

Notes

1. As used here, “Asia” includes South Asia, Southeast Asia, China and Northeast Asia. “Asia-Pacific” refers to these areas plus Australasia and the Pacific Islands (also shown as “Oceania” in some data presentations). The term “Asia-Pacific region” as used here is distinct from the term “Pacific Rim”. The latter refers to the whole Pacific basin, including the littoral states of the Western hemisphere, but not necessarily all of Asia, i.e. the “Pacific Rim” does not customarily include South Asia (the Indian subcontinent).
2. For an example of this line of analysis, see Mike Mansfield, “The U.S. and Japan: Sharing Our Destinies”, *Foreign Affairs*, Spring 1989, pp. 3–15. Likewise, a planning document for FY 1988–92 adopted by the Japanese Cabinet in May 1988 emphasizes both the growth of Japan’s economic power and its continued need for “conditions of international peace and a sound relational climate with sustained and stable growth in the world economy”, in “Economic Management Within a Global Context” (Government of Japan, Economic Planning Agency), p. 1.
3. Poll data cited in “America and Japan: How We See Each Other. A Report Prepared for the Commission on U.S.-Japan Relations for the Twenty-First Century”. Summary Overview reproduced in *Bulletin of the Japan-America Society of Washington* (Summer 1990); 2.
4. Steven R. Weisman, “Japanese Coin a Word for Feeling About U.S.”, *New York Times*, 16 October 1991, p. A14.
5. *Asahi Shimbun*, 29 May 1990. Also cited in Reuters report in the *Straits Times*, 31 May 1990, p. 4.

6. Weisman, *op. cit.*, *New York Times*, 16 October 1991, p. A14.
7. See for example, *The Economist*, 15 July 1989; *Far Eastern Economic Review (FEER)*, 29 September 1988, pp. 24–30; and the *Christian Science Monitor*, 6 November 1989, pp. 10–11; 13 November, pp. 10–11; 14 November, pp. 3–4; and 27 November, pp. 10–11.
8. Don Oberdorfer, “Looking East: Is America Losing its Clout in Asia?”, *Washington Post*, 30 June 1991, p. C3.
9. Jeffrey E. Garten, “Asia and the New Economic Order”, *FEER*, 11 April 1991, p. 54.
10. Asian Development Bank (ADB), *Asian Development Outlook, 1991* (Manila: ADB, 1990), p. 43. The data covers Japan and 17 Member Developing Countries of the Asian Development Bank, spanning South, Southeast and East Asia, as well as six Pacific Island countries.
11. Maria Luz Y. Baguiro, “ASEAN Aims to Boost Intra-Group Trade”, *Nikkei Weekly* (Tokyo), 12 October 1991, p. 20.
12. See Takashi Inoguchi, “The Political Economy of Pacific Dynamism”, in “Japan’s Growing External Assets: A Medium for Regional Growth?” (Proceedings and Papers of ASEAN-China-Hong Kong Forum 1988, Centre for Asian Pacific Studies, Hong Kong, 1989), p. 67.
13. Prepared Statement of Edward J. Lincoln, Senior Fellow, The Brookings Institution, in U.S. House of Representatives, Committee on Ways and Means, *East Asia: Challenges for U.S. Economic and Security Interests in the 1990’s* (Washington: U.S. Government Printing Office, 26 September 1988), p. 35.
14. At a meeting at the Plaza Hotel in New York in September 1985, the five leading industrial powers agreed on a realignment of the value of the yen against the U.S. dollar.
15. Kenneth S. Courtis, “Pacific Trade Imbalance to Expand Again”, *Japan Times* (Weekly International Edition), 20–26 May 1991, p. 11.
16. Enlarging host country and *third country* [emphasis added] market shares was also mentioned in 66.2 per cent of the responses, another indication that such investment aimed at making Japanese firms more competitive (multiple motivations allowed). By way of contrast, the goal of reducing labour costs was cited in only 5.9 per cent of the responses for businesses investing in North America, while gaining market shares was cited by 76.5 per cent and acquiring technology by 32.4 per cent. These responses indicate that avoiding protectionism and enhancing qualitative competitiveness were the primary motivations for investment in the United States. Japan Development Bank, “Deepened International Linkages Among

