.

The basic line of reasoning behind this concept lies in the realization that the Asia-Pacific region is becoming economically the most dynamic one with the four notable NICs -- Korea, Taiwan, Singapore, and Hong Kong -- included, and that increasing interdependence among the Pacific basin countries requires better coordination in terms of trade, aid, investment, industrial adjustments, technology transfer, and the like. Some analysts fear that inward-looking or protectionist trends in the EC tend to force the Pacific basin countries to be "counter protectionist" by forming a Pacific economic bloc. The countries around the Pacific rim, being rich with diverse traditions and cultures, can also promote exchanges of academic, educational and cultural activities.

The idea of Pan-Pacific cooperation is not something new. Before the war, a private research institute, the Institute of Pacific Relations (IPR), promoted this kind of regionalism. In post-1945 years the United States at one point had the idea of a Pacific-wide security organization like the NATO. During the 1960's some economists played around the concept of a Pacific Free Trade Area and, more recently, that of an Organization for Pacific Trade, Aid, and Development (OPTAD), a kind of the Pacific version of the OECD. When Ohira formulates his ideas into a policy, he

will definitely avoid security and political connotations for this kind of grouping. And even in economic fields the grouping will begin as an extremely loose association, perhaps even at a non-governmental level similar to the character of the Trilateral Commission, so that it can avoid political difficulties connected with membership.

Here one can see the limits to Japanese diplomacy. Although it has the desire to play a larger regional role, it becomes shy about playing too direct a role. It is oversensitive to some critical Asian reactions to its interests in such regional grouping: the revival of the "Greater East Asia Coprosperity Sphere." Japan has taken an initiative in introducing the idea at a somewhat official level, but it has decided not to take the lead in implementing the idea; Australia instead was asked to proceed on. The latter is to organize the first "government-endorsed non-governmental seminar" at Canberra in September this year.

The Middle East: Iran and Afghanistan

Japan's dependence upon the Middle East oil for some 80 percent of its total oil imports notoriously demonstrates the importance of the region for its economic security. Yet, it was not until September 1978 that a Japanese prime minister ever visited the region. In his trip, Fukuda did take a pro-Arab stand supporting the U.N. Security Council resolutions Nos. 242 and 338 (demand for Israeli troop withdrawal from all the territories occupied by the 1967 war) and the legitimate rights of the Palestines for national self-determination. Fukuda discussed with Saudi Arabian and Iranian leaders about the importance of the Gulf's security.

This pro-Arab stand has continued, and in the Tokyo Summit of June 1979 the Japanese government planned to include in the Tokyo

Declaration the Summit's support of the Middle East's political order based on the U.N. Charter and resolutions. Though this diplomatic initiative ended in failure due to France's opposition, the Tokyo government will probably bring this up again in the forthcoming Venetia Summit in June. Sunao Sonoda, former foreign minister, who was sent to the region as special envoy in February and March after the Iranian and Afghan tensions, upheld the same views. There was even an ill-fated plan for him to meet with Arafat during his second tour of the region. Japan would eventually recognize the PLO officially, which already has a branch office in Tokyo.

For Japan's political role in the Middle East, Sonoda suggested four areas: (1) to contribute to the peace and stability of the region through active dialogues with each nation and through Japan's economic strength and technology; (2) to evaluate the intra-regional relations in balance; (3) to act and speak actively in international forums; and (4) to advise the United States on local views. Yet, how effective Japan's role would be is questionable. It is a relatively new face to the region; it does not know the region well enough to act pertinently. The degrees of economic interdependence between Japan and the Middle East are not equal. The OPEC nations can control the oil prices, while Japan has no effective political weapon against them.

The Iranian revolution is a typical example showing severe limits to Japanese diplomacy. Japan had no political leverage against the decline of oil production by post-Shah Iran, which instead has reprimanded Japan for the delay in the construction of a Mitsui petrochemical complex and demands it to become more independent of Washington's measures of economic sanctions against the Embassy hostages. Without American guarantee of oil supply at the time of Japan's needs, the latter cannot afford to take

risks and commit itself with the U.S. sanctions. Iran's oil supply, some 10 percent of Japan's oil imports, is still too valuable. Hence the purchase by six Japanese companies of 20 million barrels at spot prices, which damaged Japan-U.S. relations for a while in late 1979.

