

Reading 1: 明るい生活: THE BRIGHT NEW WORLD OF *Made in Japan*

“These Tokyo nights can be chilly...
throw some more dollars on the fire”
©San Francisco Chronicle 1978

IN THE 1960s, MANY EUROPEANS AND AMERICANS WATCHED Japan regroup, rebuild and climb out of the ashes, and they began to worry about their growing trade imbalance, and to ask whether Western trade policies weren't a bit *too* helpful to Japanese exporters. **BY THE 1970s,** Americans were choosing Japanese made radios and TV sets because they believed they were better than US made goods.

Those who chose American goods often found that they originated in Japan. In fact, when US President Gerald Ford visited Japan in 1974, he presented his hosts with some cassette recorders only to find that underneath their American trade mark they were 'Made in Japan' (Johnson 1988: 130).

JAPANESE AUTOMOBILE EXPORTS By 1970 Japan was exporting \$19 billion worth of goods worldwide, \$6 billion of it to the USA. Honda and Yamaha only began exports to the US in 1960. By 1966, Honda, Yamaha and Suzuki between them notched up 85% of all US sales. In the resulting trade deficit, the most sensitive area of friction was in car imports. Japan began making passenger cars in the late 1950s (the main production during the Occupation was in military jeeps). In 1964, Toyota shipped 50 Coronas to the US. In 1974 (the year of the oil shock) Toyota sold 238,135 cars in the US. In 1984, Toyota sold 482,790 cars: about double. In 1984 Japanese car exports to the US totalled 1.85 million (and there was a 'voluntary' quota keeping this figure low, which the US automobile industry lobbied for in 1981).

WAS IT FAIR? In 1985 US President Reagan said he would allow the 'voluntary' quota to lapse, and Japan immediately announced a 25% increase in automobile exports to the US. That meant an extra 450,000 cars. Was this 450,000 cars too many? Most of the arguments were in Japan's favour:

1. The dollar was strong, so Japanese cars were cheap to import
2. Japanese car factories were more modern than US car factories
3. Japanese wages were lower than American wages
4. Japanese and US standard of living were roughly the same
5. The US was the traditional champion of free trade
6. Until the mid-1960s, Japan bought more US products than it sold

READING 2: THE JAPAN LOBBY AND THE STATUS QUO

THE AMERICAN SCHOLAR Robert Angel defines the Japan Lobby as follows: “Japan’s governmental and private sector efforts to influence policy processes and outcomes through non-diplomatic, informal, unofficial means.” He summarises the purpose of the Japan Lobby as: ‘to counter American complaints against targeted waves of foreign exchange-earning Japanese exports, and later to blunt Washington’s demands that Japan open its economy more quickly to American exports and investment’ (Angel 2001: 78).

IN THE 1950s, the umbrella organization for the Japan Lobby was The American Council on Japan (ACJ). The Japan Lobby was initially run by a former *Newsweek* journalist, Harry Kern. As *Newsweek*’s foreign editor from 1945-1954, Kern was an important *gatekeeper* on news of Japan. Communicating with Japanese leaders through the *Newsweek* bureau in Tokyo, Kern lobbied in New York and through the ACJ in Washington against SCAP economic reforms in Japan. Kern used American lawyers and journalists to promote his agenda in Washington, paying them handsomely for services rendered.

IN 1957 AND 1958, Japan set up two new lobbying organizations: the United States-Japan Trade Council (USJTC) and the Japan External Trade Organization (JETRO). The USJTC was 90% funded by Japan’s Ministry of Foreign Affairs (*Gaimushō*). Most of the staff were Americans, with no special knowledge of Japan or the Japanese language.

FROM THE 1950s TO THE 1980s, Japan’s best argument for access to US markets was always that it helped Japan and the US beat communism. Robert Angel again:

“**SEVERAL FEATURES** of Harry Kern’s ACJ operation are characteristic of subsequent Japanese lobbying operations in the United States. Most significant is opposition to international communism and commitment to elite capitalism as ideals shared by Japan’s lobby managers and American participants in their operations. For decades after the end of World War Two, anti-Communist diplo-military considerations trumped economic issues in Washington. Japan could rely upon the support of American foreign policy heavyweights in their pursuit of economic objectives if their appeals were phrased in anti-Communist diplo-military terms” (Angel 2001: 80).

HARRY KERN STRESSED the strong anti-communist policies of Japan’s post-war leadership, just when the US was preoccupied with the Soviet threat and the onset of the Cold War. The US needed Japan as its anti-communist ally in East Asia and gave Japan every help in rebuilding its shattered economy. This policy stood at the centre of the Cold War Free Trade mentality where the American Way was associated with free markets and economic liberalism. This was the status quo that the Japan Lobby nurtured for decades. But free trade was only for America. In Japan, imports were kept to a minimum, even those from the United States. As Angel says, ‘the challenge for Tokyo’s foreign policy managers was to ensure that Washington would maintain its unconditional free trade policy stance with a minimum of compromise from Tokyo on its aggressive export and import policies’ (Angel 2001: 83)

IN THE 1970s, the USJTC changed its name to the Japan Economic Council and came up with the ingenious “Japan Bashing” campaign. We will discuss this campaign later.

QUESTIONNAIRE	CLASS NAME	WEEK NO.
NAME	STUDENT NO.	DATE
1. WHAT WAS THIS CLASS/FILM ABOUT?		
2. WHAT ARE THE MAIN QUESTIONS IT RAISES?		
3. WHAT IS IMPORTANT ABOUT THIS SUBJECT?		
4. ANY OTHER COMMENTS?		