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Pekka Korhonen

The Origin of the Idea of the Pacific Free Trade Area

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A Study of Japanese Rhetorical Categories and Discussion on International Integration 1945 - 1968

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ABSTRACT

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The study is based on interpretative reading of original texts. More specific analysis has proceeded through the rhetorical approach, inspired by Aristotle, Kari Palonen, Stephen Toulmin and Chaim Perelman, and a model for the analysis of social discussion processes has been developed.

In the second part five general themes of Japanese postwar social discussion have been constructed from the point of view of Japanese economists. They are 1) Japan as a small country, 2) economism, 3) economic growth, 4) industrial development, especially Akamatsu Kaname's theory of the Flying Geese Pattern of Development, and 5) Japan's relationship with Asia. In 1945 Japan started her reconstruction as a defeated, poor, small, and low ranking country, who tried to limit her international activities on the economic sphere. As a consequence of rapid economic growth and development during the 1950's and 1960's Japan became stronger, and her international rank rose. This was one factor in distancing Japan from her Asian neighbours, other factors being lingering enmity against Japan, and the political Cold War situation. At the same time Japan approached the Euro-American countries in terms of culture, social structure, political orientation, trading relations, and international rank. This shift opened up a new foreign political horizon, which here has been called the Pacific horizon.

The third part analyzes the process of the formation of this horizon, after attempts at integration in an Asian setting during the 1950's and early 1960's, provoked especially by the setting up of the European Economic Community in 1958, had not been able to proceed. A turning point came in 1965 when Kojima Kiyoshi proposed the establishment of a Pacific Free Trade Area composed of the United States, Canada, Japan, Australia and New Zealand. A further stage was reached in 1967 when Foreign Minister Miki Takeo adopted Kojima's proposal, resulting in 1968 into the first Pacific Trade and Development conference in Tokyo. Although a free trade area was not born out of this process, a Pacific horizon for Japan and other countries was.

Descriptors: rhetorics, international integration, horizon, small country, economism, growth, development, Japan, Asia, Pacific.

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Jyväskylä, the 1st of July, 1992

Pekka Korhonen

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1 INTRODUCTION

I was fascinated at first sight by the strange beauty of the idea of the Pacific Free Trade Area (PAFTA) when I came across it in Tokyo in 1987. The idea of PAFTA was originally proposed in 1965 by Kojima Kiyoshi, a professor of economics at Hitotsubashi University, and meant creating a free trade area among the United States, Canada, Japan, Australia and New Zealand. The PAFTA proposal formed the foundation on which was built a huge body of literature and political activity during the 1970's and 1980's relating to various forms of cooperation and community building over the Pacific Ocean. That activity was accompanied by various slogans such as "Pacific Community", "21st Century", and "Pacific Century", which depicted a transference of the economic and political center of the world from the Atlantic to the Pacific area.

What fascinated me about the original proposal was the combined rationality and strangeness of the idea. It was rational because it followed logically from the economic situation in the Pacific area during the 1960's as seen from Japan. The countries mentioned were at the time the only industrially advanced countries in the region, and were already engaged in mutually complementary trade. It was strange because in its bold economism it seemed to transgress all other conditions I had learned to associate with regional integration, whether it referred to the EC, EFTA, COMECON, or the failed NORDEK of the North European countries (see Turner et al. 1982). Not being an expert on the theory of integration, I had in my mind such simple and concrete prerequisites as physical proximity, as well as a measure of cultural, racial and linguistic similarity between the participants. Such non-economic factors were not totally lacking in the case of PAFTA; at least politically the countries belonged to the

same grouping of Capitalist countries in the Pacific area, linked through political cooperation with the United States, a factor not given much explicit consideration by Kojima. It was his concentration on purely economic argumentation which aroused my curiosity.

However, this study is not only about Professor Kojima Kiyoshi and the original PAFTA proposal. The original interest grew into a larger study project on the history of Japanese discussion on regional integration of the area since the beginning of Japan's modern period up to the present time. The project has produced three general articles in Finnish (Korhonen 1988; 1989b; 1990b), and one article covering the period 1854-1945 (Korhonen 1990c). The present study analyzes the postwar period from 1945 to 1968, although actual discussion of regional integration picked up only slowly during the 1950's in Japan. Kojima Kiyoshi, the most important intellectual studied, did not work in a vacuum, but was part of a larger community of economists discussing the problems of Japan's international economic relations. Another economist, Okita Saburo, and a politician, Miki Takeo, are especially important in connection with the development of the idea of the Pacific Free Trade Area. Thus, this study covers the first phase in the discussion process relating to Pacific economic cooperation.

The literature on Asian-Pacific economic cooperation forms a considerable amount of material. It was a fashionable topic of discussion especially during the 1980's, although in recent years, with slowly increasing tension between Japan and the United States, one has heard less about it. Most of this literature is future oriented, proceeding simply from the fact that a dynamic and important political and economic region is evolving, composed of the Pacific rim countries. Examples of this kind of literature are E. Cough Whitlam's *A Pacific Century* (1981), Institut du Pacifique's *Le Pacifique, "Nouveau Centre du Monde"* (1983), Staffan Burenstam Linder's *The Pacific Century* (1986), Seki Hiroharu's *The Asia-Pacific in the Global Transformation* (1987), Arifin Bey's *Ajia Taiheiyoo no jidai* (1987) or Okita Saburo's *Approaching the 21st Century* (1990).

Fewer studies exist on the history of the idea, and such writings usually tend to place the beginning of the discussion between 1965-1968, beginning with Kojima's PAFTA proposal, followed by the advertising of the idea by Foreign Minister Miki Takeo from 1967, resulting in the first Pacific Trade and Development Conference (PAFTAD) in Tokyo in 1968. Examples of this historical approach are Peter A. Drysdale and Hugh Patrick's *Evaluation of a Proposed Asian-Pacific Regional Economic Organization* (1979), Hoon-mok Chung's *Economic Integration in the Pacific Basin: A Historical Review* (1981), and Purificacion Valera-Quisumbing's *Toward an Asia-"Pacific Community"* (1986). Even Japanese texts treating the evolution of the concept do not usually go back beyond those years, e.g., Masuda Ato's *Taiheiyoo*

kyoodootai ron (1980), or Donowaki Mitsuro's *The Pacific Basin Community - A Japanese Overview* (1982).

Hadi Soesastro, in his *The Pacific Community Idea: Much Ado About Nothing* (1980), relates the origins of the discussion to the Japanese postwar foreign political situation, emphasizing, besides Kojima, the early role of Okita Saburo. Kojima Kiyoshi himself has published two volumes on the development of the discussion (Kojima 1980; 1990), and in the first volume, *Taiheiyoo keizaiken no seisei*, he mentions that there were various prehistories to his PAFTA proposal contained in the discussion of the early 1960's (1980, 2-4, 26), although he does not analyze them much. In his memoirs, *Reflections on My Lifetime* (1983), Okita Saburo discusses briefly his part in the early attempts at regional integration in Asia in connection with the United Nation's Economic Commission for Asia and the Far East (ECAFE). Lalita Prasad Singh's *The Politics of Economic Cooperation in Asia* (1966) analyzes the early attempts towards regional economic integration in Asia, and also emphasizes both the role of ECAFE and, among Japanese, Okita Saburo. However, apart from Soesastro's brief article, whose main subject is the post-1968 situation, and Singh's study, which has been made from an Indian point of view and does not contain much information on Japan, the early postwar history of Japanese discussion up to Kojima's PAFTA proposal has not been adequately studied thus far. I hope to be able to rectify the situation somewhat with this study, without claiming to be able to clarify all aspects of it.

In this study, the discussion on economic integration is seen as part of a larger debate on Japan's postwar foreign relations. From that perspective, the study period starts already in 1945 with the lost Pacific War, and the changes it caused both within Japan and in the international environment around her. Consequently, this study belongs not only to literature on Pacific integration, but also to the body of literature on Japan's postwar foreign policy. There are three particular works which have been relevant to the study process. In the sense of problem formulation, this study has similarities to Dennis T. Yasutomo's *Japan and the Asian Development Bank* (1983), which analyzes the re-emergence of Japan to the international scene as an originator of a regional political initiative in the form of establishing the Asian Development Bank during the 1960's. Our subject is different, as well as our methods; Yasutomo relied heavily on interviews, while I am using mainly qualitative textual analysis, but our basic view on Japan's international situation at the time, an active rather than a reactive or passive state, is similar. Yasutomo's study also clearly shows how a policy initiative can originate in very uninfluental-looking circles, and after being refined through a process of social discussion, is finally adopted and used by the official decision makers. This is a more fruitful approach to the situation than con-

centrating on top policy-making figures only. The same structure also appears in this study. The idea of regional integration was developed for many years among intellectuals like Okita, Kojima, and others, and was at last adopted in a ready form by Foreign Minister Miki in 1967.

Chalmers Johnson's *MITI and the Japanese Miracle, The Growth of Industrial Policy, 1925-1975,* first published in 1982, also comes close in another respect. It is a historical study of the growth of Japan's industrial policy in the minds and by the actions of the great men of the prewar Ministry of Munitions and the postwar Ministry of International Trade and Industry. It is also a story of the evolution of Japan's protectionism in her trading relations, and in this sense part of the political tension building between Japan and the United States during the 1980's. This study is similar in analyzing the ideas of a few individuals on the growth of Japan's policy of integration, calling these individuals important, and in that sense unavoidably elevating them to the position of intellectual heros, but otherwise our approaches are different. This is a story of Japanese internationalists, who argued for more open trading policies, and whom Johnson has tended to ignore. This is also an analysis of the role of theory, namely Akamatsu Kaname's theory of the Flying Geese Pattern of Development, and Kojima Kiyoshi's treatment of the theory of integration in the formulation of the Pacific free trade initiative. Johnson totally neglects the theoretical aspect in his concentration primarily on historical events. When policy making is presented in a causalistic way as response to foreign pressures, the image of a reactive state is heightened. On the other hand, theories are tools for constructing reality meaningfully, mapping probable roads to the future, and the values a theory carries within itself are a way of aiding policy formulation. When theory is brought into the analysis, a teleological aspect of foreign policy making can be uncovered. This is an addition to Yasutomo's argument about the active nature of Japan's foreign policy already during the 1960's, which was made on the level of practical action.

Bert Edström's *Japan's Quest for a Role in the World, Roles Ascribed to Japan Nationally and Internationally 1969-1982* (1988) is also relevant to this study, although Edström studies a very different period, starting from the point where this study ends. Edström's work is methodologically sophisticated, and uses texts as primary sources, concentrating on utterances of Japanese prime ministers and foreign ministers about Japan's international roles, as well as similar foreign utterances found in the Swedish World Press Archives, comparing these two sets of perceptions with each other. The dimensions Edström uses are Japan perceived alternately as a small and a big power, as well as degrees between these extreme points, and he shows well how widely the psychological perceptions of a country

can differ within these dimensions. However, the concept of role is narrow as an analytical concept of political science. Edström's study hangs somewhat in the air, as he studies only the figureheads of foreign policy making, and he does not really analyze how these perceptions were actually used in policy formulation. His rank-theoretical dimension of big-small is also a narrow one, and he unnecessarily has to try to force other aspects of Japanese social and political reality into it. I have tried to show in this study a more fruitful set of categories by which to analyze Japanese discussion on foreign relations, and also to show the impact of these categories in the formulation of a specific foreign policy initiative.

What makes this study of a seemingly economic subject a study of political science, in the Finnish sense of the term *valtio-oppi*, which subsumes the study of both international politics and national politics under one heading, is the concept of national interest. This concept is associated with the Realist theory of international politics. There are two variations of this approach: the older Realists, whose main theoretician was Hans Morgenthau, and the neo-Realists, such as Robert Gilpin. The neo-Realists, who try to build a systems theory of international politics, use the concept of national interest as an abstract concept, something that somehow emanates from the material situations between states, understood as the quantifiable military and productive capabilities of states under the rules of the total system, as in Gilpin's *War and Change in World Politics* (1984, 9-15). Such a concept of national interest is not of much use in this study, as it is difficult to connect with the idea of social discussion.

The older Realist position is more useful as it insists that the concept of national interest cannot be determined in the abstract, but has to be interpreted in each particular situation by certain individuals, as in Morgenthau's *Politics Among Nations* (1978, 4-15). Because of this, the Realists emphasized in addition to material things also various cultural, ideological, and psychological categories which have to be taken into consideration. However, they had in mind a special kind of individual, namely the leading statesman. The roots of the idea go back to post World War I German Romanticism and the search for an ideal leader in the Weimar Republic, exemplified by Max Weber's classical 1919 lecture *Politik als Beruf* (Weber 1977). In the Realist doctrine the idea took the form that the leading statesman should keep his eyes on the general interest of his country in place of the particular interests advocated by lesser political actors (Morgenthau 1934; 1935; Korhonen 1983, 9, 45-79; Söllner 1987). The distinction may be useful in some situations, but not in this study. In this study, any individual who argues with the best interests of his or her nation in mind is thought to argue from the point of view of national interest.

There is also another problem with the old Realist concept of

national interest. Morgenthau defines it narrowly in terms of power, commensurate with his sharp discrimination between political and other sectors (Morgenthau 1978, 12-14). In this study it is rather the economic sector which is subjected to analysis, and power is not an adequate concept here. Nor is wealth a wide enough concept. The individuals studied here kept the national dimension high in their rhetoric, but as intellectuals they were able to combine other values with it. Although it may lead to a dilution of the concept, national interest is here defined as the "good" of the state, with special emphasis on its citizens. Wealth is a component of this, but so are peace, security, advancement, freedom from want and domination, and other similar objectives. National interest is seen as a conflicting concept, an object of social discussion, and in all different situations there may be various proposals and opinions about it.

This study is not concerned with the decision making aspect of the concept of national interest, but of the creation of PAFTA as an idea. The situation of international integration in the Asian Pacific area has been very different from the situation prevalent in Europe, and hardly any big decisions have ever been made. European integration has proceeded as institutional integration, and its history can be written as a process of distinct decisions and agreements leading to various institutional structures. The integration process taking place in the Asian Pacific area, on the other hand, has been mainly functional, characterized by slowly deepening cooperation between economies - rather than states - in various fields, accompanied by a continuous process of discussion among various professionals, which only occasionally has come into the spotlight at the state level. Even nowadays, in place of institutional structures capable of making decisions, in the Asian Pacific area are only various discussion clubs, and a general process of discussion which produces ideas, images, ways of mentally constructing the world within various useful categories, and this was also the situation at the beginning of this process in Japan during the 1960's.

Two different concepts of politics will be used in this study. They can be called a sectoral way of understanding politics, and politics understood as action. Politics understood as a sector refers to the ordinary way of dividing national activity into various sectors, such as the political, economic, military, or cultural sectors. Academic disciplines, too, usually follow similar divisions. Although usually some overlapping is understood between the sectors, they are often treated as separate, each of them the domain of appropriate professionals. This approach has been advocated especially by Morgenthau (1978, 12-14).

A sectoral imperialism is usually at play in the situation. For instance, political scientists expound the autonomy of politics against interpretations from other disciplines, while themselves evaluating -

not always unpejoratively - the domain of other sectors from the point of view of political science. Similarly, the Japanese economists tried to maintain the autonomy of economics, emphasizing that they were interested only in the economic aspect of different situations, and considering economics to be the discipline that most accurately organizes the relevant aspects of reality. They tended to regard other sectors pejoratively, especially the political and military ones, as dealing too often with irrelevant matters, being a nuisance, or outright dangerous.

As this is a study of political science, another concept of politics will be used, too, inspired by Kari Palonen's *Politics as a Dramatic Action Situation* (1983). Politics as action refers to using one's power in the context of the powers of others, as a way of pushing through one's will in social situations. These situations are not necessarily the dramatic ones of conflicting passions crashing against each other, one of them emerging as the winner, the others laying defeated among the ruins of the battlefield. Politics as action is understood here as the not so dramatic situation of social discussion, where various arguments are proposed and claims made for others to accept or refuse. The various disciplines do not appear here as sectors, but as overlapping layers, where none is more important than the others. There are periods when specific matters become more political, acquiring a political colouration, while at other periods the same matters may be more coloured by economics, or at times by cultural, or military aspects (comp. Morgenthau 1929, 67).

For instance, when an individual who happens to be a Japanese economist publishes a treatise on abstract economic theory, he may be engaging in politics among his fellow scientists, trying to make them see abstract economic matters as he does, but the political colouration of this situation is not necessarily intense, and with respect to national politics there need hardly be any. If, on the other hand, the treatise published happens to expose the beneficial theoretical effects of free trade, and it is published in a situation of a heated national controversy over economic policy between nationalist protectionists and internationalist free traders, the treatise very quickly acquires a deep political colouration both with respect to fellow economists and the national system at large. A text, or an argument in general, can be strictly confined to the sector of economics, while at the same time being a political act. In this way, the essentially economic texts analyzed here, although they may never mention the word politics, can be treated as components in the discussion of Japan's national interests and foreign policy.

These two ways of understanding politics are also meaningful in another sense. Japan's situation in the 1950's and 1960's, as a small country under the hegemonic system of the United States, guarded by suspicious Asian neighbours hurt in the Pacific War, and the

nation deeply divided over Cold War political issues, was not in a position to act conspicuously in the political sector. As the political sector was filled with difficulties, emphasis on the economic sector was a way of closing away aspects of reality which inhibited action. In this way, a space was created where self-confidence could be built, constructive thinking could proceed, and nebulous dreams like the Pacific Age could be imagined (see Korhonen 1990a, 33-6). It will be seen in the study how, in places where politics or other non-economic factors are brought into the picture, thinking on regional integration tends to come to a halt, while in places where they are deliberately shut out, it can proceed.

This points to the idea of an intellectual horizon, as employed by Kari Palonen in his *Politik als Handlungsbegriff* (1985). The concept of horizon is a spatial one in the sense that it depicts discussion going on inside a space with a limited number of possibilities for action. The space has its own logic defining the properties and relationships of the actors inside it, as well as the possible kinds of actions presented to them. On a purely abstract level, a multitude of possible courses of action could always be constructed, but in all practical situations most of them lay, so to speak, beyond the horizon. They are not perceived as anything real or realistic, if there is an awareness of them at all, and they do not feature in the discussion. When discussion as a process evolves, together with changes in the material world, the intellectual horizon of what is understood as possible also moves, opening up new visions. The speed of the process is not constant. Some periods are more hectic than others, and the appearance of a new horizon tends to have the nature of a jump into a qualitatively new stage (see Kierkegaard 1982, 122-31).

The study is composed of three parts. The chapter On Methodology formulates the methodological tools used in the analysis, while the actual analysis is divided into two parts, Themes and Integration. The first part attempts to construct the basic rhetorical categories used by Japanese economists in the postwar situation to define Japan and her place in the international system. They consist of five themes. The first of them is Japan as a small country. This theme was born in the aftermath of the lost Pacific War in 1945, when Japan was placed inside the emerging hegemonic system of the United States, and the formerly great military power was turned into a helpless small country. The second theme is that of economism, born at the same time, and developed during the Yoshida years as a sector where action could proceed, mainly in the form of reconstruction. The publication of the so called Ikeda Plan of doubling national income in 10 years, in 1960 opened a new, very optimistic theme of high speed economic growth. Under the theme of development Akamatsu Kaname's theory of the Flying Geese Pattern of Development will be analyzed. The theory had already existed before the

war, and after gaining strength in accordance with the theme of growth during the 1960's, opened up the category of future in Japanese rhetoric as an excessively optimistic horizon. The fifth theme, Asia, concerns Japan's difficulties of coming into grips with the post-war Asian political situation.

The second part, Integration, analyzes Japan's attempts to approach the international system in general, and the Asian subsystem in particular, after regaining independence in 1952. During this period a discussion on regional integration in Asia hesitatingly started. With the establishment of the European Economic Community in 1958 it increased a little, but it took until 1962 until Japanese discussion on the matter began to intensify. During 1962-1965 a debate emerged between an Asian and a Pacific orientation for Japan in the search for suitable partners in a scheme of regional integration. The Pacific as a new horizon opened to the Japanese at that time, and it was crowned by Kojima Kiyoshi's PAFTA proposal in 1965, by which Japan came to be defined as a Pacific rather than an Asian country. During 1965-1967 a boom of future studies appeared in Japan, and when Miki Takeo tied their rhetoric together with the PAFTA proposal in 1967, the horizon of the Pacific Century opened. The last chapter analyzes the first Pacific Trade and Development Conference in Tokyo in 1968, as a way of describing the initial international reception of the idea, and as a way of clarifying the Japanese rhetorical situation by contrasting it with that of other countries. Thus, Japanese discussion on international economic integration will be analyzed from the point of view of the opening of the futuristic horizon of the Pacific.

A short explanation should be made about the manner of writing Japanese quotations and names. Because the word processing technique in use permits, Japanese quotations and terms will be given in the original language. It is a normal practice in qualitative textual analysis, and does not require special justification. Their contents are treated in the text, and those readers who do not want to have anything to do with the *kanji* (漢字), or Chinese characters, can ignore them. They contain, however, more information than their transcriptions, and I believe them to be discernible, in places, even to people who do not have previous knowledge of them. In the case of short quotations or individual terms I have usually given a transcribed form. The technique in use has not, however, permitted representing long vowels with a straight line above the letter, which is the usual method, but because this study is published in Finland, and Finnish differentiates between short and long vowels as strictly as Japanese does, the Finnish system of representing long vowels with two letters has been used. The result is an applied Hepburn system, where consonants are pronounced as in English, and vowels as in Finnish.

The problem with Japanese names is different. Many of the authors have published in English, and thus an established way of writing their names already exists in a romanized form, where long vowels are not marked. As they themselves seem to prefer this, their wishes have been honoured. For the sake of consistency the same method has also been used in the case of authors whose names I have seen only in Japanese. For example, according to this system, Kojima Kiyoshi, Akamatsu Kaname, and Miki Takeo are transcribed correctly, but Okita Saburo should be pronounced as Ookita Saburoo, and Oki Hiroshi as Ooki Hiroshi. The Japanese system of writing the surname first and personal name after, which is the usual practice in scientific literature, has been used throughout.

The texts used date from different periods. Beginning in 1945, the *kanji* used in Japan came under a process of simplification, and in 1946 the Government issued a list of 1,850 *Tooyoo kanji*, which during the 1940's and early 1950's gradually replaced the older characters, although they tended to remain in use, e.g., in names. As many of the older characters are not included in the fonts of modern word processors, I have used Andrew N. Nelson's classical *The Modern Reader's Japanese-English Character Dictionary* (1985) and Spahn & Hadamitzky's *Japanese Character Dictionary* (1989) to determine their modern equivalents. It has not been an actual problem with quotations and terms, but some names may appear in a slightly different form than in the original.

There is another problem, regarding the readings of names. Japanese *kanji* generally have various possible readings, and the phenomenon is multiplied in the case of names. Sometimes only the person himself knows how his or her name should be read. Nowadays the correct reading is usually given in the colophon of the book, but that has not always been the case, and especially in articles published in the early postwar period it as a rule was not. In cases where I have not found out the correct reading through other sources, I have used O'Neill's *Dictionary of Japanese Names* (1984), from which I have chosen the most probable reading. In the Bibliography I have given in *kanji* the names of all those Japanese authors whose Japanese publications have been used. Where only English publications have been used, the *kanji* are not given.