- Pacific Rim Countries: Trade, Foreign Direct Investment and Technology Transfer”, no. 138 (February 1990): Table III-20, p. 105. Report is in Japanese.
17. Based on data in a Japanese Government “White Paper on Small and Medium-Sized Enterprises” and reproduced in a paper by Yoshihiko Miyauchi at a conference on The Future of Asia/Pacific Economic Relations in Hong Kong, 5–7 November 1989 (sponsored by the U.S. Asia Society and other international sponsors). The 1988 data is from a draft 1990 JETRO white paper on world foreign direct investment, obtained from their Tokyo office in March 1990 (p. 15 of the draft).
 18. Paul A. Summerville, “Japan’s Trade Surplus Again Shooting Up as Imports Wane, Exports to Asia Surge”, *Japan Economic Journal*, 4 May 1991, p. 8.
 19. Japan, Ministry of Foreign Affairs, *Japan’s Official Development Assistance: 1990 Annual Report* (Tokyo: 1991).
 20. Ministry of Foreign Affairs, Japan Brief 141, 6 October 1991, “Japan’s ODA 1991 (White Paper on ODA): New Challenges and Tasks for Japan’s ODA”. [English summary of overview distributed by the Japanese Embassy in Washington.]
 21. Robert M. Orr, Jr., “The Rising Sum: What Makes Japan Give?”, *International Economy*, September–October 1989, p. 83. This assertion is difficult to validate strictly in terms of bilateral ODA flows, but it may be close to the mark taking into account Japan’s contributions to multi-lateral lending agencies. In the case of Indonesia, for instance, Japan’s bilateral loans and grants, along with Export-Import Bank credits, totalled about US\$2 billion for FY 1988–89, or the equivalent of about 38 per cent of Indonesia’s *development* budget expenditures for that year of about US\$5.3 billion and all of its US\$1.9 billion balance of payments deficit. Taking into account Japan’s contributions to the Asian Development Bank, the World Bank and the IMF, Japan’s contribution to financing Indonesia’s total budget of about US\$17.2 billion might approach 15 per cent. OECD, *Geographical Distribution of Financial Flows to Developing Countries*, 1985/1988 (Paris: 1990), pp. 152–53; and U.S. Department of Commerce, *Foreign Economic Trends and Their Implications for the United States; Indonesia*, May 1990, p. 2. (source for budget expenditure data.)
 22. World Bank data cited in *FEER*, 29 September 1988, p. 25.
 23. Al Nakajima, “Japan Cautiously Backs ASEAN Forum”, *Nikkei Weekly*, 19 October 1991, p. 3.

24. Comparative investment levels should be regarded with caution, due to different methods of comparison and fiscal (Japanese) versus calendar year (U.S.) measurements. See Appendix A.
25. Data from the U.S. Institute for International Education (IIE), District of Columbia and New York, as published in the *Chronicle of Higher Education*, 28 November 1990, p. 11.
26. Japan Development Bank, "Deepened International Linkages Among Pacific Countries", *op. cit.*, Tables IV-5, p. 134, and IV-10, p. 151.
27. Merrill Lynch Asian Economic Commentary quoted by the *Straits Times*, 12 October 1989, p. 40.
28. *FEER*, 28 March 1991, p. 50. These figures underscore once again the limitations of available investment data, since Japanese Ministry of Finance data shows US\$673 million invested in Malaysia in the year ending 31 March 1990 on an approvals and notification basis. Presumably the higher numbers refer to asset value, rather than equity, but the data inconsistencies are troubling.
29. *FEER*, 28 March 1991, p. 50.
30. *FEER*, 27 September 1990, p. 58, and 28 March 1991, p. 50.
31. Based on a press report on a book by Gordon Redding, of Hong Kong University. *Business Times* (Singapore), 24–25 March 1990.
32. Kunio Yoshihara, *The Rise of Ersatz Capitalism in South-East Asia* (Singapore: Oxford University Press, 1988), pp. 3–4.
33. Interview with Nagatoshi Suzuki, Institute of Developing Economies (Tokyo), 22 March 1990.
34. *International Herald Tribune*, 3 May 1990, pp. 13, 19.
35. For an explicit description of Japan's apparent ambitions to "co-ordinate" production in Asia, see Bernard Wysocki, Jr., "Guiding Hand: In Asia, the Japanese Hope to 'Coordinate' What Nations Produce", *Wall Street Journal*, 20 August 1990, pp. A1, A2.
36. Dr Okita has credited the "flying geese" concept to Professor Kaname Akamatsu, who first formulated it in the 1930s. Saburo Okita, "Asian-Pacific Prospects and Problems: For the Further Development of the Asian-Pacific Cooperative Framework", paper prepared for In Search of a New Order in Asia, an International Symposium sponsored by the Institute of East Asian Studies at the University of California at Berkeley, and Dong A Ilbo, Seoul, 1–3 February 1990, p. 1.
37. Okita, "Asian-Pacific Prospects and Problems", *op. cit.*, p. 2.
38. Masaharu Hanazaki, "Industrial and Trade Structures and the International Competitiveness of Asia's Newly Industrializing Economies — a Search