The sudden Soviet invasion of Afghanistan and the abrupt American response to it have forced Japan to take a side and act accordingly. Japanese responses to the Soviet moves in Afghanistan have been so far pretty much in the same line as the Americans have done for their part. They are: (1) to minimize cultural exchange programs; (2) to cancel meetings at government level; (3) to decide against the Moscow Olympics; (4) to postpone Japanese-American joint ventures in Siberian development; (5) to decide on buying one million ton of grain out of the seventeen that the U.S. cancelled to sell to the Russians; (6) to provide greater economic aid to Pakistan, Turkey, and Thailand; (7) to apply more strictly COCOM measures; and (8) to pass Diet resolutins criticizing the Soviet behavior in Afghanistan.

As is seen here, no independent, uniquely thought-out item has been adopted to show Japan's own displeasure over the Soviet behavior. Sonoda visited Afghan refugee camps in Pakistan, as did the Chinese foreign minister and the U.S. presidential special assistant. Unlike his preceding visitors, however, Sonoda told the rebels that Japan would not send arms to them but only "admiration for their courage." Japanese political role in this case has to be an indirect one through economic aid: Sonoda increased Japan's aid to Pakistan to ¥32 billion (some $128 million) for fiscal 1980. The idea of a neutralized Afghanistan is acceptable to Japan but Japan has no particular and effective means to implement it at the moment.

The situation in the Middle East is highly unstable. What would be the impact of the Iranian revolution to other OPEC countries, particularly, Saudi Arabia, or the impact upon Iran's future itself? Would the Communists take over if the Khomeini-Bani Sadr regime should fail to govern the country? What would be the next steps that Moscow would take in the region? Japan has no control over the direction of such political developments.

Japan's Sense of International Responsibility

The events of the last few years, as thus seen, have awakened the Japanese to the need of modifying their "omnidirectional diplomacy" and to a sense of international responsibility. Yet, when Japan wants to act so as to share such responsibility, it finds itself clumsy outside the Asia-Pacific region. It is learning that it is no more than a regional power. In military sense it is even less so. It can hardly project its political power into the Middle East or other Third World areas beyond Asia.

While Japan will make its political role more vigorous in the future, it may be a slow development, for large segments of Japanese society, particularly, the MITI officials, still maintain that Japan is basically "a merchants' nation," and that as such Japan should confine itself to economic diplomacy. This line of argument then would negate the need to pay attention to the political consequences of economic activities. Such view will hopefully diminish, for it would give the false impression to the Japanese themselves that their country can live on without getting involved in international power politics, when actually they are involved. It is self-deceptive to argue along that line. If Japan is a vulnerable,

fragile superpower, so to speak, that should require even greater recognition of power politics in order to survive in the international arena.

Like Western Europe, Japan is in a dilemma, when trying to think through its ultimate security. It does not wish to get involved in a Soviet-American confrontation which may provoke Moscow by siding too loyally with Washington. Yet, in the worst case it seeks protection from the latter, demanding a credible security role of the United States. However, Japan tends to neglect its own credibility to the United States as an ally. If Japan and the U.S. share basic democratic values, it is imperative for the two partners to keep mutually credible their roles as allies.

This is also true of the relations between Japan and Western Europe, which share fundamental political values, although they are not allies in legal sense. A politically stable and economically viable Western Europe, which upholds the principles of human freedom, is in Japan's security interests and vice versa. The two regions, together with the United States, can coordinate their policies toward China, the ASEAN region, East Europe, and, importantly, the Middle East. There have been, for instance, policy coordinations regarding oil imports through the IEA and the Economic Summits, which are an indispensable accomplishments for the common benefits of the West. However, the members of the West have no coordinated policies toward the political order in the Middle East, when all ot them substantially depend upon the oil produced therein.

