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Japan's Economic Security

by Nobutoshi Akao and Maureen White, London*

While bringing unprecedented prosperity to post-war Japan, her "economic miracle" at the same time led to greater vulnerability owing to a much higher degree of dependency on raw material imports and outlets for export goods. This was brought home to the Japanese by events in the early 1970's. As Japan's small land, poor natural resources and large population leave her no option but to continue to depend on foreign markets, she will have to seek economic security within the framework of mutual interdependence.

Although recently economic security has become an important subject for discussion in Japan, the concept is deeply rooted in the country's past. Japan emerged in the late 19th century, from two and a half centuries of isolation, with imperialism at its height. Military strength and industrial power were considered essential for the maintenance of national security, which led to a policy of *fukoku kyohei* (a rich country and a strong army). But, by the turn of the century, industrialisation and population growth had turned Japan from a resource-surplus country to a resource-and-food deficit country. In the 1930's, faced with global depression, exclusive economic blocs established by the great powers and "beggar-thy-neighbour" policies, Japan attempted to establish, militarily, her own Asian sphere of influence – the Greater East Asia Co-prosperity Sphere, which ended in the disaster of World War II.

For almost thirty years after the war, Japan relied for her security on the politico-military and economic systems of the free world for whose maintenance the US was primarily responsible. Depending on the United States for her security¹, Japan was able to concentrate almost solely on economic activities and to enjoy a high degree of security at a relatively low cost. Taking advantage of the favourable international environment, Japan succeeded in achieving an astonishingly high rate of economic growth, averaging over 10 % in real terms during the 1960's. Having been accepted into the GATT/IMF system, Japan enjoyed the full benefits of free trade, especially of exports, which brought in the foreign exchange necessary for imports of raw materials. Energy and other raw materials were in abundant supply at reasonable prices from overseas markets. The very fact that Japan was lacking in raw

materials allowed her to pursue a policy aimed at economic efficiency and rationalization without paying much attention to ensuring stable supplies.

Rising out of a war-torn economy, Japan's "economic miracle" brought unprecedented prosperity to post-war Japan, but at the same time brought even greater vulnerability owing to a much higher degree of dependency on overseas markets for raw material imports and outlets for export goods. With Japan's emergence as a major economic power towards the end of the 1960's, economic friction with her trading partners began to increase, culminating in the Nixon "shock" of 1971.

Japan was unprepared for the US suspension of dollar convertibility in 1971 and for the embargo on soya bean exports in 1973. These difficulties coincided with the oil crisis of 1973, the end of the era of low cost energy and the painful exposure of Japan's economic vulnerability. The country's long and prosperous high growth phase was brought to an abrupt end with the 1973 oil crisis. Japan registered a negative growth rate in 1974 and a rate of 3.2 % in 1975. Since then annual growth rates have been almost half of what they were in the 1960's.

The events of the early 1970's changed Japan's world view. It became evident that threats to security were more likely in the economic field than in the politico-military field. The definition of security threat took on a wider meaning to include an interruption of raw material supplies, particularly oil, sudden price hikes, food embargoes, etc.

¹ Japan's relations with the United States have been the cornerstone of her foreign policy, with the US-Japan Security Treaty providing Japan with a military shield. Under the peace constitution (Article IX), Japan renounced war as a sovereign right of the nation and declared that armed forces could not be maintained.

* The Royal Institute of International Affairs.

With heightened resource nationalism among developing countries and increased competition for raw materials among the advanced industrial countries, the problem of ensuring a stable supply of increasing amounts of raw materials became an important task for Japan. Under the uncertain and fluid international situation, ensuring economic security, without recourse to military means or exclusive economic blocs, became a national priority.

An Exposed Economy

Japan tends to focus on economic security, to an extent perhaps greater than some other countries, due to the fact that the Japanese economy is more highly interdependent and more vulnerable than others. A few salient facts clarify Japan's position in comparison with some of her OECD partners.

□ **Oil dependence.** Oil accounts for 72 % of Japan's total primary energy, as compared with 48 % for the US, 54 % for West Germany and 44 % for the UK.

□ **Middle East dependence.** 70 % of Japan's oil comes from the Middle East, as compared with 32 % for the US and 39 % for West Germany.

□ **Food self-sufficiency.** With regard to grains, Japan is 34 % self-sufficient, compared to the UK, 68 % and West Germany, 80 %.