- for Development in Harmony with the Industrialized Countries”, Japan Development Bank Research Report No. 15, August 1989, pp. 1–2, 107.
39. The same caveats apply as in earlier discussions of investment comparisons. See Appendix A.
 40. Al Nakajima, “Japan Under Pressure Over Asian Trade Surpluses”, *Nikkei Weekly*, 17 August 1991, pp. 1, 13.
 41. Robert Delfs, “Japan in Asia; Part 8: China”, *FEER*, 25 April 1991, p. 52.
 42. Jon Choy, “The Changing Pattern of Japanese Trade: Northeast Asia”, *Japan Economic Institute (JEI) Report*, no. 31A, 14 August 1987, p. 7.
 43. How much it is ahead of the United States is impossible to judge. According to an unclassified report by the American Consulate in Hong Kong, entitled “Foreign Investments in China: A Comparison of Hong Kong, Japanese and U.S. Strategies” (December 1989), the Chinese Government had approved US\$2.6 billion in U.S. investment. The U.S. Commerce Department values U.S. equity at a radically lower, and declining, figure of US\$289 million. A recent article on the efforts of Occidental Petroleum to dispose of its investment in a coal mine in China indicated that the value of Occidental’s investments alone amounted to some US\$250 million, but these probably reflect asset value, not equity (*New York Times*, 25 April 1991, pp. D1, 7). See Appendix A.
 44. Japan Economic Institute (Washington, D.C.), *JEI Report*, no. 14B, 12 April 1991, pp. 4–5.
 45. *FEER*, 22 August 1991, p. 10.
 46. *Japan Economic Journal*, 23 March 1991, p. 14, and Japan Economic Institute, *JEI Report*, no. 14B, 12 April 1991, pp. 5–6.
 47. *Straits Times*, 1 May 1990, p. 1.
 48. This view was expressed in an Indian business journal article on Prime Minister Gandhi’s April 1988 visit to Tokyo which noted “. . . if aid (with or without strings attached) is any consideration, the Japanese monolith is waiting on an aid-fattened India before deciding to bite”. *Business India*, 15 May 1988, p. 57.
 49. *Business India*, 15 May 1989, p. 58.
 50. Japan, Ministry of Foreign Affairs, *Japan’s Official Development Assistance: 1990 Annual Report*, op. cit.; U.S. Agency for International Development, “Congressional Presentation Volume for FY 1992”, Main Volume, p. 220.
 51. For a discussion of Japan’s aid programmes in the South Pacific, see Alan Rix, “Japan’s Foreign Aid Policy: A Capacity for Leadership?”, *Pacific Affairs*, Winter 1989–90, pp. 461–75.

52. Japan, Ministry of Finance; U.S. Department of Commerce, *Survey of Current Business*, August 1989, Table 44, p. 95.
53. Robert M. Orr, Jr., "The Rising Sun: What Makes Japan Give?", *International Economy*, September–October 1989, p. 82.
54. *FEER*, 27 September 1990, p. 57.
55. U.S. Department of State, *Philippines: 1989–90 MAI Projects/Programs*, 1 May 1990; *FEER*, 7 March 1991, p. 53. The U.S. share excludes bases-related assistance.
56. Survey, "The Yen Block", *The Economist*, 15 July 1989, p. 12.
57. *The Economist*, 15 July 1989, p. 13; and Terutomo Ozawa, *Recycling Japan's Surpluses for Developing Countries* (Paris: OECD Development Centre, 1989), pp. 101–07.
58. "The Money Dumpers", *FEER*, 5 April 1990, pp. 46–47.
59. An April 1990 article in the *FEER* stated that a pending report by Japan's Overseas Economic Cooperation Fund (OECF) warned the Malaysian Government, which had received more than US\$2.9 billion in loans and grants from Japan's OECF through 1988, that power interruptions and other indicators of infrastructure bottlenecks were jeopardizing Malaysia's prospects for new Japanese investment. *FEER*, 5 April 1990, pp. 46–47.
60. Robert M. Orr, Jr., "The Rising Sun: Japan's Foreign Aid to ASEAN, the Pacific Basin and the Republic of Korea", *Journal of International Affairs*, Summer/Fall 1987, pp. 39–62.
61. Robert M. Orr, Jr., "From the Land of the Rising Sun: The Private Sector and Japanese Official Development Assistance", *Hotel Okura News* (Tokyo) 14, no. 2 (February 1990): 1, 3; and Orr, "Collaboration or Conflict? Foreign Aid and U.S.-Japan Relations", *Pacific Affairs*, Winter 1989–90, pp. 476–89.
62. For instance, the U.S. Export-Import Bank provided US\$60 million in soft loans to aid AT&T in winning a matching award to supply another 350,000-line digital switching system. *FEER*, 22 November 1990, p. 60.
63. Steve Coll, "Japan's Hands-On Foreign Aid", *Washington Post*, 13 January 1991, pp. H1, H3; *FEER*, 22 November 1990, p. 60.
64. *Washington Post*, *ibid.*
65. See Chapter II, "Issues Surrounding Japanese Aid and Characteristics of Japan's Aid", in Ministry of Foreign Affairs, *Japan's Official Development Assistance: 1990 Annual Report*, *op. cit.*, pp. 18–24.
66. Embassy of Japan, Washington, D.C., "Japan's ODA 1991 (White Paper on ODA): New Challenges and Tasks for Japan's ODA", *op. cit.*, p. 4.