2 ON METHODOLOGY

This is an empirical study, based on the observation of a piece of historical reality, i.e. on reading and analyzing a set of texts from a particular period of history. The central focus on using published texts, rather than information obtained through interviews, is heightened by the conditions where the study was conducted. The texts were researched, and most of them photocopied in Tokyo during the winter of 1987-88 and autumn, 1991, while most of the reading, thinking, and writing took place at various locations in Finland in between other commitments.

As authorities on methodological and epistemological theory, authors have been used who do not place too much faith in ready made procedures of enquiry. Certain works, especially C. Wright Mills' *The Sociological Imagination* (1970), Paul Feyerabend's *Against Method* (1980), and Hans J. Morgenthau's *Scientific Man vs. Power Politics* (1946) have been used as sources of inspiration (see also Korhonen 1989a).

When starting this study on the development of the concept of the Pacific Free Trade Area, I did not have a clearly defined research problem. Instead, I had what can be termed as a topic of interest: how did the idea come into being? Or more specifically: how can I, a geographically, temporally, sectorally, linguistically, and culturally distant person be able to understand accurately the essential characteristics of Japanese thinking on international cooperation during the 1960's? When a specific topic of interest, rather than a narrowly defined research problem to be operationalized through some theory into a set of testable research hypotheses, is chosen as the starting point of the study, the next step follows logically. As C. Wright Mills says it, to carry out such a study "requires a selection

of materials, conceptions, and methods from more than any one of these several disciplines ... It is in terms of such topical 'problems', rather than in accordance with academic boundaries, that specialization ought to occur" (Mills 1970, 158). Paul Feyerabend argues essentially the same thing, only more radically, by saying that "anything goes" (1980, 28) as the method of enquiry.

With this in mind, we can say that the principal method of the qualitative analysis of texts is to read them. Reading is *the* method, beyond which everything else is just auxiliary. By reading is meant emphatic reading, setting oneself into a direct relationship with the texts, and trying to understand as fully as possible what the writers have attempted to convey. During the process of reading there eventually emerges a rather clear idea as to what the discussants are talking about, how they talk about it, what limits the discussion does not transgress, the extent of certainty with which they make their claims, shifts in standpoints and points of interest, and the central conceptual structure. Everything else that is done in the study is based on these ideas from the totality of the process of discussion. For the purpose of making finer distinctions within these ideas, and writing them down in a coherent way, other, more specific methods have been used. The study has thus been a two stage process of first reading and forming the general picture, and then analyzing the texts more specifically.

The purpose of the study has not been to test some theory against data, but to find the path a historical process of discussion has taken. Theory has been used in places where appropriate as a way of aiding textual analysis. Methodological theory has been used in defining research methods, economic theory has been used in understanding some of the thought patterns of Japanese economists; the theory of integration has been employed in analyzing the concepts of integration used by the discussants, and theory on international politics has been used in setting Japan into a global perspective. The central emphasis of the study has, however, been the interpretation of a set of historical texts.

What it has meant in practice is that I have worked from the central texts by Kojima Kiyoshi in the middle of the 1960's both backwards and forwards in time, as well as sideways into the texts of other economists, other disciplines and ways of thinking, looking for new texts to satisfy my curiosity. As the number of possible sources in this kind of approach is in principle unlimited, I had to restrict them to specific research material of manageable size. The amount of material was determined by two main factors: The borders were pushed outwards by my will to understand adequately the basic structures and categories of Japanese thinking within the specific historical setting in which it took place, but were limited by my ability to read and comprehend Japanese. The problem was actually

more apparent than real; in a community of fairly like-minded discussants there is actually not much variation between different texts, especially in the case of basic rhetorical categories, and in a situation like this the value of each additional text tends to diminish geometrically. The problem of qualitative textual analysis is not the number of texts, but rather their selection. When presenting the results of analysis only very little can actually be used, there being no sense in presenting fairly similar arguments over and over again.

As a consequence, the material of the study was decided to be the following: on the basis of a survey of literature conducted in the library of the Faculty of Law at the University of Tokyo and the utilization of two bibliographies, *The Pacific Community Concept* by the Japan Center for International Exchange (1982) and Iwasaki Ikuo's *Japan and Southeast Asia* (1983) the core of the material was decided to be the published texts of Kojima Kiyoshi, Okita Saburo, and Miki Takeo from the 1950's and 1960's. In collecting this material I was greatly aided by the library of the Japan Economic Research Center (JERC), which played an important part during the 1960's in organizing discussion of regional integration by sponsoring seminars and conferences. The library had already collected most of the early Japanese discussion on a special shelf of precious historical material from the early days prior to the establishment of the Center, and it was there just waiting for somebody to study it. Foreign Minister Miki's published speeches relating to regional integration were found in the Diet library, and texts on Japanese-Southeast Asian relations in the library of the Institute of Developing Economies. As a rule, I chose texts which were on a general level, excluding texts which treated Japan's relationship with specific countries, such as the United States or Thailand. Using this material the second part of the study, Integration, was made, and on the basis of mutual references it was considered sufficient.

The principal "defect" of this material was that it left so much unsaid, only hinting at things which were supposed to be known to contemporary readers of the texts, while they certainly were not known to me. Okita might mention that he had participated in an international conference in Bandung in 1955, or Kojima might mention that the Kennedy Round negotiations of GATT were under way when he was formulating his PAFTA proposal. In these situations, general information on the said events and processes could be found from other sources, but be that as it may, if nothing more specific was said it was difficult to infer much from those references. In many cases there were no such references. Although it is legitimate to use various *ex silentio* type of deductions in historical research, the approach is far from unproblematic, and I decided to stay strictly on the grounds the texts themselves provided. I have utilized those references where possible, but apart from theoretical questions, often

only quite uninteresting conclusions could be drawn that way.

For the second, there were certain curiosities in the ideational world of the Japanese discussants, such as recurring references to Japan's smallness, even though during the 1960's Japan had again become a considerable industrial power, intense preoccupation with economic matters accompanied by a dislike of military or political matters, equally intense interest towards growth and economic development, and emotionally very loaded relationships with both the Asian and the Euro-American nations. Discussion related to integration was clearly not only about international economic integration as such, but involved a psychologically deep process of reinterpretation regarding Japan and her place in the world, considering Japan's rapidly rising economic strength and affluence. The total postwar situation of Japan seemed to be involved. This pointed to the possibility of fruitfully using the rhetorical method. With it, the thinness of analysis when trying to tie the texts directly with material reality could be avoided, because the general rhetorical categories could be used as a mediating link between the texts and reality. At the same time, the rhetorical method allowed for deepening the analysis, as fresh nuances could be discerned from texts, and the change in Japanese horizons could be uncovered more clearly.

It became, however, necessary to make a separate study of these rhetorical categories. There exists a Japanese tradition of *shisooshi* (思想史), idea history, whose most famous representative is probably Maruyama Masao (see, e.g., Maruyama 1986), but much of this has been written from a political or cultural point of view. Most economic histories tend to stay on a material level, and were not directly usable. Sakamoto Yoshikazu has briefly reviewed Japan's postwar economistic ideas in his *Japan as an International Being* (1978), and Nakamura Takafusa has included an analysis of ideas in his studies *The Postwar Japanese Economy* (1981) and *Shoowa keizaishi* (1986). These kinds of works helped in the construction of themes, but they were not written as studies of rhetorics, nor did they discuss economic theory. Also from the point of view of the discussion on integration, a specific set of economic rhetorical categories had to be constructed.

To find out about postwar social themes of discussion, two main general interest magazines, *Sekai* and *Chuo Koron* were utilized. They are publications where a multitude of social, political and economic topics are continuously debated. The discussants tend to be various professionals, including economists and other social scientists, government officials, businessmen, political commentators, and journalists. From them relevant articles by economists of the 1940's and 1950's were picked. To them were added two government plans, which were often referred to in the texts, especially by Okita, namely the Plan for Reconstructing Postwar Japanese Economy, published in

1946 (*Nihon keizai* ... 1990) and Ikeda's Plan for Doubling National Income, (*Kokumin* ... 1960). Akamatsu Kaname and his theory of the Flying Geese Pattern of Development was also often referred to, especially by Kojima, but also other discussants tended to have a fairly similar theoretical basis; certain publications were found in libraries, while Kojima Kiyoshi kindly presented me with some hard to come by material. Information obtained this way was then combined with information of principal events and processes of Japan's postwar period, obtained from statistics and existing studies of Japan's political and economic history. This is the material with which the first part of the analysis, Themes, was made.

There is one principle, which I tried to apply as strictly as possible during reading and analysis. It is one of the central methodological principles of historical textual analysis presented by Kari Palonen in his *Tekstistä politiikkaan* (1987), namely the principle of avoidance of *ex post wisdom* (*jälkiviisaus*) (ibid. 84-89, 95-116, 125-6). It means simply refraining from naive criticism of texts in the light of later historical developments, as for instance, G.W.F. Hegel or Friedrich Nietzsche having been criticized on the grounds that long after their deaths, the Nazis during the 1930's used excerpts of their ideas, as well as their prestige, in trying to legitimize their own actions. A historical text should be placed as fully as possibly into the original context, trying to identify the problem areas to which the author of the text himself tried to find solutions. The writing of a text can be thought to constitute a political act, while, in turn, politics tends to be an activity where the results have a tendency to get out of control of the initiators and espousers (ibid. 186). The idea is presented in more concrete terms by Sakamoto Yoshikazu who observed that, just as Great Britain advocated peace and free trade during the 19th century ending up with a colossal colonial structure with England at its apex, Japan in a similar "fit of absent-mindedness" built up a neocolonial structure in the Western Pacific during the period of rapid growth and expansion of trade (Sakamoto 1978, 10). Concepts like neocolonialism and economic imperialism became fashionable in the study of international relations during the 1970's, bringing with them the theme of Japanese domination of other Pacific countries (ibid., see also, e.g., Halliday et al. 1973, Galtung 1989, Steven 1990), but they were not a part of the theoretical framework of Japanese economists during the 1950's or 1960's. They were not thinking in terms of domination, but in terms of development. Their position could be described as enlightened nationalism, pursuing Japanese national interests, while limiting them by trying to assist the development of other Asian countries even though it meant creating economic competitors for Japan. They considered themselves to be acting morally, trying to construct a system which would bring peace, prosperity, and happiness to a maximum number of people

while guaranteeing the well-being of the Japanese, and if they erred somewhere according to their own ideational framework, it might have been in perceiving the margin between Japan and the developing Asian countries as narrower than it actually turned out to be. It is in the sense of refraining from naive criticism of the texts by using criteria not immanent in them that *ex post wisdom* has been avoided as far as possible during the study.

In his *Rhetoric*, Aristotle differentiates between three different kinds of rhetorical, or argumentative situations, namely between deliberative, forensic, and epideictic rhetoric (I.III.1-9; see also Barthes 1990, 68). Epideictic rhetoric refers to public speaking situations, such as speeches delivered during festivities or other social rituals, where the audience is composed of mere spectators, judging only the ability of the speaker to speak well. The purpose of the speech is to create and amplify various feelings in the audience, like happiness, sorrow, or pride, as well as to establish or reestablish the speaker's reputation as a speaker.

Forensic rhetoric refers to situations where judgements of right or wrong have to be made. Its prototype is judicial argumentation in court, but it is by no means limited only to this situation. Whereas the temporal frame of reference of epideictic rhetoric tends to be the present, in which both the speaker and the audience are situated during the argumentation, forensic rhetoric is mainly concerned with the past, whether some conduct, deed, or decision was right or wrong, just or unjust, according to some criteria. The argument tends to take the form of accusation and defense. In the end, an evaluation whose ideal type is the verdict proposed by the judge will perhaps be made, at least if one view is able to prevail over others. In the modern world, in trying to find the truth of various matters, a lot of scientific discussion can be likened to this type of argumentation, although strictly taken Aristotle did not mean this.

The last type of rhetoric, the deliberative one, is used in situations where a course of action has to be arrived at. It may be used in situations of private counseling between friends, but the ideal type of situation is arguing in the state assembly for the purpose of influencing political decisions. The temporal frame of reference is the future, where policies will be carried out, although other temporal frames may be used in backing up one's arguments. Deliberative rhetoric is either hortatory or dissuasive, urging some policy decision to be made, or opposing it in favour of another alternative. Various kinds of arguments can be employed in defending one's favourite policies, and opposing those of others. The basic criterion with which the arguments are to be judged is the usefulness or harmfulness of the various policies to the state. This is the central criterion, although it can be backed by considerations of just and unjust, or glory and shame, but these are essentially marginal criteria.

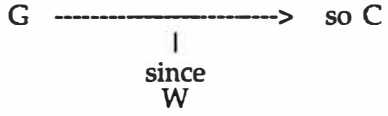
In this study, the Japanese discussion of the idea of Pacific integration is analyzed mainly from the point of view of deliberative rhetoric, as ways of trying to influence the future Japanese foreign political course in the field of economic communication with the rest of the countries of the world. In this sense, the forensic elements of some texts, such as academic treateses, are not emphasized, while their deliberative ones are. The epideictic elements of some texts, such as political speeches or popular academic writings, are pointed out and analyzed in some cases, especially in connection with the theme of growth, but even here the basic point is their deliberative usage. In this sense, and only in this sense, a common ground is established between strict scientific studies of professional academic researchers, bureaucratic committee reports, and more popular publications, so that they can be read as parts of the same process of discussion.

The social situation where Aristotle treated rhetorics was that of a speaker trying to convince his or her audience. As understood here, the new rhetorics, which have slowly been emerging since the 1960's, construct the situation rather as a social process of interactive communication where the purpose is to arrive at psychologically, intellectually, and emotionally acceptable social truths (comp. Summa 1989, 89-100; Rowland 1987, passim; see also Foss et al. 1985), in contrast to logical truths. An individual is understood as part of a larger epistemic community, following its rules and practices of argumentation, while building up his own arguments so that they would acquire the attention and acceptance of the audience.

Following Stephen Toulmin, we might call the propositions people make for the purpose of capturing the attention and belief of others *claims* (C). Toulmin proceeds to call the foundations people appeal to in justifying their claims "data" (1983, 97), but the term may indicate too scientific a view of the kinds of arguments that are studied here, there also being kinds of justifications other than referring to facts. For instance, Karel van Wolferen has analyzed the Japanese expression *wakatte kudasai*, whose direct translation would be "please understand", as meaning in many cases "please accept my explanation, regardless of whether it has any basis in fact" (Wolferen 1989, 10-11). The real backing of arguments has to be deduced from the total argumentative situation. In this study we sometimes face a similar problem with arguments which are backed by no more than a vague feeling, but as the practice is wholly legitimate in Japanese discussion, usually no further questions are asked after *kanji* (感じ) has been presented, and we also have to accept it as a foundation for claims. For this reason we shall in the following refer to all kinds of foundations by the general term *grounds* (G), rather than by the more restrictive "data."

A third element of an argument analyzed by Toulmin is the

warrant (W). It is usually an implicit part of the argument, being incidental and explanatory with respect to the main part of the argument. If the validity of the main argument is challenged, the warrant can be put into use, its task then being to register explicitly the legitimacy of the step taken in the argument (1983, 98-100). Thus the layout of an argument can be presented with the help of the following figure:



The warrants tend to be implicit, and also more general than the grounds, certifying the soundness of all arguments of the appropriate type. The example given by Toulmin is the distinction between questions of fact and questions of law in law-courts (ibid. 100), while in this study the distinction is mainly a temporal one, grounds referring mainly to contemporary situations, while warrants refer to more general ideas of national self-understanding, based on historical social experience. Warrants themselves can be challenged and backed again with other warrants, or some type of grounds, and various qualifiers can be added to the main argument to limit its scope (ibid. 101-105), but the layout presented is the simplest and most basic one, and, as such, sufficient for our purposes. As there is no logical end to demands for new backing to any warrant that can be conjured up, they have to be limited by will, agreement, social convention, or other similar means. If the credentials of all warrants were demanded on sight, and one was never allowed to pass unchallenged, argument about the original matter could hardly proceed (ibid. 106).

In this study, the concept of warrant is understood in the sense of the often unspoken ideas of Japan as a national or international entity. There is a wide consensus about these ideas. Although some of them may logically conflict with others, as parts of social argumentation, they have to be understood as a blend. Different writers, or the same writer at different times, may only give them different emphasis. The type of argument Toulmin studies has the form of an individual, separate sentence, which is presented once in a specific situation, and his analytical concepts reflect this purpose. However, as the object of this study is a process, where all parts of the argument tend to evolve and change over time, it is often more natural to talk about general themes over which specific claims ride, rather than about warrants, and in this sense the term *theme* will be used in this study in place of the term warrant. In the following, a few examples are presented concerning the structure of argumentation using the case of specific arguments for or against integration:

1)
The formation of the EEC is a possible threat ——————————> Japan has to enter regional integration

since
Japan is too small to make it alone

2)
Regional integration has political implications ——————————> Japan should refrain from it

since
Japan is interested only in economic matters

3)
Australia, Canada, the USA, and New Zealand are industrialized and rich countries in the Pacific ——————————> Japan should integrate with them

since
Japan is industrialized and growing rapidly rich

4)
Asian countries are developing dynamically ——————————> Japan should integrate with them

since
according to the theory of the Flying Geese Pattern of Development, Asian countries are eventually bound to approach the level of Japan

5)
It is impossible to integrate with Asian countries ——————————> Japan should integrate with the Pacific countries

since
Asia is divided by the Cold War and hostile to Japan

As presented here, the warrants, or themes, appear more simplistic than they really are. They evolved from postwar, and in some cases even from prewar social experiences, continuing their evolution ever since, shaped by new events and the development of discussion. As a consequence they have a multitude of shades, nuances, and connotations, being sometimes in conflict with each other, sometimes only apparently so.

The question of audience, an important one in the literature of the analysis of rhetoric, does not present a big problem in this study. Chaim Perelman defines the concept of audience as "the gathering of those whom the speaker wants to influence by his or her arguments" (1982, 14), commenting further that all kinds of audiences have to be considered in this context, from the speaker himself reflecting privately on his own affairs, to a writer writing a piece of paper intended, in principle, for the whole of humanity. The audience in the latter situation is also called "the universal audience."

The Japanese economists and other discussants were certainly trying to influence, or "elicit or increase the adherence of the members of an audience" (ibid. 9) to their theses. They were trying to influence the general way of thinking about Japan's economic policies, and this purpose largely determined their audience. It can be defined to have been the general educated segment of the population of Japan, which was interested in matters of Japan's foreign economic relations and policies. In other words, they were mostly writing for each other, reserving a special eye for the political and bureaucratic decision-making elite of Japan to which they also tended to belong, or at least to have various kinds of connections with, in the roles of experts and advisers. The size of the intended audience varies, some committee reports being written mainly for the government and upper levels of bureaucracy, some more popular articles or books being written for a wider audience not composed only of experts, but except for matters relating to style and such things, this variation causes no essential difference in the subject matter of the texts. It is only at the later stages of discussion, from 1965 onwards, that there emerges an important distinction between texts written for a Japanese audience, and texts written in English for an international audience. The influence of audiences on texts will be pointed out in the analysis where appropriate, but it is not the main point of interest.

The main point of interest is the set of rhetorical categories used by Japanese discussants in formulating and defending their claims regarding the pros and cons of integration in general, and the specific types of integration in particular. The themes discussed above are one type, but there are also others. The most important of them is the way of structuring reality by creating liaisons and dissociations between various phenomena (Perelman 1982, 48-52, 81). When arguing, a skillful speaker chooses as his points of departure only

theses which are accepted by his audience. The arguments usually take the form of simple demonstration, to prove the truth of the conclusion from the premises, while actually what is happening is that the speaker tries to transfer to the conclusion the adherence accorded to the premises by the audience (ibid. 21). We are here looking at an angle of argumentation other than the warrants discussed above. The themes are usually implicit parts of argumentation, voiced only when necessary, things that have to be known for us to be able to step into the same ideational space where the discussants stand. Here, analyzing the structuring of reality, we are looking at the explicit arguments, such as which kinds of things are placed in conjunction with each other, and which kinds of things are kept separate; what is given presence by bringing it into our consciousness, and what is left out; and what kinds of evaluations - prestigious, good, moral, beneficial, wise, etc. - are attached to which kinds of phenomena.

The most important of these kinds of liaisons is the creation of ingroups and outgroups (see Palonen 1987, 113). The structuring of reality through the use of ingroups and outgroups is by no means a Japanese speciality, but according to sociological literature and linguistic practice, the Japanese may be even more prone to this kind of practice than many other peoples (see, e.g., Nakane 1985). At least a frequent use of them stands out when reading the texts. Thus, groups are formed, e.g., between economists and others such as politicians, and a corresponding distinction is maintained between economic and other matters. Another important division is made between the Japanese and other peoples, and, similarly, between Japan and other countries. A third is the use of geographical classifications. It is as if Japanese writers were constantly holding world geoeconomical and geopolitical maps in their minds while writing. The world is defined in various ways, into superpowers and others, Asian countries and others, Euro-American countries and others, dynamically growing countries and others, etc., with subdivisions within these groupings. Various criteria are used, and with them Japan is sometimes placed into one group, sometimes into another, with obvious implications favoring proposals for or against integration.

Closely connected with this are the kinds of things which are allowed to be present to us during argumentation. Choosing to single out certain things for the attention of the audience is a way of making them more real and important with respect to other things. Perelman illustrates this idea with the following Chinese tale: "A king sees an ox on its way to sacrifice. He is moved to pity for it and orders that a sheep be used in its place. He confesses he did so because he could see the ox, but not the sheep" (1982, 35). Presence acts directly on our sensibilities, and its use is all the more important in evoking realities distant from the ideational world of which we

have direct experience, but it is also frequently used in emphasizing and amplifying something familiar. The requirement of presence is the reason why texts which skilfully use examples are more easily comprehensible than those that do not. For instance, the material development of societies can be made present to us by naming familiar objects like private cars, refrigerators, increases in monthly salaries, and other such concrete things. Academic discussion also uses other types of illustrations, such as the presentation of statistical tables. For instance, Chapter 3.3 of this study, on the theme of growth, is based on the presentation of such tables, for the purpose of making ourselves familiar not only with the numerical facts that the Japanese economists were confronted with, but also with the principal style of making such things present in their discussion.

On a more abstract level, another type of presence is also analysed. Usually, during argumentation, only economic matters are allowed to rise into our presence. It simplifies discussion, allowing it to go on, keeping our consciousness in less dangerous waters than otherwise. Occasionally some writers also bring other fields into our presence, such as political or military matters, but it is significant that these occasions are only sporadic; they lead to no positive propositions, and generally they are kept at the periphery of our consciousness.

Prestige is one of the values attached to things for the purpose of making them more acceptable to us (ibid. 94-95). Prestige as a property of the authorities we use in backing our claims, and the methods for creating prestige for ourselves to make the acceptance of our claims easier for the audience are most important in this connection. The authorities usually cited by the discussants are other economists, like Akamatsu Kaname, whose prestige in Japan hardly needs defending. Another class of authorities are foreign economists who publish in English, like Gunnar Myrdal and Wilhelm Röpke. Their prestige is mainly derived from their international fame, although their foreignness may also be a factor, among other reasons because they possess experience of regions the Japanese are not familiar with.

More interesting are the ways of increasing the prestige of the writers themselves. One of them is the recurring theme of economism. As the presence of economic thinking and outlook is kept constantly in our minds, it also elevates the position of the economists as the most appropriate interpreters of this reality. This method is, in places, heightened by explicit criticism of other professions or disciplines.

Another method is to present evidence that one has seen with one's own eyes the things one describes. The number of Japanese travelling abroad was very small up until the middle of the 1960's, and travelling writers among them being even fewer, the inclusion of portions of eye-witness stories here and there in the text was a sure

way of increasing not only the presence of arguments, but also the authoritativeness of the writer, one reason being the competence derived from that experience, another, the fact of the trip itself, implying that the person was not ordinary.