□ **Third World trade dependence.** Almost 50 % of Japan's trade is with the Third World as compared to a 28 % average of the 17 DAC countries.

□ **Raw material imports.** Japan is the world's largest importer and the second largest consumer.

A primary Japanese preoccupation is to ensure access to overseas raw materials, especially a stable supply of oil and food. The recent best selling novel in Japan, *Yudan*², vividly depicts the consequences for Japan if oil imports were substantially reduced as a result of an outbreak of a major war in the Gulf region; with oil imports cut by 70 % for 200 days, three million Japanese people would die and 70 % of all property would be severely damaged or completely lost, with results more tragic and more devastating than the losses in World War II.

The Japanese tend also to think in terms of economic security, as opposed to military or strategic security

because, given the current military balance in the Far East, the likelihood of a direct attack on the Japanese islands is remote. Security threats are just as likely to arise even if there is no armed attack on Japanese territory, life or property and could arise as a result of war or events in which Japan was not at all involved.

Threats to Economic Security

Some of the threats to Japan's economic security are similar to those troubling other countries. Yet some are more pertinent or more pernicious to Japan because of her unique vulnerability.

(1) **Unpredictable Supply or Production Cutbacks:** caused by damage to transport facilities (pipelines, railways and ports) and production facilities as a result of local wars, guerilla activities or accidents. A dock workers' strike in the US and a coal miners' strike in Australia delayed shipment of coal and grains to Japan.

(2) **Deliberate Production Cuts:** producers might use raw materials as a political weapon (as was the case with OAPEC in 1973) or reduce production in order to preserve raw materials for use by future generations. Similarly, a national policy (such as the Carter administration's nuclear fuels policy) can have an impact on Japan (in this case because of her heavy dependence on US enrichment service for uranium ore).

(3) **Supply Shortages:** some medium and long term forecasts warn of a serious oil supply-demand discrepancy by the mid-1980's, with consequences more serious than in either (1) or (2) above because of the devastating impact on the world economy of slow or even negative economic growth, high unemployment and political instability.

(4) **Sabotage of the Sea Lanes:** as an island country, all Japan's import and export goods depend on sea transport. While being an oceanic state has proved to be a great advantage in the course of industrialisation, at the same time it is a source of great vulnerability. The blockade in the Second World War was a major cause of the collapse of the Japanese economy.

(5) **A Protectionist Barrier:** while Japan's trade/GNP ratio is still small compared with the major European countries, exports play a very large role (in percentage terms) in major manufacturing sectors such as steel, automobile, electronics, ship-building, machine tools and chemicals, and are important foreign exchange earners for the entire economy. Protectionist

² The Japanese word "yudan" here contains a pun. Literally it means "cutting oil", but also has the idiomatic meaning of "being off one's guard". Taichi Sakaiya: *Yudan*, Tokyo Nihon Keizai Shimbun, 1975.

tendencies among Japan's trade partners, as well as the growing competition from the newly industrialised countries (NICs) are viewed with increasing apprehension.

(6) **Currency Fluctuations:** any abrupt change in exchange rates affects Japan's trade and domestic economy quite sharply. The sharp upward revaluation of the yen in 1978 adversely affected Japan's exports and deflated the domestic economy, hitting small and medium scale industries in particular. Devaluation on the other hand will have an inflationary effect on the domestic economy.

(7) **Direct Investments:** Japan's overseas investments, while still modest in comparison with the US or Great Britain, could spawn various problems such as friction with local residents, nationalisation by host countries and reversed imports of products to Japan (the "boomerang" effect). Inward capital investment threatens Japanese industries with keener competition and potential takeovers of Japanese companies by foreign countries.

Japan's Response – "Comprehensive Security"

Japan's response to these external threats could be a combination of various measures both at governmental and private levels, as well as a combination of self-reliant efforts, on the one hand, and diplomacy and international cooperation, on the other. To deal with all these problems, efforts by, and close cooperation between, the government and private organisations are required. A country's efforts to ensure its economic security have to be accompanied by policy coordination within the multilateral framework of various international fora.