67. Ministry of Foreign Affairs, *Japan's ODA: 1990 Annual Report*, op. cit., p. 21.
68. U.S. Department of Commerce, *Survey of Current Business*, August 1991, Table 17.
69. Kenneth S. Courtis, "Japanese Direct Foreign Investment to Expand: No 1990s Slowdown in Sight", *Japan Times* (Weekly International Edition), 2-8 September 1991, p. 6.
70. *FEER*, 3 May 1990, p. 49.
71. *FEER*, 27 June 1991, pp. 16-17.
72. Doug Tsuruoka, "Look East and Up; Malaysia Embraces Japan as its Economic Model", *FEER*, 28 March 1991, pp. 50-51.
73. Adam Schwarz, "Price of Security: Japan's Aid to Indonesia Reflects Strategic Concerns", *FEER*, 27 September 1990, pp. 56-58.
74. *International Herald Tribune*, 30 May 1990, p. 1, 21.
75. M. Hadi Soesastro, "Southeast Asia's Expectations of Japan with Respect to Investment" (Paper delivered at the Japan-Southeast Asia (JASA) Conference, Kuala Lumpur, Malaysia, 24-27 November 1989), p. 15.
76. *FEER*, 3 May 1990, p. 48.
77. Policy Speech by Prime Minister Toshiki Kaifu, Singapore, 3 May 1991, entitled "Japan and ASEAN: Seeking a Mature Relationship for the New Age". Provisional translation supplied by Japanese Embassy, Washington, DC..
78. The same asymmetry between Japan's economic and commercial success and lack of political acumen that marks Tokyo's regional diplomacy today was remarked on over two decades ago in terms remarkably similar to current reactions. See, for instance, the evaluation of Asian trips conducted by Prime Minister Sato and Foreign Minister Miki in 1967 in Hans H. Baerwald, "Japan: New Diplomatic Horizons, Old-Style Domestic Politics", *Asian Survey*, January 1968, pp. 43-45, and reaction to Prime Minister Kaifu's April-May 1991 ASEAN tour in a 13-19 May 1991 article in the *Japan Times* (Weekly International Edition) entitled "Kaifu's Trip Shows Aid Outshines Political Clout".
79. Alan Rix, "Japan's Foreign Aid Policy: A Capacity for Leadership?", op. cit., pp. 466-67.
80. Sueo Sudo, "Japan-ASEAN Relations: New Dimensions in Japanese Foreign Policy", *Asian Survey*, May 1988, pp. 512-16.
81. *Ibid.*, p. 512.

82. Comprehensive National Security Study Group, "Report on Comprehensive National Security" (tentative translation), submitted to Acting Prime Minister Masayoshi Ito, 2 July 1980, pp. 1-2, 14-16.
83. *Straits Times*, 1 May 1989, p. 1.
84. K.V. Kesavan, "Japan and the Tiananmen Square Incident: Aspects of the Bilateral Relationship", *Asian Survey*, July 1990, p. 673.
85. *New York Times*, 28 January 1990, p. 8.
86. Bertil Lintner, "Reward for Resistance", *FEER*, 24 October 1991, p. 10.
87. *FEER*, 11 April 1991, p. 45.
88. *Ibid.*, p. 587.
89. See for instance, Takashi Oka, "Burma's Tears", *Christian Science Monitor*, 24 May 1991, p. 19. Oka notes that pressure on Burmese leaders could only succeed if simultaneous pressure is put on the regime's "principal neighbors and economic partners — China and Thailand".
90. Juichi Inada, "Aid to Vietnam: Japan's Policy", *Indochina Report* (Singapore), July-September 1989, pp. 1-7.
91. Mary Kay Magistad, "Japanese Getting Ready for Opening of Vietnamese Market", *Washington Post*, 2 January 1991, pp. D1, 2; and Akihiro Tamiya, "Japanese Firms Eager to Tap Potential of Socialist E. Asia", *Japan Economic Journal*, 10 November 1990, p. 5.
92. Donald S. Zagoria, "The Great Powers and Indochina", in *The Challenge of Indochina: An Examination of the U.S. Role; April 19-21, 1991*, edited by Dick Clark, pp. 34-35 (Queenstown, MD: The Aspen Institute, 1991).
93. Hisao Takagi and Gwen Robinson, "After Gulf, Japan Focuses Diplomacy on Cambodia", *Japan Economic Journal*, 23 March 1991, pp. 1, 4.
94. Donald S. Zagoria, "The Great Powers and Indochina", in *The Challenge of Indochina: An Examination of the U.S. Role; April 19-21, 1991*, op. cit., p. 35.
95. "Waiting in The Wings; Japan in Asia: Part 10: Vietnam", *FEER*, 30 May 1991, p. 68.
96. Nobuyuki Oishi, "Japan Companies Ready to Develop Cambodia at First Sign of Peace", *Japan Economic Journal*, 25 May 1991, pp. 1, 30.
97. *Japan Times* (Weekly International Edition), 20-26 May 1991, p. 3.
98. *Japan Times* (Weekly International Edition), 21-27 January 1991, pp. 1, 5.
99. Japan Economic Institute (Washington), *JEI Report*, no. 46B, 7 December 1990, p. 7.
100. Japan Economic Institute (Washington), *JEI Report*, no. 8B, 1 March 1991, p. 7.