The reemergence of a bipolar international system is not the same bipolar system that was observed during the classical cold war period. Japan and the West Europe, becoming far stronger economically now than in

the 1950's, are less dependent upon the United States. Many of the Third World countries would like to remain free of the U.S.-Soviet rivalry. Japan and West Europe should work more closely so as to be more helpful to the Third World and divert the military tensions between Moscow and Washington into non-military ones, while also containing Soviet expansionism by non-military as well as military means.

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JAPAN-EUROPEAN RELATIONS WITHIN A TRILATERAL CONTEXT

(A preliminary draft)

by

Hisashi Owada

JAPAN-EUROPEAN RELATIONS WITHIN A TRIALTERAL CONTEXT

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I

When the concept of "trilateralism" was advocated by citizens of the U.S. in early 1970's, it was almost instantly hailed by many Europeans and Japanese as a constructive step in the direction of consolidating the ties among the principal democracies in the three major regions of the world. The advocacy of trilaterlism came at a time when there were indications that societies in the advanced democracies were showing signs of schism and disintegration within themselves (student rioting, extremist violence, racial disintegration, social conflict on political controversies such as Viet Nam, etc., etc.) and the regions were also drifting apart from each other in the ~~fall~~ face of various political and economic difficulties on the international scene.

To many Japanese, especially, the call for trialterism, came at a time when the people had begun to feel a sense of uncertain future, a sense of insecurity both in the domestic and international contexts. On the domestic scene, we had student riots which not simply raveged the university campuses all over Japan, but more importantly appeared to unleash forces which could effectively challenge and even destroy established authority in various sectors of society. The intensified activities of the Red Army extremists, which culminated in the Lod Airport assault, were also very much part of the scene. But the more important politically was the international scene. The Japanese

had been the victim of the two "Nixon shocks"--one of July 15, 1971 on the U.S.-P.R.C. rapprochement over the head of Japan and the other of August 15 of the same year on economic measures which not only dealt a fatal blow to the Bretton Woods system, but also a heavy psycho-political blow dealt intentionally to Japan by the U.S.

In the European context, the relationship between Japan and Western Europe had been non-existent or at best something to be ignored on both sides throughout the postwar period and Europe was almost completely overshadowed and eclipsed by the predominance of the U.S. on the Japanese scene. On the European scene, it was worse than that. Japan was just beginning to pose herself as an unwelcome intruder to disturb and eventually even destroy the tranquil stability and smug comfort of the European microcosmos. This invasion of Euorope by Japan had been greeted by Europeans with highly complex psychological reaction, ranging from pretended indifference to outright hostility. The Japanese, a sensitive and proud people, were in turn keenly conscious of this reaction and resented it.

Against this background, it will not be difficult to see that the advocacy of trilaterlaism came to many Japanese as a gospel for the advent of a new era where Japan would be treated as a first-class citizen of the world, together with the U.S. and Western Europe. More important, it offered an opportunity to Japan for redefining and reestablishing a normal and healthy relationship between Japan and Europe. If trilateralism was going to be something more than a rhetoric, then it could serve as an instrument for improving the bilateral relationship between Japan and Europe, which had been frigid for some time, through the construction of a truly symmetrical triangle, and especially through the intermediary of the U.S. which

could act as the consolidating force in the trilateral regions because of its strong ties both with Japan and with Western Europe respectively in the postwar period.

II

The idea of trilateral cooperation comes so natural to many of us on a conceptual level that very few of us stop to scrutinize what it is all about. Upon closer scrutiny, however, one finds that trilaterlaism as a practical basis for cooperation is a fairly vague concept which can comprise a number of different elements.

First, the trilateral regions share a common security interests in the strategic-military sense, linked as they are in defense alliances with the U.S., although these defense links are a set of bilateral relations rather than the network of one triangle. Is the philosophy of trilateralism then synonymous to the philosophy of alliance against a hypothetical enemy or an adversary camp?

Second, the countries in the trilateral regions share a similar type of political system based on the common basic value system, as reflected in the government of representative democracies. Does this mean that the basis for trilateral cooperation lies in the maintenance and the strengthening of this political system?

