

# Bushmen offer Japan a cut of the 'new world order'—or else

by Kathy Wolfe

Some 200 Japanese businessmen and 50 U.S. corporate representatives gathered in suburban Washington Nov. 3-5 for a conference on mutual investment in the small and medium-sized businesses of both nations. The sponsoring U.S.-Japan Business Committee was organized by Japan's Mainichi News, Japan's trade bureau JETRO, C. Itoh Trading Co., Mitsui Bank, and the American Stock Exchange.

Key trade negotiator Hiroshi Hirabayashi, Minister for Economic Affairs at the Japanese Embassy, brought some fresh air in on Nov. 4 with the blunt comment that the "I Hate America" movement in Japan will only grow, fueled by press sensationalism, if Washington continues to "simply pressure Japan" for more and more trade concessions. More pressure, he said, "will create a disaster." He also pointed out that, rather than Japan and the U.S. fighting for a share of the two nations' shrinking internal economic pies, they should pay attention to the needs of the rest of the world for both nations' productive capacities. The two nations should concentrate on cooperation in the development of new markets in third countries such as the former Soviet Union, he said.

In general, however, the urgent need of the rest of the world for all the goods that Japan and the U.S. could possibly produce was lost. No Japanese present was willing to break with the control over world markets by the International Monetary Fund, which has forced most of the world into cuts in imports over the last 10 years—a major cause for the failure to expand trade and production.

"The problem with the LDCs [lesser developed countries] is that they are not really a market, unless they raise their living standards," JETRO's Sumihito Hira pointed out in an interview, "but, that is not possible in much of the LDCs because of the international debt crisis." "We have to follow the lead of Citibank and the other major U.S. banks in Latin America and most of the LDCs," said Masataka Nakamura, New York manager of Mitsui Trust, one of the world's largest banks. "That means we won't be doing much in the LDCs, except in Asia, where we are doing well" (see interviews).

## Flea markets

The U.S. speakers, including Deputy Commerce Secretary Rockwell Schnabel, Sheldon Snook of the Commerce Department's Small Business Administration, and Christopher Finn, vice president of the American Stock Exchange, were there to hustle support for the beleaguered Bush Repub-

licans in the depression, and to hustle Japanese cash for U.S. companies, plain and simple. Japanese executives in the halls were heard to repeat the Tokyo joke about the American touch-tone phone, called a "push phone" in Japanese: "Question: What's a Bush phone? Answer: You pick it up, and it asks you for money."

Finn openly threatened the guests over lunch that the Japanese had better cooperate with whatever the Bush administration says in the next year, no matter what they think, and make Bush look good. If not, Japan risks a Republican loss in the 1992 elections, and a protectionist Democratic regime which will redouble Japan-bashing.

Rockwell Schnabel, deputy secretary of commerce, made what appears to be Bush's latest "friendly" offer to Japan: partnership in running the new world order. "Japan and the U.S. have a vested interest in each other's prosperity. Neither of us can be protectionist toward the other without undermining our own vital interests, so free trade benefits both of us. The next Uruguay Round of GATT [General Agreement on Tariffs and Trade] is very important, to get free trade in agriculture and services, a third of the world markets."

If Japan will open its rice and financial markets to U.S. deregulation, he offered, "then the U.S. and Japan, the two richest nations on earth, can join together" in buying up the rest of the world. "We are going through recession, it may even be said, a world recession. However, peace is breaking out in the Mideast and all over the world, and the future is bright." Now that the Soviets are no longer a threat, he said, "the Bush administration seeks to open the entire world to free trade, to open world markets for investments, to bring the LDCs into the world trading system."

This writer, who has not been in Japan since 1974, was shocked at the remaining high cultural barriers between Japan and America. Talks proceeded at a snail's pace due to need for translation by a bevy of Japanese female secretaries. In the last 15 years, apparently, Japanese corporate executives have not learned much English, and Americans have not demonstrated any Japanese literacy. The Japanese kept largely to themselves, and were flown directly from Tokyo, into and out of Washington-Dulles airport, with hardly a look at the area outside the conference center. Until these two nations learn each others' languages, and realize that the world needs their industrial output and not their financial control, they'll get nowhere in bilateral relations.