For the most part, these measures are usually mutually complementary, but sometimes there are trade-offs. For example, Japan chose to give up much-needed Iranian oil in favour of the alliance with the United States during the crisis of the hostage issue in 1980, stating in the words of Foreign Minister Ohira that "oil supply is a vital issue for Japan. But, if there are issues which are of greater importance, Japan must take some sort of measures to respond to these lofty causes"³. Participation in the development of Siberian natural resources as a part of Japan's attempts to diversify supply sources could contribute to the industrialisation and the foreign exchange earnings of the Soviet Union indirectly strengthening Soviet military power. Import quotas to protect domestic industry could harm consumers' interests by causing inflation and delaying necessary industrial adjustment. An attempt to increase Japan's food self-sufficiency will impose

additional heavy financial burdens because of necessary government subsidies and, in addition, will cause trade frictions with food exporting countries. The same will apply in the case of coal.

In connection with this, it has to be stressed that economic security is not synonymous with self-sufficiency. While it will continue to be important to increase the level of self-sufficiency in food and some other materials, given Japan's small land, poor natural resources and large population, there will be no option for Japan to take except continued dependence upon foreign markets. Japan will, therefore, have to seek security within the framework of mutual interdependence.

Japan's recent security debate centres around so-called "comprehensive security". No official definition of this unique concept has been devised, but, according to the late Prime Minister Ohira who more or less officially initiated the concept, "Japan's security has to be comprehensive...we can only maintain security effectively when not only military power but also political power, dynamic economic strength, creative culture and thorough-going diplomacy are well combined"⁴. Prime Minister Suzuki established the Ministerial Council of Comprehensive Security in late 1980. Within the Council, each of the various government agencies involved are now striving to define security issues from their respective angles such as the role of diplomacy, foreign aid, energy and raw materials, food, sea transportation, science and technology, economic planning and defence.

The outcome remains to be seen. Some people point out that "comprehensive security" could become a bureaucratic excuse to disguise bids for larger budget increases, on the grounds that they are safeguarding Japan's vital interests. At the same time, this is indicative of Japan's attempts to redefine her position in the international system. Moreover, in a country where decision-making is a time-consuming process, where debate on security issues was taboo until very recently, and where the building-up of a national consensus on security matters is prerequisite for policy making, the discussion of comprehensive security may serve to raise public awareness of security need.

Natural Resources

Because of the structure of the Japanese economy, with a large portion rooted in heavy and chemical

³ Saburo Okita: 252 Days of an "Economist" Foreign Minister, Tokyo, Toyokeizai Shinposha, 1980.

⁴ Mr. Ohira's Press Conference, November 14, 1978.

industries, and the manner of its development during the period of low-cost raw materials, the Japanese economy will continue to consume vast amounts of imported raw materials. Policy efforts have aimed at interjecting a greater degree of certainty or predictability in the shipment and supplies of raw materials. The efforts are geared towards devising a complex of contractual ties with suppliers and subtle incentives to guarantee resource flows.

Dependence on a narrow geographical band of suppliers for a range of resources, especially when those suppliers are politically unstable, increases vulnerability. Japan has tried to spread the risk by *diversifying* the range of resource suppliers. This has been of limited success, given the fact that historical and geographical factors have set the supply patterns and economic feasibility has reinforced them. With regard to oil, diplomatic endeavours involve a two-pronged strategy aimed at encouraging new suppliers such as Mexico and China and strengthening friendly relations with the Middle East countries. Government goals aim to increase the Asian input into the energy picture from the current 23 % to 30 % by 1990. Hopes are concentrated on the promising, but unreliable, Chinese resources (already China has fallen short of her 1978 commitments) and the rich Soviet Siberian fields, although these two are encumbered by logistical and other obstacles. Where Japan has made great progress is in reducing her dependence on the international oil majors from 70 % in 1976 to a little over 40 % in 1980, by stepping up the amount of oil contracted through the presumably more reliable channels of direct-deals and government-to-government deals.

More and more Japanese firms have tried to expand the proportion of raw materials imported through so-called *autonomous development*, by which Japanese firms make direct investments in the resource development process. This enables Japan to secure long-term and stable supplies, with a purchase price, more often than not, fixed at more favourable levels than normal import prices. To a certain extent producer countries are satisfied with the Japanese capital goods for development and the pattern has been more or less favourable as a way of importing copper, aluminium, liquefied natural gas, uranium ore, iron and pulp. The price for Japan, a newcomer to this kind of endeavour, compared with the US or Europe, is a high one in terms of the capital, the risk and her inexperience.

