

Undated: General: The New Superpower

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THE NEW SUPER POWER

If Dr. Gallup were to take a poll concerning our views on Asia, and were to make the following inquiry: "What nation has the potential of becoming the major cause of instability in Asia?", I would think that most Americans polled would almost immediately give as an answer "Red China".

I wish to now suggest that the Asian nation that has the potential of being a major cause of instability in Asia is not Red China, but Japan. Events of recent years accompanying the economic progress of Japan should be a major concern of all of us. For example, today, the Japanese gross national product exceeds the combined gross national products of the two Chinas, the two Koreas, all of Southeast Asia, India, Singapore, Malaysia, Indonesia, the Philippine Islands, Ceylon, and Pakistan. Within five years, Japan's gross national product will easily exceed that of West Germany, France or England. Japan is soon to become a super world power. In the view of some, she has already achieved this status.

Many, especially the Chinese, are fearful that the Japanese, if permitted to spread their economic influence unhampered and without competition throughout all of Asia--developing markets, building factories, setting up offices and warehouses--might succumb to the argument that these vast economic resources require military protection. Up until recently, because of our military occupation of Japan, her leaders did not feel that it was necessary for them to seriously concern themselves with the big questions of peace, war and security. The United States provided a military umbrella for their economic growth, but now the United States will be leaving that part of the world.

If we are to minimize this threat to Asian stability, we must, with great vigor, provide the Japanese with economic competition in Asia and in the Pacific. I am certain Japan will welcome this vigorous competition, because, if the Chinese became convinced that the Japanese could effectively spread their sphere of influence throughout Asia, the Chinese might be tempted to take steps to halt this Japanese economic drive. This could be the seed of dangerous instability in Asia.

If this thesis is correct, the challenge confronting us is a massive one. Are we capable of effectively competing with the Japanese in Asia? There is reason to believe that the task ahead of us is an impossible one. For example, ponder the following facts and statistics: The United States, for most of her history, followed an isolationist economic policy. The Hawley-Smoot Acts set up tariff barriers, making foreign trade difficult, and at times, impractical.

Prior to World War II, most of our manufactured products were consumed by people of the United States. Very little governmental effort was made to generate foreign commerce.

As a result of World War II, we suddenly found ourselves a super world economic power. We were the only major participant in the war to survive with all our factories and industries intact. The economic framework and infrastructure of Japan, Germany, France and England were almost totally demolished or dismantled, and so, without any effort on our part, we became the unchallenged suppliers of the world. We became a super world power without having served the necessary period of apprenticeship. There are some who maintain that, as a result of this sudden rise, the United States was, and still is, not prepared to assume this role of super world power.

Therefore, it comes as no surprise to many that the commercial attachés of our various Embassies throughout the world are not considered as important as the military attachés. Our official posture in foreign capitals for the past three decades has shown the stern face of a military man instead of a business-like face of a trader. Today, we have less than 100 commercial attachés assigned throughout the world. There are at least four times that number of military attachés in our American Embassies. Our military attachés are appointed by the Department of Defense; our agriculture attachés are appointed by the Department of Agriculture; but, because of its low and insignificant ranking, our commercial attachés are appointed, not by the Department of Commerce but, by the Department of State. As a result, it has been noted that on many occasions, persons who were awaiting retirement and not qualified to serve in a commercial capacity were permitted to fill these positions. On the other hand, it is reported that the Japanese have nearly 4,000 specially trained government employees and agents situated or travelling throughout the world doing research, studying business techniques, and pursuing trade.

After nearly two hundred years of existence as a nation, the United States Senate belatedly decided to establish a new Committee-- the Committee on Foreign Commerce and Tourism. It took the Senate a long time to give special recognition to the importance of world trade. I have the privilege of serving as the first Chairman of this Committee.

We are, today, suffering from an unemployment rate nearing 6% of our work force. Whereas, in Japan, there is no unemployment. In fact, Japanese businesses are shipping in workers from Okinawa and South Korea. American industry and business have been constantly plagued with work stoppages and crippling strikes. Under our system, a union representing 1% of a working force in a factory can, by going on strike, effectively close all of the operations of that factory.

In the past few years, wage hikes and the cost of living have fueled an inflationary spiral, which seems to go up faster with little hopeful signs of diminishing. On the other hand, in Japan, labor organizations generally organize a company as a unit and not by crafts. Unlike the American practice of having separate labor unions for carpenters, mechanics, boilermakers, sheetmetal workers, pipefitters separately represent the various workers in a factory, the Japanese workers organize the company as a unit and work as a unit.

The history of Japan indicates that this island empire existed, for the most part, isolated from the rest of the world. Although Emperor Meiji opened the Japanese doors to foreigners, these doors were once again closed a few decades later with the commencement of the Sino-Japanese war, and these Japanese doors remained closed until the end of World War II.

Because of this isolation, the Japanese have been able to put into effective and unhampered practice the teachings of the very practical Chinese Philosopher, Confucius. Confucius considered it most important that relationships of man with man be stable ones. Therefore, he proposed a code of conduct for all persons, codifying the responsibility of the ruler to his subjects; the responsibility of subjects to their ruler; the responsibility of government officials and the responsibility of leaders and that of lesser rank citizens. Throughout the philosophy of Confucius, one can easily sense the strong demands for loyalty. And so, we find that in Japan, even with modern technocracy and scientific advancements, her people, in general, follow the teachings of this philosophy in their daily lives. They generally accept this code that demands loyalty to the head of the family, loyalty to the company president, loyalty to the government, etc. Because of this concept of loyalty, Japanese industry has yet to experience a single crippling strike. Japanese workers have gone on strike, but, in most cases, these strikes have been resolved within 24 hours. To the surprise of many Americans, many of the Japanese strikes occur within the hours of 4:00-6:00 in the morning. The reason for this is very simple--the workers have no desire to hurt the company. In Japan, the workers do not refer to the company as we do in the United States. They refer to their company as "home". Long before we instituted the practice of providing medical and dental care for employees, the Japanese, in addition to these, were providing dormitories for the unmarried workers, apartments and homes for the married workers. Most of the major companies provided special resort hotels for the employees' vacations, and, very importantly, most of the Japanese industrial workers are assured of life tenure. It is no wonder that they look upon the president of their company as the head of the household. Because of this intense loyalty to their home-company, Japanese workers are always striving to make their home-company the best in the land. In addition to this, we find that in Japan, industry, the banks and government agencies work as one. On the other hand, in the United States, these three elements work as separate entities, primarily concerned about their individual interests and not the mutual interest of the joint endeavor.

We have, over the years, enacted laws which have made it difficult for many of our industries to carry on effective world trade. Our government, instead of assisting businesses has, at times gone out of its way to frustrate them.

It would appear from this discussion that the job ahead of us is an almost impossible one, but if stability is desired in the Pacific and in Asia, I contend that we must meet this challenge. In order to meet this challenge, it will be necessary for industry, banks, and our government to adopt new attitudes and new policies with the goal of promoting foreign trade and commerce. In addition, our working force must become cognizant of this challenge. Because, if we were to carry on business as usual, we may soon find ourselves a second rate economic power not able to provide the stabilizing competition to the Japanese economic drive. For the sake of stability in Asia, we must meet this challenge.