A third method is the use of academic and scientific language as a special case of prestigious argumentation. The use of this method is familiar to all academics as the adoption of an academic pose (Mills 1970, 240) in the form of shovelling spadefuls of abstract concepts, unfamiliar words, and prestigious names into long and obscure sentences. In the Japanese discussion under study the matter is structured somewhat differently. There is a continuum with scientific argumentation, especially numerical and statistical, on one end, and arguments based on feelings on the other. The latter kinds of arguments can sometimes be effective because they appeal directly to the sensibilities of the audience, just like the presence of lively examples, without recourse to the cooler use of intellect. However, there is a preference for using numerical arguments and scientific accuracy. Some of the writers, especially professional economists, are very careful of the language they use and the accuracy of their numerics, as that is one of the principal points on which their competence as experts, and their prestige as arguers, is based. Some of the writers are more lax in this, but usually even they try to present some sort of numerics, even of dubious value, to give their arguments a more prestigious appearance.

As a fourth method of increasing their prestige, the discussants without exception argue from the viewpoint of Japan's national interest. Without fail they present themselves as competent and willing to increase the good of Japan. One of the contexts in which this discussion was conducted was in the middle of a debate on opening Japan into the international economic community, a debate between nationalists and internationalists, and as the advocates of integration tended to be internationalists, they all the more had to appear as enlightened nationalists. It was around this core of nationalistic outlook that other arguments, like the common good of Asia, or the whole world, or large temporal vistas towards the future could be employed.

There is an additional important aspect of the liaisons of values analyzed here. Defeat in the Pacific war was an enormous and shattering event in the Japanese social consciousness, and the whole postwar period was one of recreating an acceptable self-image for Japan and the Japanese, a process which is still continuing. The 1950's and the 1960's present us a time when self-confidence was only in the making, and the extremely insecure images of the immediate postwar period were still lingering on. In this process, countless ranking hierarchies were established. The principal values used were the pairs "small - big," in the sense of political and economic weight,

and the international significance of countries; "advanced - backwards," in the sense of the level of economic development; "rich - poor," in the sense of economic well-being; and "dynamic - slow," in the sense of the speed of growth of different countries. Naturally, other values were also used, but these four ranking dimensions were the most essential ones, and analysis here will concentrate on them. The liaisons of values were created in connection with dividing the geopolitical and geoeconomical maps of the world into various combinations, being one of the principal criteria for doing it, as well as one of the principal criteria for placing Japan into various liaisons or dissociations with different regions and countries.

3 THEMES

In the following chapters we shall discuss five general themes, namely 1) Japan as a small country, 2) economism, 3) growth, 4) development, and 5) Japan's relationship with Asia, which appear as an undercurrent in the postwar discussion of Japanese economists. They will be treated as warrants, basic rhetorical categories over which more specific discussion of Japan's integration was conducted. They are constructs, where the economic sector appears dominant, and consequently the Japanese society appears to a considerable extent to be unpolitical.

Postwar Japanese themes could also be constructed differently, in such a way that the society would appear as highly politicized. Sakamoto Yoshikazu's *Gunshuku no seijigaku* (1985) and Hidaka Rokuro's *Sengo shisoo wo kangaeru* (1987) are good examples of such constructs. In them, the political sector is emphasized, and within this frame various specific political themes are constructed, such as Japan's democratization, rearmament, participation in the Cold War, pollution and social hardships, corruption in Japanese politics, Third World exploitation, world peace, and Japan's potential as a neutral, pacifying actor in the international system. This approach emphasizes generally Japanese pacifistic and leftist critique of the government, which has a long history and a vast body of literature dating from prewar days (see Bamba et al. 1980). These themes were very important in social discussion in postwar Japan, as seen, e.g., in the 30-year history of public opinion polls conducted by the Asahi Shimbun since 1946 (Asahi Shinbunsha ... 1976).

The themes of the economists as constructed here have much in common with the above, especially if contrasted with the Japanese extreme political right (see Axelbank 1977; Dubro & Kaplan 1987).

Their discussion has also included democratization, anti-militarism, peace, and betterment of the conditions in the developing countries. However, they tended to be conservatives, more or less connected with the government, supporting the relationship with the United States, and looking at things from an exclusively economic angle. Because of this, different matters are emphasized, and components are weighted differently than in the discussion in the political sector. For instance, pacifism and antimilitarism are subsumed under the idea of economism, not separate from, or opposed to it.

The themes of the economists are constructed here up to the end of the 1960's, and later economic themes appearing during the 1970's, such as Japan as a great economic power, or the hectic discussion of the supply of Japan's industrial resources, will not be dealt with. Both of these themes are emphasized by, e.g., Bert Edström, but as he himself acknowledges, during the 1950's and 1960's Japan could rely on an abundant supply of raw materials on the international market (1988, 47), and consequently during that time Japan's poverty of resources appeared only as an attribute of Japan as a small country, not as a special theme of discussion. As Amaya Naohiro argues, it became emphasized after the supply became threatened, following the panics in connection with the soy bean dispute with the United States and the Oil Crisis in 1973 (Amaya 1975, 211-2; see also Nakamura 1987, 224-34).

To contemporary readers it should also be emphasized that Japan during the 1960's was not yet generally referred to as a great power, economic or otherwise. Usually she was understood as a small country. The theme centers on the effect of the lost Pacific War on Japanese society, economy, and international standing, when Japan came to be viewed as a small country inside the international system lead by the United States, and economically backward with respect to the Euro-American countries. Postwar Japan was stricken by poverty, hunger, and economic hardships in general, and faced an uncertain future under the whims and changing political objectives of the occupying powers. That period lasted formally until the end of the Occupation in 1952, but psychologically until the beginning of the 1970's. The immediate postwar situation created a feeling of inferiority, and a grave lack of self-respect, which flowed into a general theme of Japan's smallness and weakness. At later stages of the process, during the 1950's, the theme begins to transform itself into the idea of Japan's harmlessness as a small country.

The second theme is that of economism, in the sense of preoccupation with economic matters, both in national and international affairs. The theme became especially strong among the Japanese economists, but was by no means limited to them. The roots of the theme are the requirements of reconstruction after the war, the general psychological reaction against the excessive militarism of the

1930's and wartime, and the change of the leading elites as the soldiers were disgraced, allowing economists to rise to prominence as planners for Japan's future. During the 1950's and 1960's, this theme also went through a transformation. As the military was not able to return to a position of significant influence in Japan, and as it turned out to be difficult to rule the country with rhetoric related to political issues, economism appeared as the common social denominator around which a national concensus could be built during the 1960's.

The third theme is economic growth. During the 1950's and 1960's Japan was able to attain a level of growth far exceeding that of any other nation of the time. In addition to increased resources as constituents of national power, this also produced a certain sense of success as Japan, according to economic criteria, became the shining success story of the postwar world. These were the criteria of the Japanese themselves, as through economism they had elevated economic values to the highest position among national values, and success in fulfilling them tended in its turn to increase the power of economism as the right method of interpreting the world. These were also the criteria of much international discussion, centering on organizations like the General Agreement on Trade and Tariffs (GATT), the Organization for Economic Cooperation and Development (OECD), and the United Nations which declared the 1960's a "decade of development," understood mainly as economic growth. In this field Japan became a model country, praised both nationally and internationally. This in its turn created a new optimistic theme of economic growth in the discussion, gathering strength from the beginning of the 1960's onwards, on which ground a new national self-esteem could be built. The period presents a sort of battle of themes, where the optimistic theme of economic success begins to overcome the pessimistically coloured theme of Japan's smallness.

The fourth theme is development. In discussing all of these themes, emphasis is on the way Japanese economists used them, but this theme tended to be limited exclusively to them. Under this theme is discussed the theory of the Flying Geese Pattern of Development by Dr. Akamatsu Kaname. Although the specific contents of the theory are not very well known internationally, the influence of Akamatsu among Japanese economists has been considerable. The perspective is on long term changes in the industrial structure of Japan, and corresponding changes in her relations with the international system. All social theories, even historical ones like that of Akamatsu, tend to be future oriented in the sense that a likely course of development can be deduced from them, which in turn influences the policy alternatives the discussants tend to perceive as viable. The relevance of this to the Japanese discussion of integration is obvious.

The fifth theme, that of Asia, centers on postwar political and economic processes in Asia, and their significance to Japan. The

legacy of Japan's colonial and military past with the other Asian countries complicated her relationship with the area during the post-war period. It was further complicated by the processes during which a number of new East and Southeast Asian countries gained independence, creating a totally new regional environment for Japan. The Japanese had considerable trouble coming conceptually into grips with the situation. Their troubles were further heightened by the ideological division of the region with the intensifying Cold War, which cut Japan out of a large share of her traditional trading relationships. Especially the near ending of trade with China was a serious blow both in an economical and a psychological sense, and in geoeconomical terms placed Japan in a highly unnatural situation. The situation in Asia, and Japan's relationship with it, was helping to push a new horizon of foreign policy on Japan.

3.1 A Small Country

The theory of hegemonic change has been much discussed in recent debate on international politics (see, e.g. Keohane and Nye 1977; Gilpin 1984; Kennedy 1989; Nye 1990). According to this approach, the post-World War II international system has been characterized by the hegemonic position of the United States. The United States emerged from the war as the predominant economic and military power in the world. Among the great powers, it had been the only one which had actually become richer and stronger during the war. At the end of the war more than half of the total manufacturing production took place in the United States; for several years after the war it supplied one third of the world's exports, and owned half of the world's shipping. It had the largest military fleet and the largest air force, with which it could effectively project its power all over the globe, and until 1948 it had the monopoly on atomic bombs. It also had the image of ineffable superiority over any other country, which was reinforced by corresponding pleas from a multitude of weaker countries for economic help and military support. Consequently, it also assumed world leadership, dominating in the making of new rules of conduct for international communication, in the setting up of new organizations, and policy making within these organizations. Some of them were economic, such as the General Agreement on Trade and Tariffs (GATT), or the International Monetary Fund (IMF), based on the 1944 Bretton Woods agreement and the ideology of global free trade; some were military, such as the North Atlantic Treaty Organization (NATO), the Southeast Asia Treaty Organization (SEATO), or bilateral military agreements, such

as the one created between the United States and Japan in 1952. At the end of the 1940's the position of the United States was challenged by the Soviet Union and the Socialist countries under its leadership, a confrontation which came to be known as the Cold War, and which actually increased the influence of the United States over its allies and other countries it controlled.

Japan was adopted into this system as a defeated, occupied enemy nation. The occupation of Japan lasted from 1945 to 1952, during which period it was subjected to a variety of deep reaching influences from the United States, including a sharp policy shift in the middle of the period, and while regaining formal independence it was tied to the United States as an ally in the Cold War. The lesser countries in a hegemonic system are often divided into two classes, those of supporters and those of small countries. Supporters are understood as middle level powers, bearing part of the costs and responsibilities of the system, as well as sharing some of the power and prestige with the hegemonic country. Small countries are often pejoratively called "free riders." They do not have much power or prestige in the system, while they also tend to try to escape from the costs and responsibilities, adapting to the system as well as possible, using it where possible according to their national interests, while paying as little as possible for the maintenance (Lake 1983, Inoguchi 1986). According to this view, while all countries try to benefit from the system and get their share out of it, long term costs have a tendency to devolve to the more powerful members, while the practices of the small countries are to an extent tolerated as long as they remain insignificant actors. On the other hand they, because of their smallness and weakness, are in danger of being damaged or crushed in a military confrontation, including the Cold War, because they can be used, and they are not very important from the point of view of the total system.

Any abstract definition of the concept of a small country presents difficulties. There are so many different criteria which can be used as the basis for classification. The material criteria often used are area, population, military capability, economic capability or the size of the GNP, but except in cases where a country is small according to all of them, the results of such classifications may often be meaningless (Momose 1990, 2). The problem is especially pronounced in the case of Japan, which even after the war was clearly a big country in terms of population, and became gradually stronger also in economic and military terms from the 1950's onwards. However, what is in question here is not the material attributes of Japan as such, but rather psychological feelings of weakness, and a perceived lack of influence in the international system. That lack is not total, but rather means that the foreign political alternatives of the country are limited (comp. Väyrynen 1988, 26-37).

It was with this kind of status of a small country that Japan entered the hegemonic system of the United States, as an occupied and controlled country, without means of defending herself, with a backwards, inefficient economy, and an impoverished population. From 1952 onwards it began to move to the status of supporter, first in a military and later in an economic sense, but it was a slow process, especially in the psychological sense. The initial postwar image of Japan as a small country tended to linger on, and it was an important theme of discussion even at the end of the 1960's. During that decade Japan was still to an extent shielded from international politics by the protection of the United States, being able to concentrate on economic matters (Shibusawa 1984, 23-5). As Edström shows, images of Japan as a big power began to be circulated after the beginning of the 1960's, but on the other hand, the image of Japan as a small country was still common even during the 1970's (1988, passim). In this study, the interpretation of Inoguchi will be adopted, according to which Japan during the 1970's moved from the role of a small country to that of a supporter (Inoguchi 1986, 104-9); similar arguments have also been made by Nakamura and Yasutomo in the sense that political considerations became more explicit in Japanese foreign policy at the time (Nakamura 1987, 106-7; Yasutomo 1986, 21), and by Lincoln (1988) in the sense that from the point of view of industrial development Japan became a "mature" economy at that time.

The decisive beginning of the change seems to have been in 1969 when a difficult trade dispute began over Japanese exports of textiles to the United States, constituting an event when for the first time in postwar history the two countries publicly disagreed on an important issue, Japan decisively saying "no" to the United States (Emmerson 1976, 373-6; Destler et al. 1979). In the same year the United States also agreed to return Okinawa, last of the Japanese territories occupied by the United States. The change was triggered when Richard Nixon became president in 1968, and began to phase downwards the international position of the United States with the Guam doctrine, followed by the New Economic Program in 1971, and the Sino-U.S. rapprochement since 1971. In Japan these were called "Nixon shocks," followed by the "oil shock" in 1973, and various anti-Japanese hostilities in ASEAN countries since 1972 (Nakamura 1987, 218-34; Shibusawa 1984, 62-85). These events forced Japan to reinterpret her position in the international system, signifying that Japan had become a considerably big power in the international system. Also, in the literature of the time, Japan came to be considered as such, beginning with Herman Kahn's "The Emerging Japanese Superstate" in 1971.

However, up to that time Japan was usually depicted as a small country. The small country theme involved four main com-

ponents, namely, Japanese geography, fall in rank, subjection to forced foreign influences, and lack of own influence. Kojima Kiyoshi presents in his *Japan and a Pacific Free Trade Area,* whose preface was dated August, 1969, the following description of Japan:

> Japan is a small country, with a high population density and an unfavourable resource endowment. (Kojima 1971, 9)

The meaning of the claim regarding Japan's smallness at the time, as made by Kojima, was mainly geographic. Specifically, the term "small" referred to the size of the Japanese islands, which were also seen to be poor in terms of raw materials and other resources, considering the high population density prevalent on the islands. The size of the land mass of Japan was 369 662 square kilometers, while her population was about 100 million. In terms of population or industrial capacity, Japan was a big country, but even at the end of the 1960's there was a tendency to emphasize in certain situations Japan's smallness using the geographical aspect.

The expression "Japan is a small country" (日本は小さい国である) was a fixed expression. It was the expression around which Japanese self-understanding centered after the Second World War, and at its peak as *the* description of Japan it contained a collection of sensitive connotations. The explicitly geographical sense in which Kojima used it was only a pale echo of a glorious past, but implicitly it still carried some of the undertones of earlier usage.

The world in which the Japanese were used to orienting theselves before and during World War II was shattered when the war was lost. Both at home and abroad Japan had been understood as a great power. The Swedish geopolitical theoretician Rudolf Kjellén had in 1914 in his *Die Großmächte der Gegenwart* given Japan "das Adelsdiplom der Geschichte" (1), elevating her to the level of the "nobility" of countries together with Austro-Hungary, Italy, France, Germany, England, the United States, and Russia. Also, in the subsequent editions of the book by the German Karl Haushofer Japan was always placed on a similar high rank (see, e.g., Kjellén-Haushofer 1935). During the time between the world wars, geographical arguments relating to the small land mass of the Japanese home islands compared to population were normally used to explain Japanese expansion to overseas territories (Haushofer 1923; Hindmarsh 1936; Iriye 1972, Myers et al. 1984). The process ended in the attempt to create the *Dai Tooa Kyooeiken* (大東亜共栄圏), the Great East Asian Coprosperity Sphere (Elsbree 1953, Jones 1954, Lebra 1975, Ienaga 1978, Korhonen 1990c), a regional economic and political grouping in East and Southeast Asia which would have been controlled by Japan.

When Japan was defeated in World War II, she was dropped down from this high international rank, confined to the narrow home

islands with a population of about 80 million, and subjected to various foreign influences. The fall can be seen for instance in the way the official name of Japan, a very important national symbol, changed after the war. In the pre-War constitution the name of Japan had been *Dai Nippon Teikoku*, Great Japanese Empire (大日本帝国), but in the new constitution of 1946 the name was changed to *Nipponkoku*, State of Japan (日本国), where the characters meaning great and emperor were dropped off. In this way Japan was symbolically made a small country.

There were also other similar changes. Already in the last stages of the war Japan had lost the capability to define herself and her future position. In 1945 that capability had shifted to the Allied nations. On the 14th of July Winston Churchill, Harry Truman and Josef Stalin agreed in Potsdam on a common policy towards Japan. In addition to rooting out militarism and pushing through democratic reforms, they decided to deprive Japan of all of her overseas possessions acquired through the use of arms, and limit the land area of Japan to the four main islands of Hokkaido, Honshu, Shikoku and Kyushu, as well as some smaller islands to be decided later by the Allied Powers (Masamura 1987, 19-21). The Soviet Union declared war on Japan on the 8th of August, and proposed to the United States that they would like to occupy Japan from the north as far as the middle of Hokkaido, in addition to taking control of Manchukuo, Northern Korea, Southern Sakhalin, and the Kurile Islands. At that time the Americans still expected the occupation of Japan to be difficult, and they actually planned that the Soviet Union should occupy not only the whole of Hokkaido, but the northern part of Honshu, called Tohoku, as well (ibid. 28). Had the American plan been carried out, it would have made Japan a divided country, similar to the two Germanies and the two Koreas created after the war. However, as there had already been dispute in Germany between the occupying American and Soviet forces, the Americans in the end decided to take the occupation of the Japanese main islands into their own hands. Japan under the American occupation was divided into two areas of differing status: Okinawa and the rest of the Ryukyu Islands along with the Ogasawara Islands were based under direct U.S. military government control, while the remaining area was placed under indirect military rule.

Japan had also become a poor country. In addition to the atomic bombs dropped in Hiroshima and Nagasaki, bombing with conventional explosives and incendiary bombs had leveled most major cities, including Tokyo and Osaka, as well as most industrial sites. In addition to the dead and wounded, material losses in the industrial base of the country were considerable. There was damage due to the bombings, and there was damage due to wartime conditions. Equipment for civilian production had been turned to military

uses, and lots of machinery had become run down due to lack of repairs. As an attempt to describe the losses, the economic historian Nakamura Takafusa writes that ten years worth of national wealth had disappeared in one stroke (Nakamura 1987, 14).

Many people were in danger of starvation, especially during the winter of 1945-46. The rice crop was only two thirds of a normal year, and at the same time the means of acquiring income had become difficult. There were not enough jobs. Production had fallen for the lack of factories, machines, materials, and energy. The disbanding of military forces turned 7.61 million troops into civilians, the ending of military production made 4 million people unemployed, and 1.5 million people were repatriated from abroad. Under these conditions the number of people living on very meagre incomes was large, and that problem persisted long into the 1950's (ibid. 21-22).

The occupation of Japan is usually divided into two periods. The first period was marked by a reformist zeal on the part of the Americans, up to the point where Japan in certain respects began to resemble a gigantic social laboratory for the instigation of ideal liberal democracy. During this time Japan was punished as an enemy country, and as a wrong-doer educated in new ways to prevent it from ever again posing a threat to other countries. From about 1947, when the "Chilly War" (Yoshitsu 1983, 2) of the immediate postwar period began to evolve into the Cold War, there emerged a change in the policies of the Occupation. At first, reforms were carried out less effectively, or their implementation was halted, and eventually the course was reversed completely. The emphasis of the Occupation shifted towards economic rehabilitation and rearmament, for the purpose of building Japan up as an ally in the struggle against the feared spread of Communism. The tension between these opposing policies left deep marks in the Japanese social system, which have been discernible ever since.

During the first period, in cooperation with Japanese institutions, the SCAP initiated several reforms of Japanese political, economic, agricultural, educational, and labour systems. The thoroughness of the early wave of reforms was caused by what Edwin Reischauer has called the "devil theory of history" (1984, 279). According to that view, the Japanese leaders since the early 1930's had been engaged in a conspiracy to wage aggressive war. The opportunity of the leaders to do this had been enhanced by several factors in the Japanese society itself, such as its "feudalistic nature", militaristic values, reactionary political system, and huge financial combines. The Occupation set out to root out militarism from Japan by placing former members of Japanese leadership on trial, dissolving the military services, purging over 200,000 persons from public office, breaking up some of the financial combines, and instigating various democratic reforms regarding the political and economic systems,

land holdings, and education (see, e.g., Baerwald 1959; Yamamura 1967; Nakamura 1987; Beasley 1985; Ward & Sakamoto 1987).

The Constitution of Japan was rewritten. Article 9 of the new Constitution was the most revolutionary in its contents, and eventually it became an important symbol of the new Japan. Article 9 states:

> 日本国民は、正義と秩序を基調とする国際平和を誠実に希求し、国権の発動たる戦争と、武力による威嚇又は武力の行使は、国際紛争を解決する手段としては、永久にこれを放棄する。
> 前項の目的を達するため、陸海空軍その他の戦力は、これを保持しない。国の交戦権は、これを認めない。

According to the text, the Japanese people aspire sincerely to an international peace based on justice and order, and forever renounce war as an excercise of sovereign rights, threats based on military power, and the excercise of military power as a means of solving international disputes. In order to accomplish this aim, land, sea or air forces, or other war potential, are not to be maintained. The right of belligerency of the state is not recognized.

Article 9 is without doubt the greatest example of the reformist spirit of the Occupation. It is still in force today, having great influence in the conduct of Japanese foreign policy, although the article has been surrounded by dispute ever since it was drafted. After the Reverse course set in, there were attempts to abolish Article 9, as well as to proceed in Japan's rearmament, demanded by the Americans, using an interpretation of the article according to which it does not preclude self-defense. The article was, however, accepted by the Japanese people, as well as by several influental politicians, making thus far its removal from the Constitution impossible. Continuous dispute around Article 9 has helped to make its contents well known among all Japanese, and it has become a very important national symbol. It has also been one of the main factors in creating a strong feeling about a complete change in the nature of Japan. With Article 9 it eventually began to look as though Japan had shed militarism forever, she had become essentially a morally good country.