While it cannot cope with a long term interruption in supplies, *stockpiling* is nonetheless an important and

effective means of dealing with a sudden reduction or interruption of supplies. In contrast with the US and some European countries long aware of the need for critical raw material reserves, Japan has been slow to recognize the importance of this safeguard. Aside from her IEA oil stockpiles, limited stores of copper, zinc, nickel and ferro-chrome are kept. These are actually surplus stocks, rather than emergency stockpiling.

A high proportion of energy is consumed by industry (57 % of Japan's total) and of this a very high proportion is consumed by such resource-intensive industries as steel, nonferrous metals, chemicals, ceramics and pulp. There is considerable scope for *conservation* in the long run as the economy shifts its production structure to less resource-intensive sectors such as electronics, sophisticated machinery and services. The shifting of production priorities has been aided by some government measures (the 1978 Law Concerning the Rationalization of Energy Use). Business investment in energysaving devices has been the strongest force in reducing the energy consumption of industry.

The *processing of raw materials in the host countries*, while originally part of an effort by the host country to reap the benefits of exporting higher value added goods, has in turn served Japan by lessening her energy expenditure during the often expensive process (i.e. the case of aluminium), and the detrimental environmental consequences. At the same time the energy-saving devices has been the strongest force in shared.

According to the provisional long-term energy demand/supply projection (1985 - 1995) released in August 1979, Japan's dependence on oil is expected to be reduced to 50 % in 1990 and 43 % in 1995. This projection was later adopted as the government's goal, indicating the *development of alternative and new sources of energy* such as nuclear energy, liquefied natural gas, hydroelectric power, geothermal energy, solar energy and coal liquefaction. The government has been actively involved, through the "Sunshine Project", in research and development of the liquefaction and gasification of coal and power generation by solar energy.

Food Security

It was the US soybean export embargo in June 1973 that brought home to Japan the precariousness of her food supplies; it was the US grain sales embargo against the USSR in 1980 that nurtured nightmares about food being used as a political weapon. Both events shattered the long held belief that, for Japan, food was there for the importing, providing she could

pay, and rekindled the old yearning for food self-sufficiency. Given Japan's unusual "double structure": high self-sufficiency in some categories — rice, vegetables, hogs, chickens — and extremely low self-sufficiency in others — wheat, soybean, barley and corn, it is impossible to do without food imports. Policies have aimed at increasing the rate of self-sufficiency, but it is difficult to achieve more than a nominal improvement.

Japan's food self-sufficiency was declining at an astonishing rate — from 90 % in 1960 to 73 % in 1978. The westernization of the Japanese diet — to include more feed grain consuming livestock, and the inability of Japan, with its limited arable land, to produce the necessary feed grains, led to a tremendous import increase. Progress in reversing the trend is unlikely, in spite of the power of the "pro-food self-sufficiency" forces, including not only the ruling, rural-based Liberal Democratic Party but also opposition parties. There has been a proliferation of plans to develop the country's agriculture and fisheries or to stabilize the Japanese dietary habits. The cost of doing so would be prohibitively expensive. If, for example, Japan were to try herself to produce the grains she imported in 1978, it would be necessary to nearly double the amount of existing farmland⁵.

Yet the urgency of such efforts remains politically alive when the Japanese envisage, for the future, a not entirely unrealistic scenario, in which poor crops occur simultaneously in the big food exporters (the US and Canada) and the big food importers (China and the USSR), while population increases in the Third World pressure supplies and Japan, with a structural deficit on her current account, finds it increasingly difficult to pay. There is no underestimating the psychological impact of the US near monopoly of the food weapon and propensity to use it for own political ends.

The best Japan can do is to try to keep up domestic production levels (although, for example, the rice price support system is very costly) and get firm supply commitments from suppliers. The three year "gentlemen's agreement" with the US (1976-78) was a useful antidote to the "soybean shock" and reassuring since the USSR and China came on the global market as big buyers. After the expiration of the agreement, close consultations have continued between the two governments. Food consultations are also a regular feature of discussions with Canada and Australia.

Even if Japan cannot become self-sufficient in food supplies, Japanese authorities have stressed the need to maintain a potential productive capacity in the form of

a nucleus of labour, land, irrigation facilities and agricultural technology. These would be able to supply a minimum level of basic food supplies for a worse case situation — war or protracted and severe supply disruptions.