Third, the trilateral regions are economically all industrialized countries operating on the free trade market economy, susceptible of suffering some ups and downs brought about by disturbances in world economy due to the effects of endogenous and exogenous factors working on the world economic system. Does that imply that trilateralism is a framework whose orientation is to seek for a prescription for joint or coordinated actions to overcome these difficulties?

Presumably, all these elements are implicit in the movement for trialteralism, except that each of these elements by itself is not necessarily a special characteristic of the countries in the trilateral regions. Thus, if the defense alliance were the criterion, there would be no reason why the Phillipines should be kept outside the circle. If the political system were the guiding principle, India might have a claim for its place. Finally, if the economic structure were the yardstick, then countries like Mexico, Singapore, the ROK would all qualify as members of the group.

Thus it would seem that there is no logical,clear-cut demarcation line which categorically places the countries of the trilateral regions in a class of its own, distinct in nature from all other countries for all purposes. Nevertheless, the important point is that the combination of these elements does make the three regions much more akin to each other and create an extremely wide-ranging and close network of interests common to all these regions. Given such a close network of common interests, the countries in the trilateral regions should come to share a sense of solidarity and commonness of destiny. The critical question is: Do they?

III

It must surely be a truism to say that the U.S., once the builder and the leader of pax americana in the postwar period, has come to lose much of its power. The international system that prevailed under this American aegis in confrontation with the Soviet bloc is long gone, and the new international system which has replaced it, if one can still call it a system, is a much more complex and wholly disorganized system.

On the political front, the schematic bipolar world where the rules of zero-sum game used to be applicable is no longer there. The entry of the Third World into the arena as an active participant seems to have changed the nature of the game. In the narrow strategic military sense, though, the fundamental picture of bipolar confronation based on the military balance on both sides still continues to dominate the scene, but even this situation is being affected in areas such as East Asia, where the line of demarcation between the allies and the adversaries confronting each other in the military strategic sense is not so clear-cut as it is in the NATO scene.

On the economic front, the change which has come about is even more striking. Not only has the emergence of a number of European countries and Japan as new economic powers brought about a relative decline of the U.S. in its predominant position, but also the economic structural problems created within the U.S. economy in the intervening period seem to affect the health of the U.S. as a dominant economic leader of the world. The international economic system has undergone such a transformation in the past decade or two that no one country can be strong enough to control the situation. It is more than that. The problem is not so much with the fact that no one country can keep the situation under control, as with the fact that any one of the major countries can indeed affect the situation in an adverse way, simply by not cooperating and by being irresponsible.

Even on the assumption that no responsible power of the world--at any rate within the trilateral regions--is so intentionally wicked as to sabotage the cooperative process in this regard, it is conceivable that, a country, faced with an increasing amount of constraints imposed upon it both in the international and domestic political processes--as will be referred to later--simply cannot behave precisely the way it is expected to behave in order to safeguard such stability. A central problem then is how we can ensure that this process of adjustment and coordination will be made feasible under such constraints and at the same time effective enough to overcome the difficulties that we commonly face.

IV

One of the unifying elements running through the trilateral countries is the link of security. The U.S. and most European countries are united by the NATO. Japan is also closely tied to the U.S. by an alliance based on the Treaty of Mutual Cooperation and Security.

The point is that all these formal bonds that unite the trilateral regions are military defense alliances. There is nothing strange, of course, about the fact that the defense alliance should be the linch-pin of our relationship. The strategic-military element is the predominant element in the security consideration. Nevertheless, when one considers the fact that the scope of security in the present-day world is not necessarily confined to the military or defense areas, it will be easy to see that the question of how to reconcile this defense interests narrowly concieved with the general security interests broadly conceived can become a serious problem. For a