The Occupation period has been called by Sakamoto Yoshikazu "the second opening of Japan" (第二の開国) (1987b, 3), comparing it with the first opening of the country in the middle of the 19th century. During both periods Western culture was brought into Japan on a large scale. The difference between the periods lies in the fact that during the Meiji period Western culture was brought into Japan by the initiative and under the control of the Japanese themselves, but that was not the case during the Occupation. As Sakamoto describes it, the Occupation was such a total enterprise, that the distinction between the inside and outside of the country disappeared, the borderline separating the country from outside van-

ished, and outside powers superimposed their authority within Japan as they pleased. The occupying authorities were overwhelmingly dominant during this process. In this context it is not only important that many of the reforms instituted greatly benefited and strengthened Japan; the essential thing was the manner in which it was done. It was the extreme opposite to the situation that had prevailed before and during the war, when Japan penetrated into her colonies and the Greater East Asian Coprosperity Sphere (ibid.). This time it was Japan that was placed in a weak position, which can be likened to that of a small baby in relation to its parents; the authoritarian personality of General Douglas MacArthur has often been commented upon in this regard (ibid. 25-29). Japan was redefined, restructured, and reformed by foreign powers, which could even change their policies in the middle of the program just as they pleased, and the Japanese were compelled to yield. Although they were not necessarily hostile to Japan and its people, these foreign authorities wielding their power for six-and-a-half years created a strong psychological feeling of subjugation in Japan, which is clearly discernible in the public discussion of the period.

A typical opening line in the articles published in general interest magazines was the following:

> 昨年の十二月十九日に、一通の書簡がマッカーサー元帥から吉田首相に送付された。
> (Minobe 1949)

The quotation says simply that on the 19th of December last year a letter was forwarded from General MacArthur to Prime Minister Yoshida. The contents of the message are not important; what is important is the presentation of the command. There is a foreign authority holding the initiative and directing the scene, while the Japanese side takes care of responding and obeying. The structure and grammar of the above sentence reflect this situation. The sentence is made dramatic by the presentation of the exact date in the beginning, followed by the comma as a pause before the revelation of the main message, emphasis on the letter as a form of one-way communication perfectly suitable for commands, the order of the two men, and the ending in a very polite passive form.

The order of the leader and the follower is almost always the same, leading being the foreigner's responsibility, following, the Japanese part. The foreign authority is not necessarily American. There are authors who refrain from treating the Americans in this way, but have in their place some other foreign authority, e.g., the United Nations, or its Asian organization ECAFE (e.g., Okita 1950).

However, usually it is the United States which is depicted in this role. Kobayashi Yoshimasa, evaluating what the Occupation

brought to Japan, sees a constant flow of influences, demilitarization, democratization, the Reverse course, economic reform, forced economic independence, and the Cold War. Also in the future, as a way of again entering international society, only the road of dependence as a subordinate partner of the United States seems to be the solution (Kobayashi 1951).

Shimizu Ikutaro presents the situation from another angle. His problem is how do other people of the world - which boils down to the people of the United States - view the Japanese. According to an American public opinion survey the results of which Shimizu had happened to see, the Japanese were not popular. They were placed on the group of least liked nations, in the same class with Philippinos, Koreans, Chinese, Indians, and Turks. His principal point is the following:

> 敗戦によって、日本はあらためて西洋諸国の下に立つことになる。かつて肩をならべたつもりになっていた諸国の地位から、覗き込んで底の見えぬほど低い暗い地位へ落ち込むことになる。日本人は、もう一度、アジア人である。
>
> (Shimizu 1951)

Because of the lost war Japan has again come to stand below the Western countries. At one time she planned to place her shoulders on the same level with them, but now she has fallen to a low and dark place without a bottom in sight. The Japanese have once again become Asians. Without dwelling on the matter of how impolite this kind of lamentation might have been to other Asians, we may note that the word "Asians" in the quotation above does not have any prestige attached. It has rather the image of backwardness, ignorance, poverty, and being unwanted. It is noteworthy that Shimizu makes the conclusion that Japan is being placed at the bottom of the international ranking scale on the basis of one single survey. Perhaps it shows how great the extent to which foreign, especially American, opinions could sway Japanese self-esteem, and how weak and shattered that self-esteem had become.

In texts published during the latter half of the 1940's a deep sense of insecurity is displayed. Some of the fear is centered on new military technology, like mass bombings, and especially on the atomic bomb, of whose destructive capacity the Japanese had received ample evidence. The seeming easiness and speed of the destruction of whole cities by solitary planes carrying single bombs, accompanied by the extreme difficulty of defence against this kind of warfare, produced a revelation that whole nations could be wiped out without difficulty. Even the devastation of the whole world began to look like a real possibility. That called for a new way of thinking regarding peace and the conduct of international politics, resulting in a multitude of pacifistic and idealistic articles. Naturally, they also emerged

as a reaction to such ideas being supressed during wartime, and they were also, in general, in line with the explicit reformist objectives of the early Occupation. Anyway, there emerged a discussion on world peace, centering on the concept of a world state, and a reliance on the United Nations (see, e.g., Yokota 1946). The destruction of the world and Japan did not materialize during the 1940's, but the intensification of the Cold War from 1947 onwards, and the civil war in China maintained misgivings about the future. The fears rose to a new fervour at the beginning of the Korean War in 1950 when the concept of a Third World War entered the discussion. Worry about the war escalating into Japanese territory was also considerable (see, e.g., Sekiguchi 1950; Serita et al. 1951). The Asian area, including Japan, was depicted as a playground for the competing influences of the United States, Britain, and the Soviet Union. Some placed their hopes for peace in Asia on the benevolence of these great powers (Kuno 1950), some were more pessimistic as to the outcome (Sugi 1950). Because of this situation, there was seen to be among the Japanese people a tendency to turn inwards to try to forget the frightening outer world (Royama 1951).

The world of politics was a place where the defeated and occupied Japan was merely a spectator, without much possibility of influencing the events taking place around her. A more practical worry was the state of the Japanese economy. During the latter half of the 1940's there hardly appeared an article on the Japanese economy which did not contain the word *mondai* (問題), meaning problem. It was very often placed in the title of the article, but the opening sections were also a favourite place. In place of *mondai*, some other words could also be used, such as *konran* (混乱), or chaos, and *kiki* (危機), crisis (see, e.g., Yamaguchi 1946, Okita 1947, Karashima 1948, Nagata 1948, Royama 1948, Itagaki 1949, Arisawa et al. 1951). The discussion centered around the terrible situation in Japan, some articles appearing to be on the verge of hysteria. There was lament over poverty, inflation, unemployment, lack of food, capital, and raw materials. Also in the field of economics there was insecurity about the wishes of the winners and their plans for the future status of Japan. There was also a profound sense of material dependence on the United States, understandable if one considers the figures for Japan's international trade in 1946: 96 per cent of imports came from there, and 70 per cent of exports went there. The situation hurt the Japanese economy, which seemed to be in a process of contraction, unable to compete with the vast and efficient American economy (see Okita 1947). Some writers took this to mean the eventual colonization of Japan, and when the early American plans became known for stripping both Germany and Japan of any industrial capacity which would enable military recovery in the future, making them in effect agricultural countries, fears about the future were considerable. Ex-

pressions like *saigo no uta* (最後の歌), "the swan song of Japan" (Nagata 1948) were used, although in 1948 the situation was no longer that serious, with production rising, and the American attitude towards Japan's deindustrialization changing. On the other hand, belief in Japan's abilities to survive alone without the support of the United States was not necessarily great; even as late as 1951 expressions like *kuenai Nihon* (食えない日本) (Ryu 1951), literally, "Japan which cannot eat", were used in arguments *against* the economic independence of Japan (see also Tsuchiya 1951).

Public discussion at the end of the 1940's and at the beginning of the 1950's displayed Japan in the role of a receiver of foreign influences, Japan being depicted as a small, low ranking, and powerless country, a spectator rather than an actor in the international system. The days of the Empire were past. Nor did there seem to be in the future any possibility of ever becoming a great power again. That horizon was closed for the Japan of the immediate postwar years. In his study of Japanese culture and literature also of later periods, Kato Norihiro finds that even though Japan became prosperous and economically strong again, she psychologically tended to remain "in the shadow of America", *Amerika no kage* (アメリカの影), the United States continuing to exert a powerful, alternately restrictive and approving influence on Japan (Kato 1985).

The concept of smallness, however, also contains the image of harmlessness. After years of demilitarization and reforms aimed at creating a peaceful Japan, accompanied by changes in the leadership of Japan, and Article 9 in the Constitution, it indeed began to look like Japan would no longer pose any threat to her neighbours. Consequently, the image of a small and unthreatening Japan began to emerge. It was often accompanied by an idealistic idea of the development of a peaceful world, centering on the United Nations system, where the use of force would gradually diminish. In addition, there was deep reluctance about being drawn into the structure of the Cold War as a participant in it. There was emphasis on the necessity of good conduct for Japan, reformed and demilitarized as it was, not only for its own good but also for the good of the whole world, so that it would be like a good citizen in an orderly society. In this limited sense, the image of Japan as an actor and participant, rather than a mere spectator, remained in Japanese discussion. One of the most explicit advocates of this type of thinking was Okita Saburo. His ideas centered on the expression, *Ajia keizai no hatten ni kooken suru* (アジア経済の発展に貢献する) (Okita 1950), meaning "to make contributions to the economic development of Asia." The idea is vague, as there were not many means with which to make contributions. The emphasis is on contributions, *kooken*, and the idea does not have the connotation of leading, but rather that of serving the Asian countries in their development. In this way, an Asia which is peaceful,

and which would not harbour feelings of enmity against Japan, would be helped to come into being.

In the following year, when the Korean war boom had set the Japanese economy developing rapidly, another economist, Arisawa Hiromi, advocated the idea of again starting up investments into other Asian countries. The idea was to make contributions to their development, but also to help Japanese possibilities to trade with those countries. He describes the situation with an interesting exclamation:

> 現在の日本は生まれかわったからといえばそれっきりだが、これが一つのコンマーシャリズムだというので受入れてくれるでしょうか。
> (Arisawa et al. 1951, 67)

Modern Japan has been reborn and changed. She has become a new country, being no longer the old imperialist Japan that she was, and for this reason the other Asian countries might be willing to let Japanese investments in again. Reborn Japan, as a small country, could not engage in imperialism any more, and thus investments represent only "commercialism". Even in her present state of economic hardship Japan is the most developed country in Asia, and the re-creation of relations with other Asian countries could be done most easily in the economic field.

3.2 Economism

Economism, the distinct Japanese national style of concentrating on economic matters both in national and international affairs, has frequently been referred to by both Japanese and foreign analysts. Okita Saburo described it in 1965, referring to it as the predominant attitude in Japan since World War II, in the following way:

> Let us concentrate on rebuilding our own economy and not become involved too much in other's affairs. (Okita 1965, 7)

Okita's idea refers to the narrowing of Japan's foreign political horizons in the postwar situation, where efforts were being concentrated on reconstructing Japan's own economy, while putting far less emphasis on international pursuits. The attitude can be seen as a consequence of Japan's international situation as a small country, the military and political sectors being severely restricted, but there were also other factors tending to strengthen it.

Some authors tend to place the emergence of Japanese eco-

nomism at the beginning of the 1960's, caused by the rise of Ikeda Hayato to the position of prime minister, and the consequent change in the political climate of Japan, as Ikeda's government adopted low posture tactics in politics, trying to avoid ideological controversies, and emphasized instead economic growth as a unifying goal for the whole nation (see, e.g., Shibusawa 1984, 22-5). Also, Edström emphasizes Japan's economic growth in this connection, although he claims that the use of the concept of economism is only an *ex post facto* rationalization for Japan's economic success (Edström 1988, 69). As an analytical concept economism no doubt is a later phenomenon than Japan's rapid growth, but as a theme it is older, and separate from growth as such. Economism has also been presented as a long term historical dilemma of Japan, the necessity to find markets for exports and imports, which has been with her since she became an industrialized state (see, e.g., Allen 1962), and which was only heightened by Japan's postwar political and military weakness (Nish 1973). However, in the following we shall prefer Okita's interpretation of the origins of the theme as most relevant for the purposes of this study, emphasis being on the political situation inside Japan, while Ikeda's contribution is treated as crowning the theme.

Economism as a way of thinking already began to develop at the later stages of the Pacific War as a reaction to the militaristic thinking prevalent at the time. When interviewing both Kojima Kiyoshi and Okita Saburo in Tokyo in the autumn of 1991 about the origins of the idea of Pacific integration, both men started by referring to the Pacific War, and condemning the militaristic policies as harmful and contrary to the interests of Japan. Both of them also emphasized that after the defeat it was the economists who took the lead in the reconstruction of Japan, becoming the "brains of Japan" as Okita expressed it, and guiding the country into its present prosperity. From that statement one should read only professional pride, but the central importance of the economists has also been emphasized by researchers (see, e.g., Zahl 1973, 142-9).

The theme of criticizing the military has been a consistent theme in the writings of Japanese economists, who were already active during wartime. For instance, during the war, Okita was working as a young researcher in the Bureau of General Affairs in the Ministry of Greater East Asia, having access there to confidential information about Japan's internal and external supply of resources, and also finding out what others did at the time, that Japan was fighting a war without a hope of winning. Japan was extremely dependent on the transportation of both industrial raw materials and food, while the Allied submarine warfare had already in 1943 more or less cut transportation routes from Southeast Asia, and in 1944 the connections with the continent across the Sea of Japan became threatened, too (Okita 1983, 20-25). Okita relates in his memories a short

anecdote told during the last stages of the war, which perhaps accurately displays the mood of the time among silent dissidents:

> A poor warrior wanted to buy a splendid suit of armour but had no money, so he cut down on the amount of food he ate and little by little saved enough to buy a splendid suit of armour. A war broke out and courageously he left to fight, but because his body had become so weak from his years of semi-starvation, he could not bear the weight of his armour and was soon slain by the enemy (ibid. 26).

The war had been a mismanaged affair, especially from an economical point of view, and it ended in disaster. It showed that Japan cannot wage a long term war on a large scale with any hope of winning. The industry of Japan is dependent on importation of raw materials, the population is equally dependent on importation of food, and both the population and industry are concentrated in a few centers along the narrow coastline. Already during World War II transport routes could be cut and the centers of production destroyed, incapacitating Japan, and the subsequent development of war technology made this easier. One of the lessons learned by the Japanese economists during the war was that Japan's welfare and prosperity cannot be secured through military means. The economism of Japan started as a rejection of militaristic thinking, and it has tended to bear this mark ever since.

The conclusion concerning the importance of an economic orientation for Japan's welfare would have had to be drawn even without the reforms of the Occupation, but they emphasized the lesson, not least because of the change in the leading elites of Japan. The military was removed from its former position, and prevented from returning, as the new elite was formed by conservative politicians, economic bureaucracy, and the economic community (see, e.g., Tsuneishi 1966; Thayer 1969, Zahl 1973, Watanuki 1977; Johnson 1986, Uchida 1987, Otake 1987). Economists were needed as intellectuals to act as consultants and to plan for reconstruction.

The basic lines of Japan's postwar reconstruction were based on a report of the Ministry of Foreign Affairs Special Survey Committee, which was published in September, 1946, entitled *Nihon keizai saiken no kihon mondai*. In 1977 the Japan Economic Research Center published an English translation, entitled *Basic Problems for Postwar Reconstruction of Japanese Economy*, and in 1990 the University of Tokyo republished the original Japanese version among other historical documents, increasing access to them as material for research.

The work for the report had already begun in 1945, when Okita Saburo together with his mentor Taira Teizo, began to secretly organize a study group for Japan's economic rehabilitation in light of the knowledge that the war would be lost. The first meeting of the group was scheduled to take place on the 16th of August, 1945, and

as the war happened to end on the 15th, the group was able to start working openly without delay, later acquiring official status as the Committee of the Ministry of Foreign Affairs (Okita 1983, 27-9). The Committee was mainly composed of economists, and as Okita acted as one of the secretaries, much of the actual text was compiled or written by him.

The report is full of praise of economics and economic thinking. The Committee sets out from the experiences of the recent war, saying that economic capability clearly determined its outcome, and expects the importance of economic problems to become even more important in future international politics and diplomacy. As a consequence of technological breakthroughs such as long-range bombers and atomic bombs, the prevention of the destruction of the human race will become another great problem of international politics. In the idealistic climate of the postwar world the Committee expects that international cooperation as a process towards a more harmonious and peaceful world, leading eventually perhaps to a world federal state, will diminish the importance of the state as an independent entity, and in general there will be more interest in the welfare of the people in the new postwar world than there had been previously (*Nihon keizai* ... 1990, 146).

Because world trends, and lessons of the war are understood in these terms, there is a need for Japan as a nation to understand thoroughly the workings of the new world. The Committee takes up the problem of education, stating that the Japanese do not understand economics well enough, and declaring:

> 今後経済教育をあらゆる方面に普及し経済学を全国民のものたらしめる要がある。
> (ibid. 261)

There is a need to spread economic education to all sectors of the population, so that economics can be made the hobby of all citizens. The Committee emphasizes that the education of economics for all teachers should start at once. The sense of urgency is heightened both because of the situation in 1946, and the extremely insecure future prospects of the country. A full scale concentration on economic activity seemed to be the only way of saving the nation from continued misery, or even starvation, which might have lead to a large scale diminution of the population. At the same time, as the world had changed qualitatively, economic activity seemed to be the only way of succeeding in the new world, provided that reconstruction was allowed Japan by the occupying powers.

The primacy of economism was transformed into a style of national politics during the so called Yoshida years. Yoshida Shigeru was the Prime Minister of Japan during the years 1946-47 and again

during 1948-54. As Prime Minister, he was acceptable to the Occupation because during his career as a bureaucrat in the Foreign Ministry he had been a critic of the military since the 1930's. In 1945 he had been arrested by the military police, because of being at the center of a high ranking group of officials advocating a negotiated peace (Reischauer 1984, 302-3; Storry 1968, 254-5). During the 1970's his political style became to be referred to as the Yoshida doctrine by political scientists, but economists do not often use this term.

The economic historian Nakamura Takafusa has termed Japan's foreign political course made during the Yoshida years as 「強兵」なき「富国」 (1986, 212). This expression, *kyoohei naki fukoku*, "a prosperous country without a strong army," is patterned after the Meiji slogan *fukoku kyoohei* (富国強兵), which meant "a rich country with a strong army." The Meiji reformers set out to build a modern country which would have been strong both economically and militarily, but in the new postwar situation the builders of a new Japan dropped the military aspect from their plans, and concentrated solely on the economy. The actual slogan in use at the time was *senzen* (戦前), or "prewar." There gathered a consensus around the idea of regaining as fast as possible the prewar level of economic well-being (ibid. 211). The goal was widely accepted by the planners and the population, but did not yet contain any idea of rapid growth, which was a later phenomenon.

Yoshida's first government had been responsible for the final drafting of the new constitution, as well as pushing it through in the Diet. During the debate he had even denounced the right of self-defence for Japan (Yoshida 1961, 140; Momoi 1977, 342), and all through his political career he defended Article 9 of the Constitution (Yoshida 1961, passim). On the other hand, Yoshida was a strongly anti-Communist conservative, who strove to place Japan into a close political and military cooperation with the United States. In spite of this, his government opposed American demands for rearmament during the Reverse course, although it agreed in 1950 to set up a 75 000 man strong National Police Reserve after the outbreak of hostilities in Korea. Its military capabilities were improved in 1951, and in 1953 it was transformed into the Self Defence Force. Although Yoshida was politically responsible for starting Japan's rearmament, he was reportedly reluctant to increase government spending for it, and he also tried to limit its size as much as possible. However, as setting up the Self Defence Force was one of the conditions imposed by Americans for concluding the Peace Treaty and the Mutual Security Treaty, it had to be done (Yoshitsu 1983, 60-5; Momoi 1977, 345).

It seems that Yoshida wanted to construct the military security of Japan in such a way as to be heavily dependent on the direct involvement of the United States. In the Cold War situation Japan's educated population, industrial potential, and strategic location would

be enough to make the defence of Japan vital to the strategic interests of the United States. In exchange for military protection Japan should politically orient themselves towards the United States, and support its position in international affairs. A Japanese military force capable of countering the threat of the Soviet Union and China would unnecessarily divert capital from the economy, and impede recovery. Yoshida's opposition to rearmament was relative, not absolute, guided by the rule that recovery must precede rearmament (Yoshitsu 1983, 39-40). His goal was the smallest and cheapest military force possible under the circumstances, commensurate with the economic situation in Japan. At the same time he seems also to have been wary about the possible rebirth of the prewar military elite as a determining force in Japanese politics, should the military forces have been strengthened too much (ibid. 51). Yoshida himself also gives the reason that as a politician he did not want to support the cause of militarization, which was very unpopular in Japan at the time (Yoshida 1961, 191-2). In this sense, the legacy of the Yoshida years was the *kyoohei naki fukoku* orientation of Japanese politics, the primacy of economics.

In spite of the fact that the economic goal of reconstructing the Japanese economic system to the prewar level can be said to have constituted a consensus in Japan, the Yoshida years also produced grave ideological and political controversies. The other legacy of Yoshida's politics was the heavy leaning towards the United States, and dependence on it. The controversy centered on the concepts of *zenmenkoowa* (全面講和) and *katamenkoowa* (片面講和). The first expression meant "whole sided peace", making peace with all of the countries Japan had fought with in World War II, including the Soviet Union and the Peoples Republic of China, while *katamenkoowa*, one sided peace, meant leaving the Socialist countries out (Masamura 1987, 321-344). In the end, because of heavy pressure from the United States, the latter option was chosen. The San Francisco Peace Treaty was signed on the 8th of September, 1951. On that same day the United States concluded the Mutual Security Treaty with Japan. Both treaties came into force on the 28th of April, 1952 (ibid. 350-5).

Both the Peace Treaty and the Security Treaty were opposed by the Japanese left, and after regaining independence there followed anti-government and anti-American demonstrations and rioting. The strong presence of U.S. troops was accepted as long as the country was formally occupied, but now many could no longer tolerate them. In the following years the problem of the American troops and bases became a cause for severe agitation in newspapers, periodicals, books and movies, depicting the bad behaviour and the demoralizing influence of the troops (Storry 1968, 259-60). Even though there was a national consensus regarding economic reconstruction, no consensus could be created in political matters. The situation went grudgingly

on during the 1950's, heightened occasionally by scandals like the Bikini incident in 1954, when a Japanese fishing vessel was contaminated by radioactive fallout from an American nuclear test on Bikini atoll (ibid. 259-60). Public disturbances were caused not only by the political left, but also heavily involved the extreme right, e.g., in the murder of Asanuma Inejiro, Secretary General of the Japan Socialist Party. The situation culminated in the riots of 1960. Prime Minister Kishi Nobusuke's government negotiated an extension to the Security Treaty with the United States with minor revisions, and the process lead to several weeks of massive demonstrations and fighting in the streets, students and mostly left-wing demonstrators on one side, the police and right-wing hoodlums on the other. The whole society became polarized over the question, and Kishi was forced to resign at the beginning of July (ibid. 274-6).

After Kishi, the style of Japanese political rhetoric was changed. The new idea introduced was the doubling of Japanese incomes in ten years, i.e. an economic topic. It was Kishi himself who had in 1959 ordered the Economic Planning Agency to draft a plan for doubling the scale of the economy in ten years. The official largely responsible for the actual compilation of the plan was Okita Saburo, at the time the head of the general planning section. At first about 240 government officials and academics were mobilized for committee work and planning, among them Kojima Kiyoshi and Akamatsu Kaname, and eventually the number of people participating reached 2000 (Okita 1983, 78-9). This may indicate how much emphasis was already placed on the new idea by Kishi's government.