Foreign Trade

According to the popular yardstick for measuring trade dependency — the trade/GDP ratio — Japan's percentage in 1979 was just over 10 %, the EC was 23 % and the US was 8 %. However, this measurement misses the more important point. For Japan, trade and economic growth are in a critical symbiosis. Japan's manufacturing sector exports over 20 % of its products. The automobile, steel, electronics, shipbuilding and precision instruments industries all excel as exporters and earners of foreign exchange. Remembering that the lion's share of Japan's imports (well over 70 %) is raw materials and food, Japan must keep selling in order to keep her economy in operation. Exports as a whole have often played the key role in sustaining Japan's growth.

Japan has achieved maximum benefit from the GATT/IMF system with her exports growing at about double the rate of world imports during most of the two decades past⁶. It is certainly in Japan's interest to do what she can to salvage the system from encroaching protectionism. The industrialised countries were successful in the past decade in staving off complete capitulation to protectionist pressures through diplomatic endeavors and strenuous negotiations (the economic summits, the OECD trade pledge, the conclusion of the multilateral trade negotiations, various bilateral talks). However, a certain amount of creeping protectionism made its way into the system. Japan's task for the 1980's is to continue to exert efforts in order to preserve the free trade system.

The difficulty for Japan is that while in balance of payments deficit herself, largely because of the huge oil bill, Japan runs big balance of trade surpluses with some of her major trading partners. Rational economic analysis, the Japanese argue, would dictate that corrections be made on a multilateral (not bilateral) basis and on the current account (not trade) balance.

Another cause of Japan's trade frictions with her major trading partners is sudden surges of exports of

⁵ For example, in order to produce grain comparable to her 1978 grain imports (15.8 mn tons of corn and sorghum, 5.7 mn tons of wheat, 2.1 mn tons of soybeans) Japan would need about 9 mn hectares, compared with the 5.5 mn hectares she now farms.

⁶ World imports increased annually by an average of 8.2 % for the period 1955-70 and 5.7 % in 1970-76, while Japan's exports increased by 16.3 % and 12.1 % annually for the respective periods.

certain Japanese items such as automobiles, ships, electronics, steel and machine tools. Taking into account the difficulties that some countries may be faced with by increased imports, the GATT provides a safeguard mechanism under Article XIX. But the provisions are perceived as inadequate by some governments and therefore seldom invoked. Instead, many export restraints have been imposed outside GATT rules in such forms as Voluntary Export Restraints (VER) and Orderly Marketing Agreements (OMA). Japan herself has been a victim of many of these non-legal restrictions. There is a tendency, once such measures are instituted in one sector, for them to be replicated in other countries and other sectors. This will have over time a corrosive effect on the free trade system. While it is important, therefore, to minimise the effect of trade frictions, it is not necessarily desirable for Japan to make an easy compromise in such forms as VERs and OMAs not based on existing international rules. In this regard, all countries concerned should be reminded of the importance of observing the international rules of the game.

Structural Adjustment

Closely connected with the free trade system is the problem of industrial adjustment. The free trade system encourages the replacement of disadvantaged industries by relatively advantaged ones. When this process is not smooth, some governments are tempted to take protectionist measures. Japan herself is faced with various external pressures for structural adjustment – NICs competition; currency appreciation; rising raw material costs; trade frictions and slowing economic growth. She has been more successful so far than the US and many European countries in facilitating the adjustment process.

In dealing with NICs, Japan has avoided the temptation to restrict imports from these countries. Located in Asia, Japan has been both a model and an encouragement for development to many developing countries, and intends to continue as such. Japan has tended to view the relationship not solely in terms of the problem of competition, but rather the benefits of increased interdependence, which will in turn contribute to her economic security. So far Japan has been successful in upgrading her industrial structure; in transferring production sites to cheaper developing countries; and in encouraging technological innovation. Japan runs a very large balance of trade surplus with Asian NICs. As fast as Japan's imports from these countries have increased, her exports have increased faster.

Structural adjustment is also called for to reduce Japan's trade frictions with other developed countries. At the heart of Japan's trade trouble is the widening gap in industrial competitiveness, due mainly to differences in productivity levels. Japan's high levels of productivity have been achieved, in part, because of economies of scale in her major industries, which in turn have to rely on export markets. When world growth slows, but Japan's exports keep pace, the importing countries feel more deeply the impact of Japan's strength. Structural adjustment in the 1980's should aim at further upgrading industrial structure by means of more sophisticated and higher value added goods, and by developing indigenous technology.