country like Japan, for instance, which depends 88% on its primary energy supply on imports and 99.8% of its oil on imports, it would indeed be agonizing if it were to be confronted with an either-or situation between the maintenance of friendly relations with Iran and the cooperation with the U.S. I do not suggest for a moment that Japan, even with this intrinsic vulnerability that it has, will regard Iran as being as important as, or more important than, the U.S. in an overall context. What I should like to emphasize is that, given the increasingly widening and multifaceted scope of the concept of security, there will emerge an increasing number of concrete situations where the fundamental and long-term interests of the alliance will come into conflict with a more tangible and therefore real interest in a given concrete situation. Another example of conflict of this type can be seen in the problem that the Federal Republic of Germany faced recently with respect to the Afghan situation. The New York Times of March 6 reported that Chancellor Helmut Schmidt of West Germany, meeting the day before with President Carter to discuss the Western allied response to the Soviet intervention in Afghanistan, declared his country's solidarity with the U.S. while appealing for understanding of the limits of its ability to act. What Chancellor Schmidt was referring to was, of course, not the limited capability of West Germany in the physical sense, but the fine but important nuance in perspectives on security that existed between the U.S. and West Germany. He was quoted as saying: "We are in a different situation from other Western countries because we are a divided

nation; we also have the Berlin situation which is not easy." Behind this appeal for understanding, which seems to have a considerable emotional character, it is not too difficult to detect a major difference between the two leaders in their respective appreciation of the détente in Central Europe which has been vigorously promoted by the Social Democrats of West Germamy under its Ostpolitik and which has been appreciated in the European context much more positively than in the U.S.

The dilemma of today seems to be that whereas the U.S. still continues to be one of the two superpowers in the military sense, looking at the world situation primarily from the global perspective in such military strategic context, it has to rely, for the execution of a concrete policy based on such global perspective,upon the cooperation of its allies who, as regional non-superpowers, may very often have a different perspective and differentiated security interests.

V

This leads us to another problem which is closely linked in this dilemma of different perspectives among countries of the trilateral regions. It is the problem of linkage between the domestic political process and the international process. In a sense, this factor will work as an aggravating element toward making those difficulties which are intrinsic in the alliance relationship even more difficult to resolve.

I have been noticing for some time that there has been a growing tendency in all of the trilateral regions that a political and social millieu is developing in such a direction as to make the balancing of overall interests on the national level more and more difficult to achieve. For obvious reasons, this tendency is particularly noticeable in the field of trade and economy, but the tendency as such is a general one permeating in all of the more important political processes within the three regions.

Let me try to illustrate the point by the most typical example--i.e., the area of trade.

At the root of the philosophy of free trade on the basis of comparative advantage lies the assumption that many, by rational choice or through the operation of the competition principle, will inevitably arrive at the optimum balance of different interests. There is obviously a relationship of trade-offs between the overall interest of each nation in maintaining a viable and efficient national economy and the individual interests, more narrowly defined, of specific sectors within that economy.

The central government in each country faces the difficult task of adjusting these immediate and particular interests in the context of overall balanced interests of the country as a whole. In order for the principle of free trade to operate efficiently and harmoniously, the need to bring about this positive adjustment from the viewpoint of overall balanced national interests, while giving appropriate attention from the viewpoint of political wisdom to the plight or grievances of particular interests affected within the country is vital.

Such a rational approach, unfortunately, is getting more and more difficult to achieve in any of the trilateral regaions. The U.S., especially after the disillusionment of the Vietnam and Watergate, and in the aftermath of the consequent decline of the imperial presidency, would seem to suffer from the inevitable tendency toward less strong central administration. The newly elected Congress of 1976 does seem to represent this mood of the country--a country which in any case has basically an element of huge island mentality that it can survive without being heavily involved in the affairs of the world. And this tendency seems to prompt the Congress to be inclined toward speaking in a disorganized and incoherent fashion, tending to give emphasis upon local, particular interests at the sacrifice of a more general, nationally coordinated, balanced presentation of interests. The controversy between Japan and the U.S. over issues of beef and citrus, for instance, is, it seems to me, one example of this kind.

On the European scene we have a similar problem, although the cause and the background are clearly not altogether the same. Europe, especially at its present adolescent stage of the European community, where the sovereignty of each member-nation and the acquired power and jurisdiction of the community are kept in a most delicate balance, is apparently faced with the difficulty in trying to coordinate at the quasi-supranational level various specific particular interests that each member-country may wish to put forward. The insufficient degree of coordination of these interests could make the negotiating process of adjustment of such interests at the international level much more difficult.