The new government was formed in July, 1960 by Ikeda Hayato, whose political career had started as a protégé of Yoshida. He adopted the Income-doubling Plan, *Kokumin shotoku baizoo keikaku*, as his public political platform, and it also became known as the Ikeda Plan. The main impact of the plan was psychological. Chalmers Johnson has called the plan a calmative (1986, 252), because it was so strong in creating a national feeling of self-confidence and optimism, and pulling together a national consensus towards achieving the economic goal of rapid growth (see also Nakamura 1987, 80-1).

There were many ways in which this was done. From a rhetorical point of view it can be said that the plan introduced a new political vocabulary. A distinct feature of the plan was, e.g., frequent use of the word *seichoo* (成長), growth. The concept of growth was not in the center of economic thinking in prewar time, nor for a long time in the postwar period, but around the change of the decade it rose to eminence, not only in Japan but also in other parts of the world. In the Ikeda Plan the word is used extremely often, either alone or in various combinations, like *keizai seichoo* (経済成長), economic growth; *seichooritsu* (成長率), growth rate; *seichooryoku* (成長力), growth power; and *seichoo katei* (成長過程), growth process. A height-

ened positive, even euphoric, feeling is created by the equally frequent use of the word *takai* (高い), high. It is used either alone, or in combinations with growth, like *takai seichoo* (高い成長) and *kooseichoo* (高成長), high growth; *koodoseichoo* (高度成長), high speed growth; and *takai seichooritsu* (高い成長率), high degree growth rate. The effect can even be called hypnotic, the words high and growth being repeated over and over again, page after page. The way the words are displayed in this chapter is a greatly exaggerated illustration, but the general impression is similar.

The goal of high growth was in a sense revolutionary in the economic policy of Japan. The postwar economic planning had thus far searched for stability and reconstruction of the economy, rather than growth as such. If one looks, e.g., to the vocabulary used in the White Papers, *Keizai hakusho*, published by the Economic Planning Agency during the 1950's, the important word was *antei* (安定), stability. It appeared, e.g., in the expression *antei shita hatten* (安定した発展), stable development, but also the expression *antei tekina seichoo* (安定的な成長) stable growth, was used. Words connoting speed were often used in the negative sense, as in the too rapid development of the Japanese economy, which was leading into inflation, balance of payment problems, and overheating of the economy in general. The speed of the growth of the Japanese economy was naturally noted and commented upon, especially as the decade was drawing to a close and rapid growth began to look more like a permanent characteristic of the Japanese economy, rather than a transient phenomenon, but it was in the Ikeda Plan that a definite shift towards using high speed growth as a goal began.

Another important word was *kokumin shotoku* (国民所得), as used also in the title of the plan. In English texts it is usually translated as national income, but a more literal translation would be citizen's income. It is a concrete idea and easy to grasp by anyone who receives income, i.e., almost all citizens of Japan. It was accompanied by another concrete word, *baizoo* (倍増), doubling (see Okita 1983, 78). It was as easy to grasp as income, and it displayed very concrete, simple, and plain optimism, assuring the people that the strong economic performance of the 1950's would continue if everybody worked hard.

The claims of the Ikeda Plan were well grounded. It could point out that the national income of Japan was now 2.4 times higher than ten years ago, or 1.5 times higher than five years ago, and no signs of the end of high growth were in sight. The Japanese demographic structure was ideal for production. The well educated children of the baby boom of the immediate postwar years were on the verge of entering working life, while the birth rate had fallen, with a consequent drop in the rate of increase of population. The worst features of postwar under-employment had disappeared, and the productivity

of the working population was rising. Japanese economic structure was changing rapidly in a more modern and efficient direction. The amount of trade in the world economy was also expected to continue growing, creating enough leeway for Japan to expand its exports. The Western industrialized countries would continue importing if Japan liberalized its import restrictions enough, the developing countries were indeed developing and could buy more Japanese goods, and as the Cold War was in a period of thaw, also the prospects of increasing trade with the Socialist countries looked promising (*Kokumin* ... 169-71).

The Ikeda Plan was reassuringly optimistic in its contents, and was also effectively propagated into the society. No doubt timing was important, as well as the fact that the plan offered a new rhetorical agenda in place of the previously deadlocked one of security policy and international political relations. There was a clearly discernible change in the mood of the nation, which, e.g., Nakamura has expressed as *seiji no kisetsu kara keizai no kisetsu e* (「政治の季節」から「経済の季節」へ), or "from the season of politics to the season of economics" (1986, 252). This is not to say that the political and ideological divisions inside Japan disappeared, but rather they moved from the center of national consciousness to the periphery, economic topics taking the central place as the subjects to talk about.

The change was fast. For instance in the elections held in November, 1960 the Liberal-Democratic Party used in its campaign the slogan of Ikeda's new policy, *gekkyuu nibai* (月給二倍), i.e., doubling the monthly salary in ten years, which would have meant a growth rate of about 7 percent per annum. The other parties, including the Socialist Party, followed the lead, trying to make better offers than the government by devising plans to achieve economic growth of, e.g., 8 or 10 per cent. The Liberal-Democrats lost a few seats, reflecting the recent disturbances, but were nevertheless able to secure a clear majority for themselves, and to continue implementing their economic policies. Their success, together with the general style of the election campaign itself, helped to seal the change in the topics of Japan's political rhetoric, at the same time as the society in general was suffering from, as it has been called, "confrontational fatigue" (Shibusawa 1984, 23).

The effect on the economists themselves due to the change in the mood of the time seems to have been even more profound. For example, Okita comments on the elections in the following way:

> 日本の政治もようやくいくらか近代化してきたわけで、まことに結構なことである。
> (Okita 1960, 2)

Japanese politics have at last become to some extent modern, and to Okita this is really wonderful. The earlier style of Japanese politics during Kishi's tenure, which had included ideological quarreling and rioting in the streets, is seen as old-fashioned, while the new style of politics, where all parties concentrate on economics, becomes worthy of being evaluated as modern.

A similar interpretation is made of international politics:

> 米ソの冷戦が最近では両国の経済成長競争と、後進国に対する開発援助、つまりは成長援助競争の形で争われるようになった...
>
> (ibid.)

The Cold War between the United States and the Soviet Union - something that Japan is not really seen to be engaged in - appears to be changing. It is changing towards competition conducted in the fields of national economic growth and economic assistance to developing countries. Even the superpowers seem to be modernizing their politics, and the Cold War seems to be receding. Economics would replace the old military and political means as the method of competition. Not only Japan, but the whole world seems to be heading towards a more peaceful and better future. Economic principles seem to permeate thinking throughout the whole world, becoming general principles of the new world at the beginning of the 1960's. Economic growth is seen to have become the main focus of the time (時の焦点) (ibid.), which all countries strive for, and by which all countries are evaluated.

Economism became an accepted way of thinking in Japan at the beginning of the 1960's. Its meaning had at that time already shifted considerably. It began as a rejection of wartime militarism, but at the end of the 1950's, as the military was not able to return to a significant position of influence, the "enemy" of economism shifted to politics, understood as ideological quarreling and other similar unproductive activities. At the same time, economism renewed its positive goal, shifting from reconstruction to rapid economic growth. Economic growth became both the goal of the country, and the lens through which other phenomena were viewed and evaluated, national and international alike. This shift was naturally strongest among economists, as the theme tended to elevate their position all the higher. The economists could picture themselves as being at the focal point of time, in the center of the action, where they had both the possibility and the responsibility to interpret the world more accurately than any competing groups.

3.3 Growth

Growth was a theme of discussion in Japan during the 1960's, but was beginning to fade away by the end of the decade. Not limited to Japan, the theme was being discussed all over the globe at the time, but was especially pronounced there. This chapter is built on statistical presentations of the growth of the Japanese economy up to the end of the 1960's, and on comparative international statistics of the state of the world economy during the postwar period. The chapter presents the contents of the theme of growth, and also introduces the numerical style of argumentation preferred by economists. These kinds of statistics are essential for understanding Japanese thought categories, especially in relation to the theme of growth in Japan during the 1960's. However, explicit textual examples of the theme of growth are not presented in this chapter, as these have already been presented in connection with the theme of economism, and they will also be presented in connection with analysis of the discussion on integration.

It was during the 1950's that a new method of scoring the achievements of states became widespread, i.e., the compiling of comparative statistics on national income and income per capita by national governments and such international bodies as the United Nations, GATT, and OECD. As a consequence, the international standing of a country became increasingly affected by the extent to which it was able to achieve economic development. This led to a new kind of economic competition, which in turn became a force hastening the development of many countries (Hirschman 1960, 10). A country where this effect was particularly strong was Japan.

Growth was not a new phenomenon in Japan. Throughout its modern history Japan had been able to attain comparatively high rates of growth (see Maddison 1982). Since the Meiji restoration of 1868 up to the Russo-Japanese War in 1904-05 Japan basically exploited its natural resources for exports, and with these revenues built up an infrastructure, such as ports and railroads, and established industries, such as textile and munitions factories (see Allen 1962). During the second phase, from the Russo-Japanese war until the Great Depression in 1929, the Japanese economy grew on average at a real annual rate of 3.5 percent of GNP. Cotton textiles and finished textile products became the big export earners. This is the period when Japan definitely became an industrialized nation (Patrick et al. 1976, 8). The 1930's form the third phase. When most other industrialized countries were suffering from stagnating economies after the Great Depression and the emergence of economic blocks around the world, the Japanese economy was expanding at an average annual rate of over 5 percent, which was an extremely high rate

for a period before World War II. During this phase, and in response to the military ambitions prevalent in Japan, chemical, metal, and machinery industries, and large industrial units in general came to dominate the economic scene. These were added to the existing strong textile base, making Japan a fairly advanced industrialized country (ibid. 8-9).

In the pessimistic aftermath of World War II trust in the economy had waned. When Japan again became a sovereign nation in 1952, it was still weak and poor. However, the effects of the Korean war had already begun to reverse the sorry state of the Japanese economy by starting a world wide boom, while the Japanese economy was also aided by the special procurements for the U.S. military forces (Kosai 1986, 72-3; Nakamura 1987, 41-45).

The original goal of attaining the prewar levels of production and standard of living was achieved during the 1950's, and quietly forgotten. Nakamura has calculated when this happened in various fields of economic activity:

TABLE 3.1 Years When Prewar (1934-36) Levels of Economic Activity Were Attained and Doubled.

	Attained	Doubled
Industrial production	1951	1957
Real GNP	1951	1959
Real GNP per capita	1953	1962
Real total consumption	1951	1960
Real consumption per capita	1953	1964
Real capital investment	1951	1956
Real exports	1957	1963
Real imports	1956	1961
Real productivity per worker	1951	1962

Source: Nakamura 1986, 212.

The effect of the Korean war boom can be seen to have helped already in 1951 in achieving the goal in several fields, such as industrial production, gross national product, total consumption, and capital investment. The per capita figures follow with a lag of two years, because of a larger population than before the war. We have to notice here that although Japan also experienced a baby boom after the war, it never attained the levels of population growth of other Asian countries. The figure for developing countries in general was well above 2 percent per year for the 1950-1960 period, while the Japanese figure of 1.1 percent was comparable with the rather modest level of 0.9 per cent for the Western European countries. Even for North America the figure was higher, namely 1.8 percent (*UN* 1964, 20).

The figures in the Table also show how Japan's economic

structure had changed when compared with prewar time. Japan had become far less dependent on international trade, as seen in the way the figures for trade lag behind the other figures during the 1950's. Because of general democratization, land reform, labour organization, and other reforms Japan created a huge domestic market, which in pace with its rising affluence could absorb most of the products of Japanese industry. Japan's industrial structure had also moved a long way from light industry towards heavy industry, such as metals, chemicals and machinery, enabling it to export more value added products, while its imports tended to concentrate more and more on primary products, especially energy, food, and industrial raw materials (Allen 1965; Boltho 1975; Krause et al. 1976). The right-hand column is also important. There we can see how the speed of growth continued, doubling the figures, generally in a little less than ten years, and giving substance to the optimistic claims made in the Ikeda Plan.

The following Table 3.2 presents the state of economic development of the market economies in general, and Japan's place among them, during the 1950's:

TABLE 3.2 Per Capita Gross Domestic Product by Major Regions.

Region	Amount in 1960 dollars		
	1950	1955	1960
All market economies	451	520	558
Developed market economies	1080	1277	1410
North America	2340	2645	2718
Western Europe	655	805	946
EEC	672	872	1068
EFTA	941	1090	1229
Other WE	232	282	322
Japan	193	278	418
Oceania and South Africa	800	872	948
Developing market economies	105	119	130
Latin America	252	277	300
Africa	93	104	113
Far East	69	78	85
West Asia	164	189	214
Others	319	377	472

Source: *UN* 1964, 21.

The Table shows that during the 1950's the riches of the world were clearly concentrated in the North American continent, in the United States and Canada. The middle income countries of the time - outside of the "centrally planned economies" as the expression went in UN parlance - were situated in Western Europe, in the EEC and EFTA, as well as in the former British dominions including South Africa, Australia and New Zealand. The rest of the world was poor. Here the highest group in 1950 was composed of the Latin American countries, and countries belonging to the heterogeneous group of "Others," principally, various island territories in various oceans. Japan was clearly below this group in 1950, but had in 1955 already attained the average level of the Latin American countries, and continued to rise.

The poorest areas of the world during the 1950's were Africa and, especially, the Far East; with this term is here understood the area ranging from Pakistan in the west to the Koreas in the east. This was the area in the proximity of Japan abounding in poverty, as well as colonial and ideological warfare. In long term statistics Asia's situation was even graver, because during the 100 years from 1860 to 1960 the share of the region of world income had fallen from 33 percent to 11.2 percent. The fall had been especially conspicuous in the southern parts of the region, comprising what are nowadays called the South and Southeast Asian countries, the figures falling from 11.8 to 2.6 percent, although its share of world population stayed the same, at 23 percent. From the point of view of economic development, this region in the vicinity of Japan was thus seen as the most hopeless of all of the regions of the world (Higgins 1968, 4-5).

In terms of its industrial structure or educational level Japan could thus be counted among the developed market economies during the 1960's, but in terms of its living standards - as far as can be expressed by the figure of GDP per capita - it could well be counted among the developing countries. In 1960 Japan had risen somewhat above that level, being, however, still far below Western European figures. The North American level was incredibly high compared with that of Japan.

Another international statistical comparison, that of gross domestic product (GDP) of major regions during the same period clarifies Japan's position in the economic map of the world:

TABLE 3.3 Gross Domestic Production by Major Regions.

	Amount in billions of 1960 dollars		
	1950	1955	1960
All market economies	732	920	1090
Developed market economies	622	782	920
North America	389	480	540
Western Europe	199	255	314
EEC	104	141	181
EFTA	80	95	110
Other WE	15	19	24
Japan	16	25	39
Oceania and South Africa	18	22	27
Developing market economies	110	138	170
Latin American republics	39	49	61
Africa	18	22	27
Far East	45	56	68
West Asia	7	9	11
Others	1	2	2

Source: *UN* 1964, 19; figures rounded by the author.

The Table shows that most of the accountable production taking place in the capitalistic part of the world was done in the developed market economies. The percentage remained at about 85 all through the 1950's. The enormous productive capacity of the United States is conspicuous. In 1950, 53 percent of production was done there, and even in 1960 the share had fallen to just barely below 50 percent. The share of the whole of Western Europe was only a half of this. Japan appears only as a small and unimportant economy, on a par with such regions as the small nonintegrated European economies, or South Africa, Australia and New Zealand combined. Its share of production of the market economies in 1950, 1955, and 1960 was only 2.2, 2.7, and 3.6 percent, respectively. However, Japan was clearly a member of the industrialized countries, even though its per capita share might have been low, as can be seen from the fact that its total production equalled roughly that of the whole of Africa excluding the Republic of South Africa, or that it produced roughly half of what the rest of the Far Eastern coutries did.

The Table also gives a rough estimate of how fast the production in Japan rose in comparison with other regions. A still clearer picture of the growth dynamics of the Capitalist world can be obtained from the following table:

TABLE 3.4 Average Annual Compound Rate of Growth of Gross Domestic Production by Major Regions.

	1950-60	1950-55	1955-60
All market economies	4.1	4.7	3.5
Developed market economies	4.0	4.7	3.3
North America	3.3	4.3	2.4
Western Europe	4.7	5.0	4.3
EEC	5.6	6.2	5.1
EFTA	3.2	3.4	3.0
Other WE	4.9	5.5	4.2
Japan	9.3	9.0	9.5
Oceania and South Africa	4.1	4.1	4.1
Developing market economies	4.4	4.6	4.3
Latin America	4.6	4.8	4.5
Africa	4.1	4.3	3.9
Far East	4.2	4.3	4.1
West Asia	5.2	5.6	4.7
Others	6.2	5.6	6.8

Source: *UN* 1964, 19.

In general, the growth of GDP was brisk in all regions, reflecting the reconstruction of war torn economies, the construction of newly independent economies, and the overall increase in world trade. However, overall growth was clearly turning slower during the latter half of the 1950's. Still, in a world historical perspective, even the figure of 3.5 represents a very high number, reflecting the generally very good climate for economic activity. It has been estimated that long-term growth rates for Europe and North America were 2.7 percent for the period of 1870-1913, and 1.3 percent for 1913-50. These figures show clearly how different the post World War II world was quantitatively, and even qualitatively, from earlier periods of world economic history (Nakamura 1987, 54). There are some regions where performance is poorer than the average, especially North America and EFTA, but that was only natural as these were already the richest areas of the world, starting thus from higher levels, and in addition had suffered the least damage during the war, making large scale reconstruction unnecessary. As a consequence of their slower growth the abnormally high position these countries had occupied after the war was beginning to erode, especially affecting the position of the United States and Great Britain.

There were regions which were doing better than the average. Among the major regions of the developing world, growth was highest in West Asia, reflecting the increased use of oil all over the world as the basic source of energy in industry and transportation.

Among developed countries, the countries which in 1958 formed the EEC showed very good figures, reflecting in part postwar reconstruction and the Korean war boom, and in part the benefits of the economic integration process taking place among the countries. It was especially the development of the EEC that seemed to make possible the re-emergence of Europe as an important actor on the world scene.

In growth, Japan, however, was in a class of her own. Japan was growing doubly faster than the world average, and in addition increased its rate of growth during the latter half of the 1950's, when all other major regions were forced to slow down. It is this average annual rate of growth that explains the rapid rise of Japan with respect to previous international comparisons. This is clearly the field where Japan could outshine all of its competitors, which became in its turn an additional reason why so much emphasis was placed on growth as a phenomenon in Japan. At the beginning of the 1960's Japan's economic success also began to be noticed abroad, and praise began to be poured over the country. One of the first and most influental examples was a series of articles on Japan in *The Economist*, which were later collected into a book entitled *Consider Japan* (Correspondents ... 1963).

The beginning of the 1960's was a time of optimism and economism all over the world. For instance, the United Nations General Assembly through its resolution 1710 (XVI) designated the 1960's as the United Nations Development Decade. The resolution was aimed especially at the developing countries. Growth was expected to alleviate economic hardships, and to diminish inequalities both within and between societies. The objective was to be attained through planning, each country setting its own target, but all of them striving for at least a 5 percent minimum annual growth rate in national income by the end of the decade (*UN* 1964, 25). These hopes were, like those of the Japanese, based on the generally good economic performance of the 1950's, and rapid economic development was expected in Latin America, Africa, and Asia.

At the same time, the industrialized countries were also beginning to discuss in the same terms. For instance, the Organization for Economic Co-operation and Development (OECD) aimed at achieving a 50 percent increase in the GNP of its member countries by the end of the decade, meaning, on the average, an annual growth rate of 4.2 percent. The goal was thus set a little lower than that of the developing countries, but was set explicitly on growth. Earlier during the latter half of the 1950's, after the goal of postwar reconstruction was achieved, the governments of the OECD countries had become preoccupied with the problem of economic stability, but this was now changing on a global scale, so much so that the United Nations could simply proclaim the same thing that Okita was doing

in Japan: "Economic growth has now become a central objective everywhere in the world" (ibid.). An extremely optimistic, even euphoric wave of enthusiasm for economic development seems to have swept through the world at the beginning of the 1960's.

Seen in this light, Japan was not at all alone in its plans for economic growth. The Japanese dreams of growth appear wilder than those of the other countries, but actually they were rather cautious. The doubling of incomes in ten years would have required an average annual growth rate of 7.2 percent, which was indeed a higher rate than that of the United Nations or the OECD. However, in light of the statistics of the 1950's, the latter organizations planned for an increase in the growth rates of the respective countries, while the Japanese planned only for a slower rate of growth than the 9.3 percent they were used to.

The government of Ikeda Hayato, and since 1964 the government of Sato Eisaku, had no trouble in fulfilling the objective of the plan. Actually, during the 1960's the figures got even wilder. Japanese statistics as well as those of the OECD countries in general, and those compiled by the General Agreement on Trade and Tariffs (GATT) are usually based on the use of gross national product (GNP), rather than gross domestic product (GDP), which the United Nations normally uses. The former means the total worth of all goods and services produced in a country, usually in a single year, while from the latter figure the effect of foreign investment has been removed, and it thus tends to be smaller. Using the former in evaluating the performance of the Japanese economy during the 1960's we get the following table:

TABLE 3.5 Growth and Structure of Gross National Product in Japan Between 1955 and 1969.

	Annual rate of growth			share in GNP	
	1955-61	1961-65	1965-69	1955	1969
At constant (1965) prices					
Gross national product	10.7	8.6	12.5	100.0	100.0
Private consumption	8.1	8.9	9.1	61.0	50.1
Fixed capital formation	20.4	9.9	17.4	20.9	36.5
Exports	12.3	16.7	16.0	10.0	12.7
Imports	19.0	9.9	15.3	8.0	11.1
At current prices					
Gross national product	14.2	13.6	17.2	100.0	100.0
Private consumption	10.6	15.4	14.3	64.1	51.0
Fixed capital formation	24.5	11.3	21.2	19.8	35.2
Exports	11.3	17.7	17.7	11.4	11.4
Imports	16.0	9.8	17.0	10.5	10.0

Source: GATT 1971, 4.

Growth did indeed slow down somewhat at the beginning of the 1960's, but again attained a terrible speed at the end of the decade, 12.5 percent at constant prices, and the stupendous 17.2 percent in current prices. The former figure may be more important in describing the real state of the economy, but the latter figure undoubtedly is more important politically; not only because it is bigger, but also because - if a considerable share of growth is passed to the population - it is directly felt as a numerically steep rise in salaries and other income.

As can also be seen in the Table 3.5, private consumption did indeed rise fast during the whole period, following closely the rise of GNP. It, in general, made the life of the Japanese citizens better, at least in economic terms. However, at the same time its share of total GNP diminished from over 60 percent in 1955 to 50 percent in 1969, caused by the even more rapid pace of industrial development. This also reflected a change of Japan's industrial structure towards a more capital intensive direction. For instance, in the latter half of the decade the annual rate of growth of industrial machinery was 23.7 percent in current prices. This trend also led to a slowly rising dependence on international trade, both in exports and imports, but overall dependence still remained rather low. The ratio of exports and imports of goods and services to GNP in some industrialized countries in 1968, in current prices was as follows: the Netherlands 42.9 for both, Belgium 38.2 and 38.6, the United Kingdom 20.1 and 21.1, the Federal Republic of Germany 22.9 and 19.5, Italy 18.2 and 15.8, and France 13.7 and 13.8 percent, respectively. Only for the United States with its 5.0 and 5.2 percent were the figures considerable lower than for Japan (GATT 1971, 5).