For high energy and resource consuming industries, stepped-up efforts need to be made to conserve energy and resources, to replace oil with coal as an energy source, and to implement technological innovation in production processes. Japanese steel and cement industries in particular have been successful in this regard.

Structural adjustment should be primarily left to market forces. When government intervention is needed, however, such intervention should aim at positive adjustment instead of defensive adjustment. Prolonged continuation of defensive policies will make the country's economy less productive and more inflationary in the long run and the trade-off between the short-term economic and social benefits and the long-term cost will eventually deteriorate.

Defining Japan's International Role

Since Japan is a trading nation, her economic prosperity is highly dependent upon the international environment. Peace and stability are available to Japan only when the world enjoys peace and stability. It is therefore in Japan's interest to promote prosperity and well-being and to avoid international disputes. The country's diplomatic role has to be considered within this context. Until recently Japan, making the most of *pax americana*, both in security and in economic fields, managed to attain her present prosperity. Japan could easily afford to take a passive position diplomatically, while taking for granted that the international environment would continue to be conducive to her economic expansion. With the crumbling of *pax americana*, Japan can no longer presuppose the continuation of such favourable circumstances. As Japan's economy strengthened to the extent that she stands now as the free world's second economic power, more criticism came to be directed at Japan as a "free rider" and more and more pressure has been exerted

on her to take greater responsibility for the maintenance of the international system to which she belongs. Japanese policy makers are increasingly aware that Japan must shoulder her share of responsibility by participating with other advanced countries in building a new international environment, which will at the same time guarantee Japan's security and prosperity.

Japan has ruled out the possibility of becoming a military power⁷, given the constitutional constraints and her past record. Her role, therefore, will be in the political and economic fields, especially in terms of assuming economic responsibilities commensurate with her economic power. During the 1970's, Japan came to accept an increasingly bigger role in the international economic, trade and monetary spheres and is expected to continue playing a major role in these areas. In the energy field, strenuous efforts will be needed to find short, medium and long-term solutions to the energy crisis, both at national and international levels.

Strengthening Interdependent Relations

Another area where Japan will place an increasingly greater emphasis as a part of comprehensive security is her contribution to the solution of the North-South problem. The North-South problem will continue to be an important issue throughout the 1980's and any failure in solving the problem will have security implications for Japan. Japan is placed in a unique position in this regard. Geographically, her neighbours are mostly developing countries. Historically, Japan attained modernisation in a comparatively short span of time, despite a different cultural and ethnic background from other developed countries. Economically, the share of developing countries in Japan's total trade is much higher than in that of other advanced countries. The future economic situation and the evolution of the North-South problem could have a far-reaching effect on the Japanese economy. According to the OECD Interfutures report⁸, in the event of future North-South

confrontation, the Japanese economy would be the hardest hit of the major OECD countries, and its economic growth would suffer a great setback. It is, therefore, not only Japan's responsibility, but also in her best interest to exert her utmost to contribute towards political stability and economic development in the Third World.

The emphasis will be on the expansion of economic aid to the Third World, with the major share going to Asia but with an increased aid volume to other regions of the world as the total aid amount will continue to increase. Economic aid to developing countries is one way of strengthening their resilience in the face of regional threats. With the deterioration of the international political environment in recent years, the emphasis in Japanese aid has shifted to "war peripheral" countries. Japan responded quickly to the volatile situation in South East and South West Asia with massive amounts of aid to Thailand and Pakistan and contributions to the UNHCR and other programmes related to the Indochinese refugees. In sharp contrast, economic aid to Vietnam was suspended. Japan has also contributed to joint Western aid efforts to Turkey, and also to Jamaica and has an aid proposal to Oman under consideration.

To ensure economic security Japan must find ways to live in a strengthened interdependent world. She will have to take care not to become more dependent, but more interdependent. If an option for self-sufficiency and autarky is not possible, the choice left for Japan is to strengthen interdependent relations with not only developed countries but also developing countries. Japan's security interest will be best served by her positive contributions to the lessening of tension between the North and the South and to the creation of a stable international environment.

⁷ For example, see Prime Minister Fukuda's speech in Manila, August 1977, and Prime Minister Suzuki's speech in Bangkok, January 1981.

⁸ OECD: Facing the Future, Paris 1979, pp. 289-333.

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