Japan, in this respect, is no exception. This might surprise some of you who may still be affected by the oversimplified mythology of Japan being extremely cohesive, harmonious society, where the decision made by consensus is as solid and monolithic as any, and where national directives issued by the government are carried out with an iron discipline and unified will prevailing throughout the entire organism called Japan, Inc.

It cannot and need not be denied that Japan, in comparison with other societies in the West, is more cohesive and harmonious, consisting as it does of a nation based on one ethnical group, sharing the same tradition and culture, speaking the same language, and living in a closely-knit environment of four small islands, similar in geographical and climatic conditions.

Nevertheless, the impact of the technological age and popular democracy seems to have made irretractable imprint on the political and social pattern of life in Japan. Localized interests of particular groups tend to be brought to surface, and very often at an exaggerated rate, to the national level through elected representatives of the localities to the National Diet.

The two controlling factors which would normally function toward containing such particular interests within their proper proportion in the nationally assessed scale of value system and priorities have traditionally been and still are supposed to be the central government strongly dominated by politically neutral bureacracy and the political leadership on the national party level. However, it is increasingly my personal feeling--though this may well

be contradicted by some people who are participating in this conference--that the erosion of bureaucratic control in this respect is taking place as part of the inevitable process of decline in bureaucratic power, without this being fully replaced by the establishment of a truly powerful and responsible political supremacy in the leadership.

The result is that on a number of issues, various individual departments of government, rather than the bureaucracy as a cohesive unit, tend to assert, or at least to acquiesce in the assertion of, particular interests of their own clienteles or sectorial groups, in disregard of the balance sheet of various interests at the national level. Examples of this can be found in a number of areas. For example, in some sectors of the textile industry a move toward protectionist legislation has been seen in the face of mounting pressures coming from outside, especially from so-called newly industrializing countries. Also other examples can be found in some sectors of agriculture.

I do not intend to go into the details of these questions, but I want to point to these problems as examples to illustrate my point that the rapidly increasing degree of impact of domestic political factors upon the conduct of foreign relations is a serious problem common to all our industrialized democracies of today.

We also know from our own experience that the topic of trade imbalance, especially when raised by one country to another on a bilateral basis not in the form of a general request to take appropriate measure at the disposal of the latter within its discretion, but in the form of a concrete demand to act in a certain way, is bound to create a potentially dangerous situation to cope with, because such a demand will inevitably entail for its realization an encroachment upon established or vested interests of a group within the nation. This will very often arouse a high emotion, and tend to politicize the issue grossly out of proportion to its intrinsic merit. Yet, dealing with it requires a rational policy. The history of Japan-U.S. trade relations and Japan-European community trade relations are full of such examples.

VI

The picture I have presented may strike people as overly gloomy and bleak. This is not my intention. Naturally in trying to identify and depict the problems that lurk threateningly in the trilateral relationship, one inevitably tends to produce a highly imbalanced picture of the situation. A legitimate question to ask at this juncture is not whether trilateralism, with all these problems both apparent and latent that it contains, can become a perfect union; the relevant question that we ask ourselves should be the following: With all these problems, will we be better off or worse off with or without the trilateral framework of cooperation?

My answer to that question is clear. We have been, are and will be better off with the trilateral framework of cooperation. However, there are a number of conditions which are essential for making this undertaking a real success, and not a mere rhetoric. With a proper understanding of the problems ahead of us, and with a political determination to overcome these problems by joint efforts, these conditions will not be hard to meet. If on the other hand, we do not take the challenges seriously and remain devisive in meeting these challenges, trilateralism will not be able to go beyond the realm of rhetoric and will not offer a viable policy framework within which we can successfully meet these challenges.

One such condition is the construction, in the true sense of the world, of one virtually missing side of the triangle--- i.e., Japan-European link. I have already stated that one of the major merits of the trilateral framework of cooperation for Japan has been precisly on this point.