In these kind of statistics, growth appears as a smooth process. However, this was actually a series of shorter boom periods, punctuated by periods of slower growth. During the latter periods the figures for growth fell drastically, often to levels near the world average. Up to 1970 there were altogether six boom periods: the Korean war boom (特需ブーム) in 1951, an unnamed boom caused by a rapid rise in investments in 1953, Jimmu boom (神武景気) in 1956-57, Iwato boom (岩戸景気) in 1959-61. a softer unnamed expansion in 1963, and Izanami boom (いざなみ景気) in 1967-69. The Japanese names of the boom periods were originated by Japanese journalists, who referred to these periods of dynamicity as the most remarkable since the legendary days of Japanese history. Jimmu was the first Japanese emperor, supposed to have ascended the throne in 660 B.C. After his name was used, still older names had to be found, and Iwato was the name of the cave in which the Sun Goddess Amaterasu Omikami (the great-great-great grandmother of Jimmu) lived for a while in seclusion; and Izanami was a goddess, who in marriage with her brother Izanagi (out of whose left eye Amaterasu

Omikami was born) gave birth to the islands of Japan (Nakamura 1987, 53; 1986, 246-7; Papinot 1976). The naming of the boom periods with nationalistic pet names such as these was a part of the reconstruction of the Japanese spirit.

The development of the Japanese trade balance was not an unqualified success until the middle of the 1960's. The growth of the Japanese economy was basically dependent on imports. Imports of raw materials and technology, both in the form of machinery and licenses, were essential. During the 1950's the boom periods invariably led to a worsening balance of payments. The situation was difficult to remedy by increasing exports, because the strength of internal demand tended to channel goods into national markets, so that there simply were not enough goods to export. The progressive deterioration of the trade account culminated in 1961, with an overall balance-of-payments deficit of $950 million. In such situations the government was forced to impose tight money measures, curbing internal demand as well as imports, which led both to a relative and an absolute growth of exports, correcting the balance of payments. That in turn allowed the easing of monetary tightness, leading eventually into a new boom period. In other words, as Japan tried to achieve maximum economic activity, it expanded production facilities, but before long always ran up against the limits of its ability to import. This limit was reached at the growth rate of approximately 10 percent (Nakamura 1987, 51-54; GATT 1971, 5-6).

During the 1960's the pattern began, however, to change. In 1965 Japan already had a surplus of $1900 million on the current account, and a smaller surplus of $400 million in the balance of payments as a whole - although during the next year the figures went again to red. From 1967 onwards the balance of payments remained in the black, and foreign currency reserves began to show continuous increases, which in 1970 amounted to $2000 million. This favourable situation lasted until the Oil Crisis hit in 1973. The change was caused mainly by the change in Japan's industrial structure. It moved continuously towards more value added industries, especially heavy and chemical industries. In 1950 about half of Japan's exports consisted of textiles, but in 1955 the figure had already dropped to 37 percent, and in 1975 it was only 5 percent. The share of steel of exports had risen to 34 percent in 1960, but after that even its share began to diminish, falling eventually to 10 percent. Machinery and transport equipment, especially ships and automobiles replaced it as the leading exports. This diminished Japan's need to import such goods as certain industrial machinery, or expensive consumer goods like cars. Postwar Japan rebuilt itself as a processing trading nation, shifting continuously towards the export of highly processed, highly value added goods, and this enabled Japan to receive better prices for its exports. Japanese labour productivity also grew fast. The an-

nual average rate of growth of productivity was 8.8 percent during 1955-60, 5.5 during 1961-65, and 15 percent during 1965-69. This kept Japanese goods competitive, even though salaries were also rising fast. A cycle of virtuous cumulative causation developed, consisting of rising salaries increasing internal demand, which facilitated fast expansion of production, kept Japanese factories modern and efficient, and sharply increased labour productivity, which in turn facilitated increases in salaries. During the same period, world demand for manufactured goods also rose continuously and rapidly, which pushed prices up. The prices of raw materials rose on the average much more slowly. The production of crude oil, especially in the Middle East, grew rapidly from the early 1950's on, being virtually in a perpetual state of excess in the market, so that an adequate supply level could be taken for granted, and prices were either stable or falling. Also the prices of other primary products, particularly iron ore, were quite steady. Since the 1950's about half of Japan's imports consisted of raw materials and fuels, about 30 percent of food, while machinery and other manufactured goods represented in most years less than 20 percent of imports (Nakamura 1987, 54-63; GATT 1971, 6-13). Thus, Japan was in the middle of two favourable cycles, and her terms of trade were getting continuously better during the period of high growth.

During the 1950's and 1960's Japan experienced a rare period in its history. During these twenty years Japan was quite effectively shielded from big, harmful international events and influences. The higher than average growth enabled Japan to surpass in the size of her economy most other industrialized countries, even Great Britain and the Federal Republic of Germany, becoming in 1967 the second largest economy in the Western World, as the term went. It was only at the end of the 1960's that serious trouble began to surface again, both nationally and internationally. A period of anti-American national disturbances, similar to those of 1959-60, erupted at the end of the 1960's over the negotiations with the United States for the return of Okinawa (Emmerson 1976, 153-99). At the same time, increasing pollution also began to cause criticism of the single-minded rush for economic growth, and as Edström argues, public support for growth waned at the turn of the decade (Edström 1988, 69-70), growth beginning to pass away as a social theme of discussion. However, during the period under study it was a strong theme. According to its own terms Japan lived peacefully, and relatively complacently in the middle of a world which seemed to be getting economically more prosperous all the time. According to the economic terms of that world, Japan was doing very well, being a model country: peaceful and successful.

3.4 Development

Development as a theme in the discussion of Japanese economists is distinct from growth, as such. Growth relates more to the quantitative changes in the productive capacity of a country, but the concept of development refers more to the qualitative changes in the productive structure of a country. Both growth and development have direct relevance to the changes in the relations among countries in the international system, but the importance of development is even more pronounced than that of growth. The theme of growth during the 1960's became much like a sugar coating for Japan's longer term history of industrial development, forming a basis for epideictic rhetoric and rebuilding of self-respect, but especially the theoretically sophisticated economists treated development as the really important matter.

Development as a theme in the discussion of Japanese economists is an old one. It has deep roots in the Japanese national experience of being the only Asian country able to develop its industrial structure to the point where it could challenge the nations of Europe, North America, and Russia/Soviet Union. The challenge as understood here was not primarily a military one, but an economic one, in the sense that Japan was roughly from the Russo-Japanese War onwards able to compete successfully with those countries in international trade, although only in limited fields. Japan was able to, so to speak, succeed in their own game.

This Japanese historical experience was crystallized into an economic theory by Dr. Akamatsu Kaname. The basic ideas of his theory were already created before World War II at Nagoya Kooshoo (see Akamatsu 1932), although he continued refining them until the 1960's. In foreign countries, Akamatsu is known among experts of economic theory (Kojima 1975, 230-1; 1978, 81; 1977, 165-6; Rapp 1975; Allen 1975; Penrose 1975), but in Japan his influence has been extremely great, and he is still being debated (Kojima 1975, 235; Minami 1986, 234-8). His theoretical insights have guided or inspired many of the economists who had the responsibility of taking part in Japan's economic reconstruction, and have carried Japanese economic thinking further during the postwar time, as seen, e.g., in the impressive list of articles appearing in the book honouring his memory (Monkasei 1975).

Akamatsu is also directly relevant to the discussion of integration in the Pacific. His name surfaced in international discussion in 1985, when Okita Saburo in his presentation in the fourth Pacific Economic Cooperation Conference (PECC) drew heavily on Akamatsu's theories (Okita 1985, see also Okita 1975). His strongest impact has, however, come through his most important pupil, Kojima

Kiyoshi (Akamatsu 1975d, 65-6), who became a professor of economics at Hitotsubashi University. Kojima in his turn has not hesitated to acknowledge his intellectual debt to Akamatsu, calling him *onshi* (恩師), honoured teacher (Kojima 1962f, 6), and exclaiming that the originality of his scientific achievements are a source of pride before the whole world (世界に誇るべき独創的な業績) (Kojima 1958, 215).

In his youth in Japan Akamatsu studied Marxist economics and philosophy, and after becoming critical towards that approach went to Germany to study Hegelian philosophy (Akamatsu 1975d). The world view of a continuous process of development through struggle towards ever higher levels of perfection, inherent in these philosophical systems, is an integral part of the writings of Akamatsu, too. In the center of Akamatsu's thinking is the theory of *sangyoo hatten no gankoo keitai* (産業発展の雁行形態), the Flying Geese Pattern of Industrial Development. With the expression is meant the following:

> 後進産業国あるいは新興産業国の産業が先進産業国の産業を摂取し、それを追跡しつつ成長発展するばあいに一般的に成立する発展法則を指すのである。
> (Akamatsu 1956, 514)

The Flying Geese Pattern of Industrial Development is a general principle of development, which refers to a situation where less advanced countries adopt the industries of advanced countries, starting to pursue them along the road of growth and development. The idea starts out from the image of all of the countries which take part in development forming a group, which advances towards one goal, that of higher levels of technological sophistication. The grouping is one-dimensional, in the sense that only the goal of industrial development is the constituent criteria of the grouping. Countries are divided into two subgroups, *senshinkoku* (先進国) and *kooshinkoku* (後進国) The first concept refers to the leading industrial countries, as "countries which advance in front"; the second concept refers to the developing countries, as "countries which advance behind". Countries are thus divided into leaders and followers. There is also a middle category, *shinkookoku* (新興国), or "newly rising countries". During the 1950's this category was more or less reserved for Japan alone. Also the expression 後進国ないし新興国, "less advanced or newly rising country" was used for describing the position of Japan (e.g., Kojima 1958, passim).

The term *kooshinkoku* has the connotation of a backward country. In the beginning of the 1960's, in accordance with the spirit of the United Nations Development Decade, it was abolished, and new terms, such as *sangyoo hattenkoku* (産業発展国), literally, "country which is developing industries," or *hatten tojookoku* (発展途上国), "country which is on the road of development," were adopted. This reflected the change in the concepts as used in world English discussion, lead

by the United Nations, when the less polite expression "backward" was replaced first by "underdeveloped" (Myrdal 1964, 11), and later by "developing" and "less developed" (Higgins 1968, 30-1). In his English texts published at the beginning of the 1960's Akamatsu seems to prefer the terms "advanced" and "less advanced" countries (1975b; 1975c), which have at least a similar connotation of movement as the terms *senshinkoku* and *kooshinkoku*. However, although a variety of new terms appeared at the beginning of the 1960's, the basic idea did not change. In development, the group of countries move forward in an orderly fashion: there are the leaders, the most advanced industrialized countries, followed by other industrialized countries in the order of their level of industrial sophistication, followed in turn by the less advanced countries according to their respective levels of development. There is a simple hierarchy, but just like the position of the geese in their formation it is not fixed for any length of time, and the relative position of the countries changes over time. The leaders tire, moving backwards in the formation, giving their place to other countries; some stronger follower countries advance faster than others, moving to positions nearer the vertex of the formation. It is thus a group with a competitive relationship between its members, but there is a general consensus about the direction of the group, namely technical development of industries. The theory does not concern politico-ideological divisions among countries, but concentrates solely on the process of advancing industrialization in countries.

For a *kooshinkoku*, the pattern of development begins by importing strange, interesting, or merely useful goods from industrialized countries. Their production process is usually unknown. Imports grow gradually larger, as consumer demand picks up, until the limit of available international exchange is reached. In Japan this pattern was revealed in consumer goods like white sugar, tobacco, clocks, plate glass, soap, and other curios imported in small quantities ever since the first contacts with Western countries, but it was after the Meiji revolution that large quantities of goods began to be imported. Important among them were things like woolen goods, cotton yarn and cotton cloth, which were not actually strange things, but as they were produced by modern factories their price was very good (Akamatsu 1956, 514).

Usually the process is by no means easy in the less advanced country, especially when the amount of imported goods grows large. Importation of cheap factory made goods destroys the handicraft industries existing in the less advanced country, driving the craftsmen out of work, into poverty and starvation. The process has been the same in all Asian countries, in Japan, India, China, and others. As an illustration Akamatsu refers here to Marxian texts, and to Gunnar Myrdal's *Economic Theory and Underdeveloped Regions*. Trade

with an advanced country is a terrible shock to the whole culture of the less advanced country (Akamatsu 1975c, 3). The effect is often heightened because the advanced countries are also usually able to subjugate the less developed countries militarily, or at least control them politically. The Western European Capitalist countries were at one time able to govern most of the countries of Asia, Africa and America as their colonies, actively engaging in policies aimed at turning the colonies into economically complementary areas to their home economies, trying to build political and economic structures to keep the relationship everlasting (ibid. 4-5).

It is, however, impossible in the long run to maintain eternal structures of domination. Demands of the workings of capitalism itself eventually destroy the structure. Little by little the industrial production of the imported curios and cheap daily necessities begins in the importing country. The less advanced countries have by definition at least one or often all of the three following economically beneficial conditions: low wages, cheap raw materials obtainable locally, and a selling market within a short distance. Wages may have already been lower before the communication with the advanced country began, and certainly are lower after the harmful effects of trade and political measures have destroyed the traditional economic structure of the country. Raw materials are in abundance because that has been the direction in which the stronger industrial country has developed the local economy by encouraging agriculture, opening mines, etc. There is also a market for cheap industrial goods. The initial importation of foreign goods is a necessary prerequisite for development, because it creates a market for such goods, perhaps on the strength of the goods themselves, or perhaps accompanied by bits and pieces of foreign culture changing the values and ways of life of the less advanced country. Industrial production may start with local capital, as happened in Japan, which was lucky enough not to be colonized, but it may start also with foreign capital. This has been the usual way in colonies. In search of larger profits, Western European capital has built up industries in the colonies, as in North America or India, even in defiance of the overall colonial policies of the home countries (ibid. 5-6).

A shift towards national capital becomes necessary before long if development is to continue, as happened when the North American colonies formed the United States of America and became independent from Great Britain, or as happened during the wave of decolonization after World War II. Native capital has to be accumulated, and productive technology has to be imported. Because the market has already been formed, local production is in the advantageous position of having a definite goal in sight, namely that of overcoming the imports through whatever means there are. The offering of cheaper prices is the most basic of them; better quality, if

obtainable, is another one (Akamatsu 1956, 515). Often some protective measures by the state, such as the use of tariff policy, and import restrictions may also be needed (Akamatsu 1945, 306). Economic nationalism, often a by product of the struggle for independence, may also be very beneficial for the follower country if it does not hamper the importation of productive technology, and if protective measures are used only in cases where the native industry is healthy, and needs only time and initial protection to be able to achieve a scale large enough to compete with foreign manufactures. However, if ample development of local industry fails to occur, economic nationalism may turn up to impoverish the economy. At least in the long run it would be far more beneficial to drop protection, let imports destroy the inefficient industries, and if still deemed viable, give local industry a fresh start (Akamatsu 1975c, 6). To create strong local industries, a measure of competition with the more efficient foreign industries may be needed, in order to prevent local entrepreneurs from becoming "soft" due to overly easy conditions. In his Japanese texts Akamatsu uses vivid figures of speech in describing this period of the beginning of local production, talking about a "struggle of life and death", *shikatsu no toosoo* (死活の闘争) between the imported and locally produced things, requiring the local entrepreneurs to "pour their heart blood", *shinketsu wo susugi* (心血を注ぎ) (1956, 515) into copying foreign goods and inventing new ones to be able to subjugate the imports.

The expansion of local production does not mean the end of the necessity of importing as such. To facilitate the expansion of the means of production of consumer goods, technology and capital have to be imported. In the case where raw materials cannot be produced locally in sufficient quantity or quality, they, too, have to be imported. For instance, to produce cotton yarn and cotton cloth in Japan at the end of the 1800's, spinning and weaving machines had to be imported, and because cotton produced in Japan was expensive and its amount insufficient, raw cotton also had to be imported. Thus this kind of development tends to increase the overall pattern of international trade, even though strict measures against some product categories of imports might be adopted in individual countries. At some point in the process of development there arrives a qualitative jump, when local production "rises suddenly to power", *bokkoo* (勃興), and the rate of increase of imports turns downwards. Naturally, at this stage this holds true only for finished consumer products; imports of machinery and raw materials tend to increase. This phase, the strengthening of local industry into an economically viable and important position in the local market, at least in terms of the quantity of production, is called the second stage in the Flying Geese Pattern of Development (ibid.)

The third stage is reached when national production increases

still further so that exporting can be started, while imports diminish also in absolute terms, until a point is reached where the volume of exports exceeds that of imports in a certain category of consumer goods. Imported and locally produced goods may not necessarily be similar, or at the same level of technological sophistication, but at least the industry has established itself as an exporting industry benefitting the overall balance of payments of the developing country. During this process the industrial structure of the follower country changes towards that of the leading countries. Exports enable more imports, such as more capital goods for the even greater expansion of production, as well as new consumer goods which can now be afforded, and which introduce new industries into the country. This three stage development of import, production, and export is the basic structure of the Flying Geese Pattern of Development (ibid. 515-6). Usually it is not possible to attain the level of sophistication of the imported goods at one stroke. The usual progression leads first to coarse, rough, and crude products, and from them to more delicate and exquisite products. This often takes a long time. Accordingly, there usually is a phase when crude products are exported, while more expensive sophisticated products are still imported.

The pattern gets more complicated when capital goods also enter the Flying Geese pattern. Eventually, as the general level of technological advancement in the follower country rises, it also becomes possible to produce capital goods there. However, to build spinning machines and weaving machines in Japan, higher level machines with which to produce ordinary machines had to be imported. As a consequence, the imports of spinning and weaving machines diminished, and also eventually became an export article. This is an even more important change in the industrial structure of the country, not only because different categories of products are added into the industrial base of the country. Akamatsu points out that this kind of development also has wider repercussions on the society. The production of the means of production of a certain industry turns the originally imported industry into a local one. It pushes roots deep down into the local soil. The process started as an importation of foreign articles, a negation of the original culture of the country. This was then negated by local production, by a negation of the negation, *hitei no hitei* (否定の否定) as he expresses it, effecting thus a return to oneself, *jiko kanki* (自己還帰) (1945, 313; 1956, 516).

Akamatsu's terminology is that of Hegelian dialectics, but his point is important, relating to the location and naturalization of culture from one country to another. As the roots of the foreign culture are dug deep into the new country, as it happens in productive activity through work and various spin-off effects in the society at large, the new culture becomes an essential ingredient both in the national and the international image of the country. During the

period between the World Wars the image of Japan included the components of a country exporting various consumer goods such as toys at "sensationally low prices" (Röpke 1959, 191), that of world's strongest textile exporting country (Hindmarsh 1936, 133-42), and a country producing extremely sophisticated textile machinery, such as the Toyoda loom (ibid. 151, 174-5). In postwar Japan a similar national and international image came to be built around the production of ships, consumer electronics, and passenger cars. Michael A. Cusumano's treatise on the development of Japan's automobile industry is very instructive in this sense (Cusumano 1985). This cultural process tends to increase the group aspect of the Flying Geese formation, making countries more and more similar to each other the more closely they approach the leading positions of the formation.

Because the countries in the Flying Geese formation differ greatly in their level of development, there is a considerable time lag in the pattern of development showing itself. For instance, when Japan had completed the pattern in the case of its cotton textile industry, India was climbing to the second stage of increasing local production, while China was in the first stage of increasing imports. At the same time the relationship between Japan and Great Britain, which had been the leading country, was changing. Not only had British exports to Japan diminished considerably, but also in the international market Japanese textiles were eroding the position of Great Britain. Japanese success in the field of textiles would not, however, be unqualified with respect to the future, because India was already beginning to resist imports. Eventually India was expected to begin to compete in the international markets with the Japanese, and after some time it would, either relatively or absolutely, displace the Japanese from the leading position, only to be displaced later by China or some other country. At the same time, Japan would be competing with Great Britain in the export of other consumer goods, and capital goods like spinning machinery, and thus the industrial development of the whole group would go on (Akamatsu 1956, 517).

The development would lead before long into the fourth stage in the Flying Geese pattern. The export of industrial goods from the follower countries to the leading countries would begin. An example was the beginning of exports of cheap, coarse cloth from Japan, and even from India and Hong Kong to Great Britain before World War II. This stage goes theoretically back to David Ricardo's theory of comparative advantage (Ricardo 1987). At first, on the level of crude products, it becomes profitable to import from less advanced countries, and during the passage of time the phenomenon may extend also to more refined products. When the process continues, little by little the more advanced countries have to give up the production of ordinary consumer goods, and concentrate on the production of capital goods, or devise new types of consumer goods. The process thus

forces a global division of labour in the manufacturing industries. During the periods of world economic history when global trade is comparatively free and the Flying Geese pattern can work effectively, the international division of labour proceeds rapidly forward (Akamatsu 1956, 517).

The theory of the Flying Geese Pattern of Development is constructed on a philosophical idea, which Akamatsu calls "synthetic dialectics," by which he means:

> All beings become possible through opposition to other beings, and this opposition can be divided into homogeneous opposition and heterogeneous opposition. Homogeneous opposition constitutes a substitutional relationship which mutually repulses and opposes, while heterogeneous opposition constitutes a complementary relationship which mutually attracts and implements (1975b, 26).

We have thus far discussed only certain product categories. In individual countries it causes qualitative changes in the industrial structure of the countries, but on the global scale this has been only quantitative growth. In world economic history there have also been periods of global qualitative changes, where the forces of homogeneous and heterogeneous opposition can be seen in play. Kojima Kiyoshi has codified this idea of Akamatsu into the following formula:

> 世界経済の同質性 -> 異質化 -> 再同質化 -> 再（高度）異質化
> (Kojima 1961a, 24)

The idea starts from the homogenous nature of the world economy. For instance, we have countries A and B, which both engage in agriculture and handicraft production, and are in this sense homogenous. Homogenous opposition means that they are in a direct competitive relationship with each other, like England and France during the age of mercantilism in Europe. Wars between the countries is a possible outcome of the situation.

Following this there occurs an industrial revolution in country A. It begins to produce textiles industrially, and eventually to export them. It may need to buy raw materials from country B, and in that case increased revenues enable country B to import textiles from country A. Modern international trade related to industrial production begins. In terms of the stages of industrial development the countries differ now qualitatively, and the total economic system has reached the stage of heterogenization. Heterogeneous opposition means that the less advanced country in this situation is easily subjugated economically, as well as politically and militarily. The opposition may lead to wars of subjugation or liberation. However, economically the countries attract each other, and especially at the begin-

ning the relationship enables both of the countries to grow and develop rapidly.

Before long, country B also develops a textile industry, and the two countries become again homogenous with each other. The situation may lead again into a conflict, with the established and the newly risen industrial power. In addition to their mutual homogenization, because of their combined increased production of textiles, the countries A and B draw an agricultural country C into international trade selling raw materials, and buying industrial products. Their relationship with country C is heterogeneous, but sooner or later country C is also expected to start a textile industry, and move towards a homogenous relationship with A and B.

Eventually there will be another qualitative leap in the world economy. It may happen in country A if it is able to preserve its dynamicity, or it may happen in B or C if either of them overcomes country A in innovative dynamicity, but one of the countries turns into something new, like heavy metal processing or chemical industry, creating a higher level of heterogenization. The process goes on, and more and more countries are recruited into the formation from the lower end. Countries compete with each other, and overcome each other, sometimes through the quantitative processes of increasing the efficiency and quantity of production, sometimes through qualitative changes in the mode and categories of production.