101. Ministry of Foreign Affairs, *Japan's ODA: 1990 Annual Report*, op. cit., p. 174.
102. Larry A. Niksch, "The Philippines", in *Japan-U.S. Relations: A Briefing Book*, edited by Richard P. Cronin, CRS Report for Congress, No. 91-401F (Washington: Congressional Research Service, Library of Congress, 1 April 1991), p. 80.
103. Larry A. Niksch, "The Philippines", op. cit.
104. *FEER*, 3 May 1990, p. 49.
105. *Japan Economic Journal*, 4 May 1991, p. 4.
106. "Ministries play rivals as Japan seeks active role", *Straits Times*, 4 November 1989, p. 32.
107. *Ibid.*
108. Off the record interviews in June 1990 with diplomats who attended the sessions.
109. *Straits Times*, 31 March 1990, p. 11.
110. Agence France Presse (AFP) report, published in the *Straits Times*, 16 April 1990, p. 12.
111. *FEER*, 28 March 1991, p. 51.
112. Takashi Inoguchi, "Four Japanese Scenarios for the Future", *International Affairs* (Tokyo), Winter 1988/89, p. 15.
113. "Japan Builds a New Power Base: Its Emerging Clout in East Asia Could Come at America's Expense", *Business Week*, 10 April 1989, p. 42.
114. Saburo Okita, "Managing the Japan-U.S. Relationship" (unpublished paper), June 1989, p. 3.
115. *Straits Times* (Singapore), 10 May 1990, p. 15.
116. "Kaifu's Trip Shows Aid Outshines Political Clout", *Japan Times*, 13-19 May 1991, pp. 1, 3.
117. While conceding that Japan could not remain "aloof" from impending changes in the strategic landscape in East and Southeast Asia, the editorial criticized reported Thai suggestions of a naval co-operation and a Malaysian suggestion that appeared to welcome a larger non-military role for the Soviet Union as "without well-prepared reasoning". *Jakarta Post*, 7 May 1990, p. 6.
118. Gwen Robinson, "Hun Sen Visit Raises Question of Japan Role Regarding Cambodia", *Japan Economic Journal*, 4 May 1991, p. 3.
119. Karel van Wolferen, *The Enigma of Japanese Power*, (New York: Alfred A. Knopf, 1989) pp. 41-43.
120. Interview by R. Taggart Murphy in the *New York Times*, 2 April 1989.

121. *Tokyo Shimbun*, 21 August 1991 (English translation published in U.S. *Foreign Broadcast Information Service [FBIS]*, East Asia, Daily Report, 26 August 1991).
122. Hisao Takagi, "Foreign Ministry Blamed for Gulf Crisis Policy Gaffe: Diplomats Reply, Citing Weak National Leadership", *Nikkei Weekly*, 22 June 1991, p. 1.
123. Doug Tsuruoka, "Look East, and Up", *FEER*, 28 March 1991, p. 50.
124. Japan Institute for Social and Economic Affairs, *Japan, 1990: An International Comparison*, Table 10-7, p. 82.
125. Based on interviews conducted in Japan with Japanese Government officials and business leaders in December 1988.
126. Ministry of Foreign Affairs, *Japan's Official Development Assistance: 1990 Annual Report*, op. cit., p. 15, 143-45.
127. *Jakarta Post*, 7 May 1990, p. 1.
128. *FEER*, 1 September 1988, p. 47.
129. *Indian Express*, 4 April 1989, pp. 1, 9.
130. *Straits Times*, 3 May 1990. Singh's comment may have been more aimed at the United States, which had been pressing New Delhi to remove its 40 per cent foreign equity limit on foreign investment by naming India under the "Super 301" provisions of the U.S. 1988 Trade Act. The government headed by Prime Minister Narasimha Rao has now raised the limit to 51 per cent and significantly opened up the Indian market.
131. *FEER*, 2 May 1991, pp. 36-37.
132. *FEER*, 10 March 1988, pp. 69-70.
133. *FEER*, 3 May 1990, pp. 49-52.
134. See Kit G. Machado, "Japanese Transnational Corporations in Malaysia's State Sponsored Heavy Industrialization Drive: The HICOM Automobile and Steel Projects", *Pacific Affairs*, Winter 1989-90, pp. 504-33.
135. David E. Sanger, "A New Car for Malaysia, New Influence for Japan", *New York Times*, 6 March 1961, pp. D1, D6.
136. *Straits Times*, 6 February 1990, p. 1.
137. Assessment based on interviews with government officials, policy analysts, businessmen and academics in a number of Asian countries including India, Indonesia, Singapore and Thailand during late 1989 and early 1990. This theme also runs through the *FEER*'s "Japan in Asia" series cited at various points in this book.
138. Remarks attributed to Chandra Muzaffar, president of Aliran, in a "Japan in Asia" series article on Malaysia. *FEER*, 28 March 1991, p. 54.