There is naturally no defense link between Japan and Wester Europe. This is not the problem. What is missing is the sense of community between the two societies of the kind that exists between the U.S. and Europe and between the U.S. and Japan.

For many Japanese, Europe has long been their mentor in the process of modernization. Europe has always been a model to look up to; the motto for Japan has been "Catch up with the West" for the last hundred years. With this basic outlook, it is hard for the Japanese to feel accurately the complex psychological state of the present-day Europeans towards Japan. For example, it would be beyond the imagination of the Japanese that many Europeans, to whom Japan was from the beginning no more than a very remote and exotic existence in the Far East, perceive of the contemporary Japan as something which had nothing to do with them until recently, When it emerged before then as a threat to disturb their comfortable life.

Trilateralism as a mere rhetoric obviously cannot offer a remedy to this state of affairs. Something more substantive than a mere rhetoric will be required. It is important first to expand opportunities for mutual exposure to each other, and second to try to develop joint undertakings in areas in which our respective interests tend to converge rather than diverge. So far, even on such highly political and security related issue as the energy problem, the political leadership in each region has tended not to he seriously interested in taking common, joint or even coordinated actions.

Some of the behaviours of West European Government during the multilateral trade negotiations (MTN Tokyo round) unfortunately did not inspire the spirit of trust among the Japanese in our Japan-European relationship. The way the so-called Guadaloupe summit was

organized to the exclusion of Japan, despite the clumsy and belated explanations, did not help promote the atmosphere of better understanding of the importance of the relationship. Worse still, when the Guadeloupe summit reached the conclusion that there was indeed an urgent need for the Turkish aid, Japan was then approached for the purpose of securing its cooperation in financial contribution to implement this decision, for which Japan had not participated in the policy formulation process. It would be difficult to think of a worse way of handling an issue of common concern to the trilateral countries in relation to Japan. The atmosphere went so awry that the intrinsic merit of the plan itself was almost lost in the process.

VII

The second condition which has to be satisfied is the need for genuine consultations. The lack of sufficient consultations among the allies, or at least the alleged lack of it as voiced by the Europeans and the Japanese is a malaise which permeates the trilateral relationship. In fact, there is nothing new to it. The perennial dilemma of this trilateral relationship of course is that the basic character of the triangle is assymetrical, that more often than not, it is the U.S which tends to taken the initiative and that an initiator of any initiative will always be criticized for being high-handed and for not giving enough time for consultation before it resorts to a unilateral action. Granting the logic of this dilemma, and granting the partial validity of the argument that there is only one alternative to unilateralism based on insufficient consultation, namely the inaction and immobility as a result of

endless consultations, I still think that for the trilateral framework of cooperation to work, it is essential that there should be full and genuine consultations and efforts for coordination, even at the risk of acquiescing in the resulting immobility. Professor Michael Nacht of Harvard University makes an amusing observation that one of the fallacies that complicate the U.S.-Japan relations is Japan's fallacy on the one hand that "it is style and not substance that counts," combined with the corresponding American fallacy on the other that "it is substance and not style that counts." Whatever the validity of this observation may be, it would be wrong to classify this question of consultation as simply one of style or of procedure. I suggest that the process of consultation is very much a part and parcel of the substance of the problem, and even a half way to its resolution.

The episode of "the first Nixon shock" of July 15, 1971 offers an interesting example in this respect. To think that consultations with Japan could be expended on an issue of this character and background is to confess to the inability to understand the basic nature and value of the alliance, whatever pretext one may present for justifying the course of action. But to sympathize with Japan for having been taken by surprise without sufficient prior warning and "consultations" is no more than a superficial appreciation of a tiny part of the problem. What was involved was not a question of style or of the proper procedure to go through before taking an essentially unilateral action; it was nothing else than the need for very intensive, agonizing process of sharing the appraisal for

a new policy to emerge on an issue which had been so vital to the alliance and of coordinating the respective roles to be assumed by the U.S. and Japan in this new situation.