The theory of Akamatsu Kaname is dynamic and deterministic. We are not here interested in its accuracy as an economic theory (see Minami 1986, 234-8; Kojima 1961a, 23-36; Rapp 1975). The importance of the theory of the Flying Geese Pattern of Development lies in its way of understanding the global economic system, and Japan's place in it. The theory is dynamic in the sense that it describes a continuous movement in the global economic system, denying the possibility of any lasting stability in it, as Kojima describes it:

> 先頭をきり、追いつかれないあいだの一時的優位にすぎず、永続的な国際分業を保証しない不安定なものとなる。
> (Kojima 1961a, 25).

Countries overcome each other, but no country is ever able to achieve anything but temporal advantages over its rivals, as long as it succeeds in escaping its pursuers, but before long it is bound to become tired. It is not possible to create a durable international division of labour, and thus the system is very insecure for any country. As Akamatsu wrote in 1927, "wenn eine Vollendung vollendet ist, so beginnt sofort daraus ein neuer Prozeß der Vollendung. Von Vollendung zu Vollendung geht die Wirklichkeit immer weiter" (Akamatsu 1975a, 58). Each country is different, having its special combination of advantages and drawbacks. The ability to develop is influenced by

factors such as the kind of productive base a country already has, the geographic, social and political conditions both inside and around the country, industrial and trade policies adopted by the country and elsewhere, etc. There is no real end to this list, and the relative importance of different factors may change over time. The Flying Geese pattern of development will not happen in the same way in all countries, the process of industrialization will not necessarily be completed in all of them, and there always are only a few positions open at the top or near it. However, as there is no time limit, many countries will be successful sooner or later.

Although nothing certain can be said of the performance of any single country, the total group will move deterministically forward to ever higher stages of industrial development. It will be accompanied by the betterment in the standards of living for the population of the group in general. In this sense the theory is both deterministic and optimistic, in the same sense which G. W. Fr. Hegel displayed in his *Vorlesungen über die Philosophie der Geschichte* (Hegel 1980). The historical development of the spirit of industrialism will inevitably proceed through struggle and periods of stagnation towards ever higher levels of perfection. This deterministic optimism of Akamatsu is similar to the other offsprings of Hegelianism, such as Marxism, depicting the historical progress of humankind from feudalism through the bourgeous society to communism, or that of Kierkegaard in the individual level, where the individual can proceed, guided by dread, to spiritually higher stages of the esthetic, the ethical and the religious (Kierkegaard 1982; 1980; Korhonen 1989c).

An interesting thing is the implications of the theory in the conditions of countries in different positions of the formation. In a long term perspective the Flying Geese theory is not a theory of domination. Hegelian philosophy is teleologically directed towards freedom, in the sense that "der Geist ist frei; und sich dies sein Wesen wirklich zu machen, diesen Vorzug zu erreichen, ist das Bestreben des Weltgeistes in der Weltgeschichte" (Hegel 1970, 401). Although it is difficult to interpret what Hegel himself understood this to mean at the level of real nations and humans, the essential point here is that there was an emancipating interest in his philosophy, which a more practical level thinker like Akamatsu connects directly with the material world. In Akamatsu's sense development will, in the long run, bring freedom and well-being with it for the whole world. Also in a more limited sense, in particular cases, as the weaker will eventually become stronger while the homogenization of world economy spreads, the holds of any dominating power are bound to loosen eventually.

However, in shorter and more practical temporal perspectives, such as those of a single lifetime, there are various threats against the development of any country. Seen from the vantage point of a

country in the middle of the formation, like Japan, there are two kinds of threats. One type of threat emanates from the more advanced, leading countries. They are always tempted to use non-economical means of control, like suppressing militarily the rising country, devising new rules of international conduct in their favour, or limiting their markets through political decisions. A crucial point is the degree of national autonomy the less advanced country is able to hold over its own affairs. If that degree is considerable, and military interventions are ruled out, then the threat from the more advanced countries is diminished. If nothing else, the follower country will always have at least the comparative advantage of cheaper wages in its favour, as well as the clear national goal of absorbing existing and tried out industrial culture.

There is a dialectical paradox at work here, in the sense that the more a follower country is able to be influenced by a foreign culture, the more independent and stronger it will eventually become. Modern Japanese economic history is an example of this. After the first opening of the country in the 19th century, accompanied by the eager absorbation of Western culture, Japan became rapidly both stronger and more independent, eventually a Great Colonial power with its own empire in East Asia. After ultra-nationalism set in during the 1930's Japan started to become relatively weaker, and the period ended in the total destruction of Japan's former greatness. During the postwar period, after the second opening of Japan, under the military protection of the United States, absorbing again the various influences emanating from that country and from the Western countries in general, Japan again became strong and successful. Thus, with respect to the more advanced countries, the most successful strategy is a carefully planned openness in import policies, keeping the guarding of national autonomy always in mind, and this strategy will guarantee, with a fairly high degree of certainty, catching up with the more advanced countries. As Okita observes, the theory is most useful for the follower countries (1975, 146), because it describes a clear goal and steps to be followed, and the practicability of the theory is strengthened by the deterministic optimism it displays. The leading countries are seen to be in the most troublesome position, being constantly in need of refining their products and trying to make qualitative leaps into new modes of production without the help of existing examples.

The situation of the middle level country in respect to the less advanced countries is the reverse. Strong competitors are bound to emerge from this level. For some time, attempts can be made to control them, and use them for one's benefit, like Japan did with the Asian countries before and during World War II, and Akamatsu writing in 1945 is very sceptical about Japan's possibilities of making it alone (1945, 301-2). In the postwar situation, when Japan had be-

come a small country, without a strong military, this method was seen to be nonexistent, but the reemergence of a comparatively free trading system under the leadership of the United States allayed these fears. However, in the long run dominance does not necessarily work in favour of the dominant. The closer the situation between the dominant and the dominated, the easier the flow of culture between the countries.

Thus, according to the theory, in the long run any country is fighting a losing game by trying to preserve the production of any important category of export commodities. The only solution for any country is the continuous upgrading of existing products, and the introduction of new products. This especially applies to a politically and militarily weak country like postwar Japan, under the system of relatively free global trade, threatened by the emerging industries of the less developed nations, helped by the industrial possibilities opened up by the more advanced nations.

The deterministic nature of this theory may in part explain Japan's postwar industrial policy, for instance the relative ease - compared with most other industrialized nations - with which the Japanese designated certain industries as sunrise industries, which received special support from the state, and some others as sunset industries, from which this support was phased out. The former category included, e.g., metal and chemical industries, and shipbuilding during the 1950's, cars during the 1960's, and computers and telecommunications equipment during the 1980's. The latter category included coal mining during the 1950's, textiles during the 1960's, and basic metal and chemical industries during the 1970's (see, e.g., Johnson 1986; Woronoff 1985; 1986).

At first sight, the theory of the Flying Geese Pattern of Development bears some resemblance to the ideas of an other economic historian, W.W. Rostow, especially to his theory of the stages of economic growth (Rostow 1961; see also Rostow 1980; 1990). In this connection, Rostow is widely know as the originator of the concept of the "take-off" of growth (Higgins 1968, 174-87). Japanese economists discussing the theory of the Flying Geese Pattern of Development in an international context do not as a rule, however, compare Akamatsu with Rostow. Most of all they compare his theory with Robert Vernon's product cycle theory (see f.ex. Minami 1986, 234-8, Kojima 1975; 1978, 66; Shinohara 1982, 63-4, 71-2), emphasizing that Akamatsu clearly preceded Vernon (Kojima 1977, 150).

Vernon's theory simply states that technical innovations tend to happen in advanced countries, but under conditions of international trade the comparative advantage of production usually shifts sooner or later to less advanced countries with lower production costs. From the point of view of a manager, products thus tend to have a cycle, being profitable only for a while, and this international

structure has to be taken in consideration in investment plans (see Vernon et al. 1976, 184-98). This is indeed a restatement of Akamatsu's theory from an other angle.

The problem with Rostow seems to lie in the fact that his central point of interest, growth, was misplaced in this connection. From a Japanese point of view, what was important in industrialization was not growth as such, but upward change in the productive structure of a developing country. Rostow was also relatively uninterested in trade, while it was exactly international free trade which formed the basis of the theory of the Flying Geese Pattern of Development. Similarly, judging by the names of foreign theoreticians of development theory appearing in Kojima's works, although he has known Rostow's work, he seems to have valued, above all, authors who emphasize the importance of international trade as a prerequisite of development, like Jan Tinbergen (1958), Ragnar Nurkse (1959), and Albert O. Hirschman (1960) (see Kojima 1961c; 1962a; 1962f). The most important theoreticians in this sense were Wilhelm Röpke and Gunnar Myrdal, whose theories will be treated later in chapter 4.3.

On the other hand, the theory of the Flying Geese Pattern of Development seems to be diametrically opposed to another variety of development theory, namely the theory of structural imperialism, operating with the concepts of metropoly and satellite (Frank 1967), or center and periphery (Galtung 1971; 1980, 107-39). The theory basically states that under conditions of apparent free trade the industrialized countries are able to dominate and exploit the less developed countries. The dominant countries have all the good cards at their disposal, not only a stronger industrial base but also various other structural means of guaranteeing that the gap between the dominant and the dominated does not close, but rather widens. This is the theoretical approach through which perhaps the majority of political scientists learned their international economics during the 1970's, and on into the 1980's. During the 1980's, however, the phenomenal economic performance especially of several East and Southeast Asian countries seemed to defy the implications of the theory, and interesting debate on the issue ensued, exemplified by Mommsen and Osterhammel's compilation *Imperialism and After* (1986).

The theories are opposite, but not necessarily diametrically so. The connecting idea between them is the value placed on the degree of national autonomy. Akamatsu emphasized that in addition to being able to export, it is also necessary to have a nationalistic psychological attitude, national capital, and national initial protection of industries to achieve enough strength to compete in the international market place. The approach of structural imperialism emphasizes a similar notion with the concept of self-reliance (Galtung 1976; 1980, 393-413; Galtung et al. 1980). Especially in the form of open autonomy (Galtung 1980, 403; Korhonen 1990a, 160-70), as opening to in-

teraction with other actors after assuring that it would not harm one's essential interests, the argument can be connected with the theory of Akamatsu. In this sense, the main difference is that Akamatsu tended to be fairly optimistic about the outcome in such situations, as Japan had succeeded rather well, while the structuralists tend to expound the enormity of the problems and hazards on the road of development.

3.5 Asia

The theme of Asia in Japanese discussion was a special one from the point of view of Japan's geographical and historical relationships with the area, because most of these ties were cut at the end of the Pacific War, as both Asia and Japan changed drastically. The main point of the theme is that postwar Japan was, as Sakamoto has put it, "forced out of Asia", as Japan's relations with the newly independent Asian nations were severed through the defeat and American occupation, one result being to heighten the prewar aspirations of the Japanese to "leave Asia and enter the West" (Sakamoto 1987b, 48). In contrast to such former European colonial countries as Britain, France, the Netherlands, and Belgium, which had to face anticolonial struggles after the war, discuss publicly the question of granting independence to their former colonies, and even after that continued to have political, economic and cultural ties with most of them, Japan was simply cut out of communication with her former colonies with the onset of the Occupation. There was no need for special discussion, even less for any policy measures, and consequently, the former colonies tended to disappear from the Japanese mental map of Asia (Sakamoto 1978, 7).

A related observation has been made about the Southeast Asian countries. Japan had not had so much communication with that region before the war, as it had been the domain of other colonial powers. The only heavy involvement was during wartime, and for several years after the war there was no reason to try to approach the newly independent countries, except through the narrow channel of trade. It is indicative that extensive study of these countries did not start before the 1960's, and even after that there was very little interest among the population at large, or even among the elite, to learn to know anything about these countries (Khamchoo 1986, 290-5). Sakamoto speaks about "epistemological de-Asianization" in this connection (Sakamoto 1978, 9). These countries became clearly visible in the Japanese mental Asian map only among a few experts and other involved people. There was one country which was clearly

visible, namely China, but China was caught up first in the Civil War, and later in the Cold War, and Japan could not start to recreate a working relationship with her until the 1970's. The opposite side of the situation was that Asian perceptions of Japan tended to be heavily coloured only by the images of the war, and because of the low level of mutual communication, these images tended to remain unchanged for decades.

The theme of Asia, as understood here, thus means that although Japan was geographically, historically, and racially an Asian country which needed to create an economic and political relationship with the area, she had great difficulty in accomplishing it. Especially during the 1950's, Japan had to explore almost unknown terrain, overcome hostility at various levels, and do this using quite confused conceptions of what constituted Asia. In the postwar situation Japan was defined as an Asian country, as argued in Chapter 3.1, but the definition most of all referred to Japan's international rank. Japan of the immediate postwar years did not have a relationship with Asia. It had to be created through a long and tedious process, and that made it an important theme of discussion, although confined mainly to the level of experts. In the following, the theme will be taken up from three angles, namely the severing of Japan's relations with China, the difficulty of relating to the other Asian countries, and the redirection of Japan's trading relationship from Asia towards the advanced industrialized countries.

The two most important phenomena in the international political situation in Asia after World War II was the emergence of a number of newly independent countries, and the ideological division of these countries into mutually hostile Socialist and Capitalist camps, as well as the emergence of the non-aligned countries. In terms of economics, however, the practical division was between two kinds of countries: countries accepting the rules of the Western international trading system, and the Socialist countries which withdrew from it, in part by their own will, in part because they were excluded from it, as it suited the Cold War strategy of the United States.

For Japan, the emergence of an Asian Cold War meant a thorough change in the basic orientation of its Asian relations, because it cut off the traditional relationship with China. In premodern East Asia, China had for thousands of years been the *central country*, just like its name, 中国, transcribed as *Zhongguo* in modern Chinese, *Chuugoku* in Japanese, implies. A multitude of cultural influences, including written language, either emerged from there, or as in the case of Buddhism, was transmitted through China to Japan. Especially during the 1930's Japan's trade began to concentrate on what came to be called the Yen Block of Japan, composed of China, Manchukuo, Japan, and its colonies. Japan's trade with this area expanded with its increasing military control of the area, and with the gradual ex-

clusion of Japan from other markets controlled by the Western European countries and the United States. Important raw materials, such as iron ore, coal, raw cotton, as well as soy beans, rice, sugar, and other foodstuffs were obtained from there, and various industrial products, such as textiles, sundries and machinery were exported there. Before the outbreak of World War II, already over 50 percent of Japanese exports went to the area (Nakamura 1987, 5; *Nihonkeizai* ... 1990, 167-9).

In the immediate postwar situation the perceived importance of China did not diminish, but rather became greater. In 1946 the following observation was made in the plan for the postwar reconstruction of the Japanese economy:

> 東亜における日支の比重の逆転である。即ち東亜問題の重心は今次戦争の結果、中国に移り日本の立場は二次的なものとなったことである。
> (ibid. 150).

As a result of the lost war, the relative weights of Japan and China were seen to have become reversed. China had taken the place of Japan as the central problem in East Asia, and Japan was pushed to a secondary position. In that situation China was seen to be moving to the position of the Asian great power with the help of the United States and Soviet Union, while Japan had become a small country, which would be controlled by China (see also Karashima 1948). China was the country most often mentioned in the plan, either alone, or together with other Asian countries or regions. What is notable is that China is the country which is usually specifically mentioned, while that has often not been thought to be necessary with respect to other countries, as in the following examples:

> 中国その他亜細亜諸国 (194)
> 中国および南方 (160)
> 中国印度を初め各地 (150)
> 中国、朝鮮、その他の諸国 (201)

As the designation for the rest of Asian countries, expressions like "all countries" (諸国), the "whole region" (各地), or "southern direction" (南方) were often deemed sufficient. The other countries sometimes referred to in a similar way were India (印度) and Korea (朝鮮) as in the third and fourth examples, but the place they were occupying in the Japanese mental map of Asia was nothing compared to China.

After the war, it was thought that the countries in the Sinic cultural area would continue to hold the central place in Japan's trading relations that they had already held for a decade (ibid. 199-200), but that was not to be. Together with the defeat, Japan's exter-

nal trade fell to drastically low levels, and the situation lasted until the end of the 1940's (Maddison 1982, 251). Most of the remaining trade came to be conducted with the United States, mainly on the basis of food and other daily necessities being imported to Japan. In 1946, 96 percent of imports came from the United States, and 70 percent of exports went there (Okita 1947, 15). During the following years the situation did not change much in terms of volume, although the direction of trade began to change somewhat. In 1948, 78 percent of imports were still coming from the USA, including at that time also industrial raw materials, and 27 percent of exports went there. Forty-nine percent of exports went to the whole of Asia, but only 15 percent of imports came from there. The most alarming fact was that trade with the nearest countries to Japan, called the *kinrin shokoku* (近隣諸国), or Korea, China and Hong Kong, did not pick up as hoped for. Exports to this area amounted to only 15 percent, and imports a meager 5 percent (Okita 1950, 48). Thus the area which had been the most important to Japan traditionally, and was geographically the nearest to it, was quite effectively separated from Japan at the end of the 1940's.

The civil war in China naturally had much to do with this, and after it ended Japanese hopes for reestablishing trade with China rose again. The Japanese leadership, including Prime Minister Yoshida, strongly favoured the establishment of diplomatic relations with the Communist government, but that was not allowed by the United States, which pressed Japan to deal only with the Nationalist government in Taiwan. The situation was called the "zero-minus" option by the Japanese, as it implied that there was nothing to be gained from Taiwan which could not have been achieved otherwise, and everything to be lost regarding Mainland China. As this matter became one of the principal points in the U.S.-Japan negotiations about the peace treaty, the Japanese had no other recourse but to yield (Yoshitsu 1983, 67-83). Trade with the People's Republic of China did not end completely, but its volume remained low, subject to wild fluctuations caused by changes in the political climate, and it took until 1972 when relations between the two countries were normalized (Newby 1988, 5-6). In a similar way Japan's relations were limited also with regard to the two Koreas. It took twenty years from the end of the war until diplomatic relations could be normalized with South Korea in 1965, and relations were extremely strained during this period (Emmerson 1976, 262-6). As in the case of the two Chinas, normalizing diplomatic relations with South Korea created difficulties with North Korea, with which diplomatic relations were established in 1973.

The Asia with which Japan began to create a relationship after regaining independence was composed of the newly independent countries in southeastern Asia, and Thailand. The emergence of

new countries in the area had much to do with the Japanese themselves. By embarking into the Pacific War they brought destruction on the colonial empires of Great Britain, France, the Netherlands, and the United States, and by losing the war they also effected the destruction of their own colonial empire (see, e.g., Elsbree 1953; Jones 1954; Hoyt 1986; Sasaki 1989; Korhonen 1990c). This fact is, however, hardly touched upon in the postwar Japanese discussion analyzed in this study. The particulars of Japan's actions were for the most part quietly forgotten, or rather, they formed a sort of taboo which was hardly touched upon directly. They belonged to Japan's military past, and had no place in the discussions of the new Japan. The only common explicit reference to the wartime experience is that hostility exists towards Japan, and that it should be alleviated by doing friendly deeds, but otherwise discussion tends to proceed from the blank situation that the new countries simply exist there.

The area presented other problems, too. It was poor, and torn by ideological, racial, religious, and other tensions usually associated with new states (see Calvert 1986) lead by nationalistic governments trying to engage in nation building (see Clyde et al. 1971; Pluvier 1974). The area did not form any kind of unity, but still it had to be discussed using unifying concepts, such as "Asia" or "Southeast Asia", which produced a confusing situation from the point of view of Japan's practical relationship with the area. In view of Japan's limited economic capabilities even at the beginning of the 1960's the area was too large and undifferentiated.

Part of the Japanese confusion about the concept of Asia results from the fact that the geographical concept of Asia is a European invention, historically unsuitable for the Japanese as a means of constructing a meaningful political, economic, or cultural entity. Some Japanese writers, such as Oki Hiroshi have complained about the matter:

> 西洋の人々からみればトルコ以東のオリエント（東洋）諸国はすべてアジアという概念に含まれるのに対し、極東に住むわれわれの目からみればアフガニスタン、イラン以西の回教諸国はもちろん、インド、パキスタンあたりの国々でさえも極東諸国とは人種的、社会的、文化的にかなりの相違があり、これを一つの地域として取り扱うことに困難を感ずるような状態だ ...
>
> (Oki 1965, 72).

When viewed by Europeans and Americans, all Oriental countries east of Turkey are easily subsumed under the concept of Asia, but as seen with the eyes of the Japanese who live in the extreme East, the numerous countries west of Afganistan and Iran are very different from Japan. Even countries like Pakistan and India differ considerably in terms of race, social structure, and culture from the countries of the Far East - another European concept which Oki does not, however, criticize here. He emphasizes that it is extremely difficult to

treat the area as one unit.

If we were to speculate about the naming of geographical areas, for the purpose of making the Japanese position clear, we could say that the Japanese might have felt most comfortable with a conceptual map of Asia, where China (i.e., the Mainland, Taiwan, Hong Kong and Macao) and Korea would form "Near Asia," the stretch of countries from Indochina to the Indonesian archipelago "Central Asia," and the Indian subcontinent "Far Asia." Siberia might form "North Asia" if it was included, but after hundreds of years of Russian domination it could as well be included in Europe.

In early postwar Japanese discussion the concept of Asia usually included all eastern, southeastern and southern Asian countries (see, e.g., Karashima 1948; Okita 1950; Kuno 1950), but from 1950 onwards the Japanese Asian horizon began to turn towards the Southeast Asian countries (see Sugi 1950; Arisawa et al. 1951; Okita 1956a; 1956b). During this process the concept of Asia began to be interchangeable with Southeast Asia, defined as Oki did, the region east from Pakistan. Usually the Socialist countries were left out of the concept of Asia, or rather they had only a peripheral place in it in the sense that they were hardly included in the discussion. This was the situation during most of the 1960's. In addition, the area often appeared as an undifferentiated mass of poor and politically unstable countries, too big in terms of meaningful policies towards it. It was only at the end of the 1960's and during the 1970's, after the creation of the Association of the Southeast Asian Nations (ASEAN) in 1967, the emergence of the Asian Newly Industrialized Economies (NIEs) of South Korea, Taiwan, Hong Kong and Singapore, and after normalizing relations with the People's Republic of China, that the concept of Asia enlargened again, and that meaningful geoeconomic areas started to emerge in the vicinity of Japan.

The geographical distribution of Japan's foreign trade developed during the 1950's and 1960's according to the following table:

TABLE 3.6 Geographical Distribution of Japan's Trade; Percentage Shares in Total Japanese Exports (E) and Imports (I).

		1955	1961	1969
Developed areas	E	42.2	47.9	55.9
	I	50.8	60.3	53.1
United States	E	22.7	25.2	31.0
	I	31.3	36.1	27.2
Canada	E	2.3	2.8	3.0
	I	4.4	4.6	4.5
Australia	E	2.7	2.4	3.0
	I	7.2	7.8	8.3
Western Europe	E	9.6	12.9	12.9
	I	6.9	9.6	9.9

(continues)

TABLE 3.6 (continues)

Developing areas	E	55.9	49.6	39.3
	I	45.6	36.0	41.3
South and East Asia	E	37.0	32.7	27.8
	I	25.0	16.8	15.8
S.Korea, Taiwan, Hong Kong, Thailand, Singapore	E	12.0	14.4	17.1
	I	7.0	3.7	4.1
Others	E	25.0	18.3	10.7
	I	18.0	13.1	11.7
Middle East	E	5.0	4.9	3.9
	I	8.0	9.1	13.2
Latin America	E	9.0	7.5	5.1
	I	10.0	8.3	7.5
Africa	E	5.0	4.3	2.0
	I	3.0	1.4	3.8
Mainland China	E	1.4	0.4	2.4
	I	3.3	0.5	1.6
USSR	E	-	1.5	1.7
	I	-	2.5	3.1

Source: GATT 1971, 33.