139. See for instance, Hirokazu Shiode, "The Ugly Japanese in Asia", *Journal of Commerce*, 23 August 1989, p. 8A, and *FEER*, 3 May 1990, p. 50.
140. Richard Baum, "China in 1985: The Greening of the Revolution", *Asian Survey*, January 1986, pp. 51-52.
141. Stanley Rosen, "China in 1986: A Year of Consolidation", *Asian Survey*, January 1987, pp. 52-53.
142. Michael Richardson, "In Australia, Setbacks for a 'Super City'", *International Herald Tribune*, 4 April 1990, p. 8.
143. Michael Vatikiotis, "The Gentle Giant: Kaifu Soothes Fears Over Japan's Political Plans", *FEER*, 16 May 1991, pp. 16-17.
144. *Straits Times*, 16 May 1990, p. 28.
145. *Japan Times*, op. cit., 13-19 May 1991, pp. 1, 3.
146. *Japan Times* (Weekly International Edition), 8-14 July 1991, p. 4.
147. *New York Times*, 10 October 1991, p. A3.
148. David E. Sanger, "A New Car For Malaysia, New Influence for Japan", op. cit.
149. Bruce Stokes, "Making Eyes at Moscow", *National Journal*, 20 January 1990, pp. 116-19.
150. Defense Agency, *Defense of Japan, 1990* [English translation] (Tokyo: Japan Times Ltd., 1991), pp. 3, 90-97.
151. *Defense of Japan, 1990*, op. cit., Table 3-7, p. 167.
152. Charles Smith, "Constitutional Cover", *FEER*, 13 September 1990, pp. 16-17; Richard Katz, "U.S. Hopes Ozawa Will Continue to Play Strong Role", *Japan Economic Journal* (Weekly), 20 April 1991, p. 3.
153. Louise do Rosario, "Attacked on All Fronts", *FEER*, 7 March 1991, pp. 26-27.
154. *The Economist*, 9 March 1991, pp. 32-33.
155. Larry A. Niksch, "Japan-U.S. Relations in the 1990s", CRS Report for Congress No. 89-264 F, 7 April 1989, pp. 7-13; and Gary K. Reynolds, "Japan's Military Buildup: Goals and Accomplishments," CRS Report No. 89-68 F, 27 January 1989.
156. Tokyo *Kyodo* in English, 30 September 1991 (reproduced in *FBIS*, East Asia, Daily Report, 1 October 1991, p. 3)
157. Steven K. Vogel, "Japanese High Technology, Politics, and Power". Berkeley Roundtable on the International Economy, Research Paper No. 2. Berkeley, CA, March 1989, pp. 1, 3.
158. Vogel, "Japanese High Technology, Politics and Power", op. cit., p. 3.
159. Harold Brown, "The United States and Japan: High Tech is Foreign