One dilemma that one has to be prepared for in this connection is that, again as the China episode illustrates, this process of consultation does involve the question of how to solve the problem of linkage between the domestic political process and the international political process. This in turn relates to the question of how to overcome the difference in political culture among the trilateral regions. The economic summit which has been going on since 1974 is in a sense an effort for such intense consultations--an effort in the right direction. Nevertheless, the experience of the last summit in Tokyo would seem to illustrate this problem of how to overcome the difference in political culture in the process of consultation and to avoid the danger that exists even at that level of statesmanship, namely the temptation to play the tactical game of "odd man/men out" to the detriment of a longer-term interest of the partnership.

VIII

A third point that I wish to touch upon is the question of orientation of trilateralism. With respect to all of the three characteristics which distinguish the trilateral regions from other parts of the world, it is possible to conceive of a framework of cooperation geared exclusively towards the protection of such interests of theirs which are special to the regions. There could even be a real temptation to turn this cooperative framework of

trilateralism into one of such character. However, I believe that for trilateralism to be a positive and constructive force in the world, and not merely a rhetoric, another basic condition is that the orientation of trilateralism should not be confined to the protection of exclusive interests of the group, but should be directed towards the promotion of inclusive interests of a wider world.

This may be particularly important for a country like Japan, which both historically and geographically has had to live on the periphery of the "ins" and the "outs". But the problem is a more general one. In the world of today, new nations may weigh little in the physical balance of power, but the forces which have been unleashed and which are yet to be unleashed politically and economically as a result of the emergence of so many new states are such that they may well affect the balance of the world in the future. In this situation, the attitude of the countries in the trilateral regions in this issue could be extremely important.

It seems to me that the exact place and the role of regionalism in the trilateral framework has yet to be clarified and defined. The United States, for instance, in its attitude towards countries in the so-called Third World, still seems to continue to think in terms of the impact that the attitude of these countries may have upon the global balance in a direct geopolitical sense. A critical comment one often hears in the U.S. is that the U.S. always bets on a wrong horse while the Soviet Union does better in all these countries. On a more sophisticated level, it has been suggested (though not by

an American) that "geopolitical suceess and failure depend on regional success and failure, which in turn depend upon how the superpowers relate to locally prevailing political winds."

A simple truth is, it seems to me, that it is always far easier to be effective in destruction than to be effective in construction. To the extent that regional political, economic and social stability is being shaken by events, and to the extent that there are dissatisfied and dissident elements in society in question, there is always room to that extent for destructive forces like the Soviet Union to work effectively in its destruction efforts. This does not mean, of course, that the Soviet Union, after destroying the existing system of Government, can be equally effective in establishing a new regime which it can count on and maintaining it in their favor in the geopolitical balance. What will count in the long run in the geopolitical setting of many parts of the Third World is the political, economic and social stability and the general welfare of the greatest majority of the people within society. To try to force a political change upon a regional community simply for the reason that locally prevailing winds are going in a different direction is as politically unwise and morally wrong as attempting to impose the continuation of awexisting regime upon the populace which overwhelmingly aspire for its rejection and have the power to achieve it in the absence of outside intervention. The danger of the so-called "human rights diplomacy" seems to lie precisely there. It can become just as interventionist policy as the policy of "crusade against communism" of John Foster Dulles days, and can bring about the kind of political

instability which is precisely what one should avoid from a geopolitical viewpoint.

Instead of being paranoiac about the geopolitical advantages and disadvantages of a temporary nature, the countries in the trilateral regions can and should work for the preparation of a better environment, political, economic and social, in which the area in question can prosper and develop constructive relations with countries in the trilateral regions. In the long run, this will prove to pay off better even from the viewpoint of geopolitical consideration.

The concrete way of achieving this through the trilateral cooperation and coordination is not easy to specify. What is essential seems to be that we agree on our basic orientation (i.e., inclusive vs. exclusive), work out basic points of principle (e.g., attitude towards the NIC's, some concrete aspects of North-South problem etc.), and then to explore, in full coordination but acting jontly or separately as appropriate, concrete possibilities in those directions.

If we succeed in embarking upon this kind of cooperative undertaking, the distance between Japan and Europe may in turn be narrowed more easily.