- Policy”, *School of Advanced International Studies (SAIS) Review*, Summer-Fall 1989, p. 2.
160. From Akio Morita and Shintaro Ishihara, *The Japan that Can Say “No”*: *The New U.S.-Japan Relations Card*. Sony Corporation Chairman Akio Morita has disassociated himself from Ishihara’s more anti-U.S. remarks and declined to allow an authorized English printing of the book. For one of many critical articles, see Michael Hedges and Valerie Richardson, “Book Gives Fodder to Japan-Bashers”, *Washington Times*, 2 November 1989, pp. A1, A6.
161. The above discussion is based primarily on Michael Green, “Kokusanka: FSX and Japan’s Search for Autonomous Defense Production” (Cambridge: Massachusetts Institute of Technology Japan Program, MITJP 90-09, 1990), pp. 3-8.
162. *Ibid.*, pp. 43-54.
163. *Ibid.*, pp. 54-57.
164. Michael Vatikiotis, “Assessing the Threat: Differences Over Priorities Negate Military Cooperation”, [series of ASEAN focus articles] *FEER*, 20 June 1991, p. 29.
165. Gwen Robinson, “Japan Academies Open Doors to Foreign Military”, *Nikkei Weekly*, 29 June 1991, pp. 1, 31.
166. “A Hesitant Patroller of the Pacific”, *The Economist*, 27 July 1991, pp. 29-30.
167. Ayako Doi and Kim Willenson, “Japan: Back to the Past? The Idea of a ‘Co-Prosperity Sphere’ — Again”, *Washington Post*, 11 August 1991, pp. C1, C4.
168. See articles by Koji Kakizawa, director of the National Defense Division of the LDP and a member of the Diet, and Tatsuro Kunugi, previously U.N. Assistant Secretary General, in the “Opinion” section of the *Japan Times* (Weekly International Edition), 29 April-5 May 1991, p. 11, and 8-14 July 1991, p. 11.
169. Hisao Takagi, “Japan to Seek Asian Security Meetings”, *Nikkei Weekly*, 27 July 1991, p. 2.
170. Ayako Doi and Kim Willenson, “Japan: Back to the Past? The Idea of a ‘Co-Prosperity Sphere’ — Again”, *op. cit.*
171. *Ibid.*, p. C4.
172. Michael Vatikiotis, “Diety to Diplomat: Erstwhile Conqueror Searches for a New Regional Role”, *FEER*, 3 October 1991, p. 38.
173. Russell Marshall, “Altered Perceptions”, *FEER*, 28 September 1991, p. 36.

174. For some thinking about how Japan might gradually increase informal military ties with Southeast Asian countries, see Suelo Suelo, "Japan-ASEAN Relations: New Dimensions in Japanese Foreign Policy", *op. cit.*, pp. 509-25.
175. *Straits Times*, 7 May 1990, p. 14. Commentators speculated that Chatichai was seeking a greater Japanese naval role in the region as an alternative counterweight to China. Chatichai is widely perceived as moving consciously to utilize Japanese support as leverage in an effort to steer Thailand into a role as the dominant economic power on the Southeast Asian mainland and the gateway for the future development of Indochina.
176. "A Hesitant Patroller of the Pacific", *The Economist*, 27 July 1991, pp. 29-30.
177. Government of Australia, Australia's Regional Security; Ministerial Statement by Senator the Hon. Gareth Evans QC, Minister for Foreign Affairs and Trade. Canberra, December 1989, pp. 5-6.
178. *Straits Times*, 9 January 1990, p. 1. (Reuter press service report)
179. Especially Inoguchi, "Four Japanese Scenarios for the Future", *op. cit.*
180. Some, such as Professor Rudiger Dronbusch of MIT argue that "in the end, world politics will set the pattern for trade and payment flows", and that Japan is "far too small" to claim the place now held by the United States. *Washington Post*, 16 July 1989, pp. B1, 2.
181. Susan Strange, "The Persistent Myth of Lost Hegemony", *International Organization*, Autumn 1987, p. 565.
182. See Inoguchi, "Four Scenarios for the Future", *op. cit.*, pp. 20-23.
183. See Charles R. Morris, "The Coming Global Boom", *Atlantic Monthly*, October 1989, pp. 51-58, 62-64.
184. MITI, "International Trade and Industrial Policy in the 1990s — Toward Creating Human Values in the Global Area", (summary), 5 July 1990. p. 42.
185. Barbara Wanner, "Tokyo Strives to 'Reactivate' US-Japan Relations", Japan Economic Institute, *JEI Report*, No. 12B, 29 March 1991, pp. 7-9.
186. *Defense of Japan*, 1990, *op. cit.*
187. T.R. Reid, "Japan-Basking: New Pacific Era?; From Trade to Aid, Washington and Tokyo are Pursuing the Same Ends", *Washington Post*, 16 June 1991, pp. B1, B4.
188. In 1984, Japan's total GNP growth rate of 5.1 per cent was dominated by exports, which contributed 1.3 per cent of total growth. In 1988, a

- total growth rate of 5.1 per cent resulted from a 6.8 per cent growth in domestic demand and a minus 1.7 per cent decline in external demand. Japan Institute for Social and Economic Affairs, *Japan 1990: An International Comparison*, Second Edition (Tokyo: 30 April 1991), Table 1-8, p. 10.
189. *Asahi Shimbun*, 29 May 1990. I am grateful to an anonymous reviewer for providing a precise clarification of the survey phraseology, “*amerika ni tayorazu, dukuji no boeitaisei o tsukuriageru bekida*”. Support for the U.S.-Japan security treaty dropped as low as 34 per cent in the wake of the 1971 “Nixon shocks” and remained at below 50 per cent until after the Soviet invasion of Afghanistan.
 190. Chung-in Moon, “Conclusion: A Dissenting View on the Pacific Future”, in *Pacific Dynamics: The International Politics of Industrial Change*, edited by Stephan Haggard and Chung-in Moon (Boulder, CA: Center for International Studies, Inha University, South Korea, and Westview Press, 1989), pp. 360-61.
 191. *Washington Post*, 5 May 1991, pp. H1, H6.
 192. James Fallows, “Containing Japan”, *Atlantic Monthly*, May 1989, p. 41.
 193. Murray Sayle, “The Powers That Might Be: Japan Is No Sure Bet As Top Dog”, *FEER*, 4 August 1988, pp. 38-43. Cited in Takashi Inoguchi, “Four Japanese Scenarios for the Future”, *op. cit.*, p. 15.
 194. Jeffrey E. Garten, “Japan and Germany: American Concerns”, *Foreign Affairs*, Winter 1989/90, pp. 90-91.
 195. *FEER*, 3 May 1990, pp. 46-47. The article contains a wildly erroneous statement that “U.S. imports from ASEAN, China, Taiwan and South Korea totalled US\$54.4 billion, *six times* [emphasis added] Japanese imports from these countries.” See Appendices B and C for a comparison of the actual figures, which show a ratio of about 3:2 of U.S. and Japanese imports from the countries in question.
 196. Remarks of Aaron L. Friedberg at a September 1989 CRS Seminar on U.S. Power in a Changing World. U.S. Congress, House of Representatives, Committee on Foreign Affairs. *U.S. Power in a Changing World: Proceedings of a Seminar Held by the Congressional Research Service — September 19-20, 1989*; Report Prepared for the Subcommittee on International Economic Policy and Trade of the Committee on Foreign Affairs, U.S. House of Representatives, by the Congressional Research Service, Library of Congress. 101st Cong., 2nd Sess. (Washington: U.S. Government Printing Office, May 1990), p. 8.

197. One Japanese analyst argues that “the coefficient of Japan’s trade specialization with the NIEs and ASEAN moved toward zero in 1985–88 with regard to chemical products, iron and steel, metal products, general machinery, electric equipment and appliances and precision machinery”. In other words, in these product areas Japan is moving towards a situation where it is as likely to be a buyer as a seller. He further notes that “the coefficient during that period moved toward minus as far as products with high labour intensity . . . are concerned”, meaning that Japan had already lost its comparative advantage. Chuji Kikutani, “Dynamic Development”, *Journal of Japanese Trade and Industry*, no. 6 (1989): 13.
198. “Intra-Asian Trade Building New Power Block in World Economy”, *Straits Times*, 1 May 1990, p. 32. (Reuter news service report)
199. Prepared Statement of Edward J. Lincoln, Senior Fellow, the Brookings Institution, in U.S. House of Representatives, Committee on Ways and Means. “East Asia: Challenges for U.S. Economic and Security Interests in the 1990’s”, op. cit., pp. 38–39.
200. Based on a table in a Japanese Development Bank Report produced under the supervision of Masaharu Hanazaki, “Deepened International Linkages Among Pacific Rim Countries: Trade, Foreign Direct Investment and Technology Transfer” (in Japanese), op. cit. The table compares the latest available R&D expenditures of Japan, the United States, Canada and eight Asian countries. Data years vary from 1984 to 1987 (United States and Japan), p. 124.
201. Richard H. Solomon, Assistant Secretary for East Asian and Pacific Affairs, “US Relations with East Asia and the Pacific: A New Era; Statement before the East Asian and Pacific Affairs Subcommittee of the Senate Foreign Relations Committee, Washington, D.C., May 17, 1991”, U.S. Department of State, Bureau of Public Affairs, *Dispatch*, Washington, 27 May 1991, pp. 383–90.
202. This potential dichotomy between official policy and firm behaviour was pointed out by Professor Paul Kennedy, of Yale University, in a comment on an early draft of this book.
203. This argument is a central theme of Edward J. Lincoln’s book, *Japan Facing Economic Maturity* (Washington: The Brookings Institution, 1987).
204. *The Economist*, 20 April 1991, p. 11.
205. U.S. Congress, House of Representatives, International Cooperation Act of 1991; Conference Report to Accompany H.R. 2508, ordered to be

- printed 27 September 1991, 102d Congress, 1st session, Report 102-225, Washington, DC., U.S. Govt. Print. Off., 1991, pp. 415-16.
206. Statement of Assistant Secretary for East Asian and Pacific Affairs, Richard H. Solomon, 17 May 1991, Department of State, *Dispatch*, op. cit., p. 384.
207. All of these factors were noted, directly or indirectly, in the Assistant Secretary of State's 17 May 1991 testimony before the Senate Foreign Relations Committee, op. cit.
208. Al Nakajima, "Japan Cautiously Backs ASEAN Forum", *Nikkei Weekly*, 19 October 1991, p. 3.