When reading this Table 3.6, we have to keep in mind that during the period from 1955 to 1970 Japanese trade was growing rapidly, just like the economy in general, from about $2 000 million in 1955 to $19 300 million in 1970. The average annual rate of growth was over 16 percent (ibid. 19). Thus any increases in the percentages mean very rapid increases in volume, while decreases in percentages do not necessarily mean any decrease of volume, but only a slower rise.

The United States was throughout the period Japan's principal trading partner. Both in exports and in imports it was the most important country, and its importance especially as a destination for exports increased rapidly throughout the period. In imports, its importance rose until 1961, but started to decline slowly after that. Of other developed countries in the Pacific region, Canada and Australia were also fairly important; not so much as export destinations, resulting among other factors from their relatively small population, but especially as sources of raw materials. Japan's total imports during the 1950's and 1960's grew faster than those of any other industrialized country, the rise being particularly dramatic in primary products, so that Japan became at the end of the 1960's the world's largest market for raw materials, fuels, and a number of important

foodstuffs. Japan imported, e.g., large amounts of soy beans, feed grains, and cotton from the United States, wool and iron ore from Australia, and forest products and iron ore from Canada. In this way, the developed Pacific countries, Australia and North America, took the place the countries of the Sinic cultural sphere had occupied before and during World War II, both as a destination of exports, and as a source of raw materials.

In addition, the United States was the most important source of Japanese imports of industrial products, followed by Western Europe, which was also the third most important area as a market for Japanese exports. Thus, during the 1950's and the 1960's Japan's total external trade, both exports and imports tended to concentrate more and more on the developed countries, away from the developing countries.

There were some exceptions to this trend. Rising imports of crude oil made the Middle East an important supplier of Japan's energy, and in exports Japan's trade with South Korea, Taiwan, Hong Kong, Singapore and Thailand rose rapidly. These rises were, however, offset by the diminishing importance of other Asian countries, both in exports and imports. At the end of the 1960's Southeast Asia took just over a quarter of Japan's exports, and supplied less than a sixth of its imports, and both figures were diminishing. In terms of trade, Japan was thus moving away from Asia, just as it was doing so in terms of the development of its industrial structure, or living standards. The importance of Latin America and Africa had been quite small from the start, and was also diminishing, thus heightening Japan's declining involvement with the developing countries in general.

Another distinct feature of the Table 3.6 is the negligible amount of trade conducted with the Socialist countries. In spite of the size of its population, the share of China in both exports and imports was lower than that of even Canada or Australia. Japan was fairly faithfully following the Cold War strategy of the United States, remaining inside the economic empire of the United States, concentrating on exploiting the economic possibilities it had opened up. During the period, Japan had no reason to try to change the basic lines of foreign policy laid down during the Yoshida years, the political and military dependence on the United States, as well as the economic concentration on it, both as a trading partner and a country to be followed according to the theory of the Flying Geese Pattern of Development.

4 INTEGRATION

In this chapter we shall examine Japanese discussion on international economic integration, a discussion which began gradually during the 1950's, and gathered momentum during the 1960's. The immediate causes initiating Japanese discussion was the need to re-enter the world after gaining independence, as well as integration in Europe, first in the form of the Organization for European Economic Cooperation (OEEC) in 1948, and the European Payments Union (EPU), later in the form of the European Economic Community (EEC) in 1958. Other similar economic organizations, such as the European Free Trade Association (EFTA), the Council for Mutual Economic Assistance (COMECON), the Latin American Free Trade Area (LAFTA), and the Central American Common Market (CACM) contributed to this, too, as well as other groupings discussed throughout the world during that time.

Integration is a theme of the post World War II period. During the 1940's the idea centered on global integration, being developed by theoreticians like David Mitrany (1966; 1975). The idea was exemplified by the formation of such global international bodies as the United Nations in 1945, together with its special agencies, such as the Food and Agriculture Organization (FAO), World Health Organization (WHO), and the United Nations Educational, Scientific and Cultural Organization (UNESCO). Other similar global organizations were the General Agreement on Tariffs and Trade (GATT) established in 1947, the International Monetary Fund (IMF), and the International Bank for Reconstruction and Development (World Bank). The OEEC also developed in a global direction when it was reorganized in 1961 under a new name, Organization for Economic Co-operation and Development (OECD), the United States and Canada joining it, and

Japan being accepted as the first Asian member in 1964.

Japan thrived quite well during this era of global integration, where the Flying Geese Pattern of development could work in nearly ideal conditions; with high economic growth, rapidly changing industrial structure, and equally rapid expansion of trade with various partners. Japan was admitted to the IMF and the World Bank after regaining independence in 1952, and to GATT in 1955, although negotiations had been difficult (Shiraishi 1989, 68-72, 91-2). Japan also became a member of the United Nations in 1956. For Japan, these memberships were signs of its re-acceptance into the world community, and the economic organizations, especially, were a means of obtaining cheap capital for development, as well as opening up trading relations. Japan's balance of trade was improving gradually, and its development was going rapidly forward, indicating that this system of global integration clearly benefited it. This system enabled Japan to make steady progress, and it had no special need to make any drastic changes in the organization of the global system.

The new theme of regional integration appearing at the end of the 1950's posed a possible threat to Japanese economic interests, although it also opened a new field of opportunities. However, because no great hurry was perceived, Europe being no longer so important to Japan's trade, discussion picked up only very slowly, and for many years the number of discussants was not great (Shiraishi 1989, 151-2).

The following story of the Japanese discussion unfolds in the 1950's, with Japan trying to approach both the global system, and the smaller regional system of Asia, attempting to cope with the mistrust of other countries. Chapter 4.2 deals with the idea of regional integration in the Asian setting at the beginning of the 1960's; first, on the governmental level of the United Nations Economic Commission for Asia and Far East (ECAFE), Okita Saburo being involved in this process; and second, on a more academic level through the study project of Kojima Kiyoshi in the Institute of Developing Economies. Chapter 4.3 deals with the theoretical concept of integration developed by Kojima during 1962 in connection with a study project on the EEC, and the way he structured the international environment of Japan with respect to possibilities of integration. Chapter 4.4 analyses the change in Japan during 1963-64, when an active search started for possible partners with which to engage in regional integration. In practice there were only two possible orientations, the traditional Asian one, and the direction of the Pacific advanced countries. The texts analyzed here are those of a few government officials. Chapter 4.5 continues the story of the Asian direction in 1965, when a new image of a dynamic Asia in the process of development began to emerge, treating especially the texts of Oki Hiroshi and Fujii Shigeru, while Chapter 4.6 analyzes the original Pacific Free Trade Area

(PAFTA) proposal of Kojima Kiyoshi in 1965. Chapter 4.7 deals with the so called Miki Conception, and with the boom of future studies in Japan in 1966 and 1967. Foreign Minister Miki Takeo became interested in Kojima's proposal, developing the idea further towards a political ideology. The texts analyzed in this chapter are the speeches of Miki in 1967. The final Chapter, 4.8, analyzes the texts of the first Pacific Trade and Development Conference held in Tokyo in 1968. It is used both as a way of contrasting Japanese rhetoric with foreign types to clarify its characteristics, and for showing the initial international reception of Kojima's PAFTA proposal.

4.1 Re-entering the World

After the end of the Pacific War, Japan was cut off from most contacts with other countries in the world, except the United States, and it was only after regaining independence in 1952 that diplomatic relations began to be opened up. The prewar exclusion of Japan from global markets was still to an extent going on, and all through the 1950's Japan tried to establish friendly and stable relationships with other countries. It was difficult even to enter GATT. Since 1948 when GATT was established, the general headquarters of the Occupation tried to get Japan into the organization, but mainly because of opposition from several European countries that did not succeed. After Japan regained independence in 1952, some trade treaties were automatically renewed with countries like Sweden and Switzerland, which had remained neutral during the war. When diplomatic relations were restored, prewar treaties could be renewed with some countries, such as Finland, Yugoslavia and Thailand, but with most other countries treaties had to be renegotiated. The most important of this kind of bilateral treaties was concluded with the United States in 1953, and in 1954 a treaty with Canada was concluded. Japan had acquired a provisional membership in GATT in 1953, but at that time 10 GATT countries had refused to deal with Japan, and even in 1955 when Japan was accepted as a member with the vote of all of the 34 members of GATT, 14 of the countries, including Great Britain, France, The Netherlands, Belgium, Australia, New Zealand, Brazil and India, declined in practice to negotiate agreements with Japan, partly because of distrust dating from wartime, partly because Japan restricted its own imports, and partly because Japanese low priced products were seen as a threat, as in the prewar time (Shiraishi 1989, 64-71, 91-2).

The situation in Asia was similar. After 1952, with the crea-

tion of diplomatic relations, foreign travel and participation in international conferences picked up. However, Japanese participation in Asian affairs was still quite limited during the first half of the 1950's, and only after relations were sufficiently restored, or created with the new independent states, could Japan start attempts for a somewhat more active role in Asia during the second half of the decade. 1955 can be taken as a turning point, as in that year the 11th General Assembly of the United Nations Economic Commission for Asia and the Far East (ECAFE) was held in Tokyo, Japan acting as the host for the first time (Okita 1956b, 13).

During the decade a few individuals had the responsibility of becoming special experts on Asian affairs, as it took until 1960 for Asia to become the object of systematic research after the Institute of Developing Economies, a governmental research institute for the study of Asian countries, was established. Okita Saburo became one of the most prominent of these experts on Asian and world economics. In 1950, when very few Japanese were able to travel abroad, he was sent as a researcher of the Economic Stabilization Board on a five month economic fact finding mission to Europe, America, and Asia. He was also a member of the first Japanese delegation to attend the Seventh General Meeting of ECAFE in 1951. In 1952, when Japan became an associate member of the organization, Okita was sent as the sole Japanese representative to the ECAFE Secretariat in Bangkok, where he spent almost two years. After returning to Tokyo at the end of 1953 he continued his work as a senior researcher in the Research Division of the Economic Counseling Board. It was reformed in 1955 into the present Economic Planning Agency, Okita becoming the director of the Research Division. His chief work there was to plan ways of expanding Japanese exports, where his Asian expertise was of good use (Okita 1983, 65-75).

Consequently, Okita's interest in the international economy centered on trade, while the idea of regional economic integration was only of peripheral interest in his writings at the time. For instance, he discusses in his *Toonan Ajia no hatten riron* (The Development Theory of Southeast Asia) (Okita 1956a) the regional organizations which had sprung up in Europe after the war, such as OEEC and EPU (20-1). They were created for the purpose of aiding European recovery through harmonizing national plans, increasing international commerce, and aiding countries with balance of payments difficulties (Clough and Cole 1966, 875-81). Okita cannot, however, find many possibilities in Asia for similar schemes, which would link Japan with other Asian countries. The principal reason is the mistrust felt by the other Asian countries towards Japan (1956a, 26). Japan is, however, seen to be a part of Asia, somewhat more developed industrially than the other Asian countries, but in many ways so backward that it is essentially in the same boat with them. Okita likens Japan

to India, which is also an industrializing poor country, and a somewhat bigger power in the middle of smaller suspicious neighbours (ibid.).

The Asian feelings described here should not be seen as unanimous. In his memoirs, Okita relates instances where the war was not seen as an obstacle in Japanese-Asian relations, and during the 1950's there was a gradual lessening of the tensions (1983, 68-72). Also Lalita Prasad Singh argues for a similar view, according to which Japan's return to communication with other Asian countries was welcomed by many of them, especially from the point of view of using Japan's industrial potential in reviving Asian economies, but there were also opposing views from various countries in various situations, the general atmosphere being that of distrust, of varying intensities (Singh 1966, 7-11, 37). In Okita's thinking, Japan needs to dispel this mistrust, so that some kind of regional structure with a place for Japan might become possible at some time in the future. At the same time Japan also needs to enlarge its markets in Asia. The economic development of Asian countries is too slow, and their buying power is rising too slowly with respect to Japan's need for expansion of exports. Both of these problems can be solved by one method:

> ... アジア地域の発展に協力、貢献をなし得る余地がある ...
> (1956a, 27).

Japan has to try to cooperate with the Asian countries in development, and make contributions to that effect. As Japan proves that it is no longer a dangerous conqueror, but a peaceful country which really assists the development of other Asian countries, eventually good will towards Japan would develop. Peter Drysdale has called Okita the "intellectual father" of Japan's comprehensive security concept, which he names the "defenceless-on-all-sides" concept. It stresses maintaining a low defence posture and non-aggressive diplomacy, which are the legacies of Yoshida, but with Okita the concept became widened in a still more economistic direction, with emphasis on constructive international cooperation and foreign aid (Drysdale 1983, viii).

In his texts Okita does not adopt the high posture role of defining the Japanese security concept, but remains in the role of an economic expert. However, in that role in his texts throughout the 1950's he continuously exposes the importance of Japan making contributions to Asian development. This can be seen as an expression of the theme of economism in Japan's international setting, Okita's goal being to spread economism to the Asian area, abating the dangerous political disputes and military tensions there, and building a stable Asian international system on this foundation. It was a poli-

tical goal, but conducted in the economic sector, with economic means. It would guarantee Japan's security, allow her to find a place in the Asian setting, and benefit her economy. In this way, the theme of development is extended to the Asian setting, as an economic goal for the Asian nations instead of a political goal, and as a way of making them prosperous enough to buy ever rising quantities of Japanese goods, and also enabling Japan to develop. Okita points out that this process involves the problem that, with the further development of other Asian countries, they will become more serious competitors to Japanese exports, but he expects that the general expansion of markets in the area would offset this, leaving room for the Japanese economy to operate (1956a, 19).

In the immediate background of Okita's proposal were two international conferences held in 1955, an Asia-Africa conference in Bandung, Indonesia in April, and an Asian conference in May in Shimla, India. Okita had participated in both of these conferences as a representative of Japan, and in both conferences Asian economic cooperation through a regional organization was discussed, promoted especially by India and Japan. Both of these gatherings came to naught in this respect, as there were widespread misgivings about possible Indian and Japanese domination of other countries because their technological level was higher, and because they might be able to grab a lion's share of the economic assistance offered from outside of the region. In April, President Dwight D. Eisenhower had proposed to the Congress of the United States that $200 million be set aside as economic aid to be allocated multilaterally for Asia, and therefore a regional organization should have been set up for this, but it could not be done. The Bandung conference was marred by discussions of the Cold War and nonalignment, while the Shimla conference could not reach agreement on any single important item on the agenda. It was not a matter that the Asian countries did not want economic assistance, but they wanted it to remain on a bilateral basis according the the Colombo Plan. It did not seem possible to promote Asian regionalism at the time (1956a, 22-7; see also Singh 1966, 7-11).

Okita finds two ways for Japan to make contributions to Asia. One is to offer Japan's historical experience of development to the other Asian countries as an example, to show how an Asian country can rapidly develop intensive agriculture, various small and medium enterprises, modern industries, a working financial system, etc. Japan could also provide trained experts in various economic fields for other Asian countries (Okita 1956b, 13). The other method was to give direct assistance, for instance through the Colombo Plan. The Plan was set up in 1950 in Colombo in the first postwar meeting of the foreign ministers of the British Commonwealth, and later several other Asian non-socialist countries also joined it. If it could be called

a regional organization, it was extremely loose. It had a Consultative Committee meeting yearly as a forum for discussion, but no secretariat, and almost all practical activity was strictly on a bilateral basis. Nor was it a plan for Asia's development in any economic sense, but only an aggregate of the bilateral agreements involving foreign aid for South and Southeast Asian countries. In 1951, in view of Britain's economic difficulties, the United States joined the Plan and became the principal donor country. Japan was admitted in 1954, mainly as a donor of technical assistance, although the distinction between donors and recipients was not sharp (Singh 1966, 169-206). Within this structure Okita supports inflow of both private and public foreign capital to the area, without specifying that it should come from Japan; rather, he emphasizes in this connection that Japan is still one of the low income countries of the world (1956a, 27; 1956b, 16), implying that Japan would not be able to do much in this respect.

Another form of cooperation was payment of war reparations to some Asian countries. Agreements were concluded with Burma in 1954, with the Philippines in 1956, with Indonesia in 1958, and with South Vietnam in 1959, and these payments took the form of capital goods and services. In Burma was built an 85,000 kw power plant, railways, and exported electrical appliances, buses, trucks, and plans for various assembly plants, such as plants for agricultural machines. To Indonesia and the Philippines were sent ships, and plans for resource development, and to South Vietnam a 160,000 kw power plant (Oki 1965, 110-24). These were, naturally, bilateral agreements, and Singh, for example treats them similarly to ordinary Colombo Plan assistance (1966, 172). They had a tendency to further increase Japanese exports to the area. At the turn of the decade Japan created similar agreements of economic cooperation with other Asian non-Socialist countries, and at that time financial assistance also started to enter the picture (Oki 1965, 104-35). However, up to 1965 the total amount of Japanese technical assistance remained rather low, and among the Colombo Plan countries she was not only a donor, but also a recipient country, receiving small amounts of technical assistance from, e.g., India and Pakistan (Singh 1966, 171).

This kind of assistance beginning with the reparations payments was in a sense ideal from Okita's point of view, alleviating Asian bad feelings towards Japan, assisting the Asian countries economically, and promoting Japanese exports; its amount was just not enough to have much effect in the Asian situation (Okita 1958, 104). Even by 1955 Japan still did not have formal trading treaties with most Asian countries; it was only during the latter half of the 1950's that the situation began to change in Japan's favour (Shiraishi 1989, 66-7). The immediate problems for Japan at the time were the Asian attitude and the necessity for trade expansion, but any schemes of regional integration were merely a vague concern for the future.

The publications of Kojima Kiyoshi deal with similar matters. His *Kooeki jooken* (The Terms of Trade) of 1956 deals with international trade in general, as a theoretical discussion of the concept of the terms of trade. The work is mainly historical in the sense of an examination of the historical trading experiences of Great Britain and Japan, both maritime trading nations, with global trading relationships. The perspective is on globalism, not regionalism, and integration as a concept is not a point of interest in the study.

In his *Nihon booeki to keizai hatten* (Japan's Trade and Economic Development) in 1958 Kojima continues a similar discussion of global trade, together with the idea of development, drawing on the ideas of Akamatsu Kaname. Kojima stays on a very abstract level in this study, hardly specifying any specific markets or trading partners. The perspective usually used is that of a lone country (一国) engaged in economic communication with an unspecified outer world. The perspective is well suited to the international situation of the 1950's, the principles of free trade and GATT, which were based on universalism in trading values all over the globe, which the recent developments of European integration are not seen to have disturbed. At this time Japan was only moving towards the direction of global economic integration, and the characterization as a lone country suited Japan well.

Kojima is, however, quite optimistic about the situation, especially in the light of Japan's recent success in economic development. Kojima is even somewhat baffled by Japan's rapid development, as it was becoming difficult to handle within the conceptual framework of Akamatsu. He points out that the theory works well up to the Russo-Japanese War, but already during the 1930's new elements were being introduced into the pattern of change of the Japanese economy. His problem is chiefly that Akamatsu had distinguished clearly between periods of structural change and stable growth, but what was curious about the 1930's, and especially about the ongoing 1950's is that change and growth no longer fit into this kind of beautiful pattern. They seem to be happening simultaneously, or so fast that it has become impossible to differentiate between periods (Kojima 1958, 308-9, 318-9). This does not mean in any sense a refutation of the theory of the Flying Geese Pattern of Development, but is a way of pointing out how dynamic the Japanese economy had become.

Relying on his knowledge as an economic historian Kojima displays a strong sense of reliance on the continuation of the growth of the Japanese economy, despite recent worries (1957-58) about imports greatly exceeding exports, or the amount of foreign loans rising very fast, because from his point of view both of these processes are driving the Japanese economy forward qualitatively, and raising the efficiency of production, important from the point of view of the

terms of trade (ibid. 319-20). In this way Japan is becoming continually more and more fit for the global trading system, enabling it to phase down its own trade restrictions. Kojima is clearly an economic optimist, and it is exactly Japan's economic growth and development, in light of the Flying Geese Pattern of Development, on which this optimism is based.

However, in 1958 Kojima perceived Japan only as a relatively strong country. The attribute given for Japan in the study is "middle advancing country", *chuushinkoku* (中進国) (ibid. 164-5), as well as "follower or newly rising country", *kooshinkoku naishi shinkookoku* (後進国ないし新興国) (ibid. 306, 319, 337), which has a similar meaning. Japan is situated between the Euro-American and the Asian countries, having common characteristics with both of the groups, but as a unit is different from both of them.

The year 1960 presents a watershed in the way that Japan's position in the world is perceived. Ikeda's Income Doubling Plan and the debate surrounding it seem to be the direct causes of this. The general change of vocabulary can also be seen in the texts of Kojima; for instance even the title of his *Keizai seichoo to Nihon booeki* (Economic Growth and Japan's Trade) in 1960 displays the word "growth", and stability is no longer a worry for him as in the previous study. Economic growth, and the accompanying idea of dynamicity began to become the new attributes of Japan. The strength of these attributes provided arguments for a new opening of the Japanese economy, so that Japan could be better accepted as a participant in global economic integration.

Kojima always stays cool and academic in his texts, using deliberative rhetoric, but Okita engages also in epideictic rhetoric, freely displaying feelings of pride and satisfaction. For instance, in his *Nihon keizai no shoorai* (The Future of Japan's Economy) published in December, 1960 Okita reminisces about his own postwar career, how he "set his heart" on becoming an economist during the war (1960, 2), and how he took part in the building of the successful economy of the new Japan, like organizing the postwar conference of economists in 1946, which set out the basic course of a demilitarized Japan towards prosperity, or his later work in the Economic Planning Agency (ibid. 27-8). This should not be taken only as indulgence in self-praise, although even that may be part of the reason these reminiscences are included in the book. The Economic Planning Agency, in the wake of the publicity of the Ikeda Plan, attempted to break away from subordination to the Ministry of International Trade and Industry (MITI), and place one of its own men, namely Okita Saburo, into the post of vice-minister of the Agency. The attempt did not, however, succeed; MITI placed one of their men in the post, as it had done before (Johnson 1986, 252). It seems that this book may have formed part of Okita's campaign, but it also had other purposes

as a publication directed to the general audience.

Okita argues that Japan's future will be as glorious and dynamic as the past decade had been. Okita's audience consists of all kinds of pessimists, who are still suffering from the postwar mental trauma of regarding Japan as a weak and vulnerable country, and who consequently do not rely on the possibilities of the new, economically dynamic Japan. There are two things on which Okita places his trust in the future, one national, the other international. The national one is the industrious Japanese people:

> 日本の国は天然資源は乏しいけれど、国民の頭脳と勤勉さとバイタリティー（活力）では、世界中のどこの国民にも決してヒケはとらない ...
> (ibid. 3)

"Japan is poor in natural resources", begins Okita, using the old theme of the small and poor Japan, only to contrast it with the new theme of the successful new Japan, characterized by the intelligence of the people, their hard working nature, and their general vitality. These properties guarantee that they are as good as any other nation, able to hold their own in the struggles of this world (see also ibid. 45-6). The positive reinforcement is part of the process of building a new economic and optimistic national identity.

The other source of faith in the future is the postwar international free trading system, and what Okita calls the spirit of Bretton Woods:

> その精神は世界貿易を自由化して、相互に繁栄をはかろうということであった。戦前の一つの大きな失敗というのは、各国がエコノミックナショナリズム、つまり経済的国家至上主義で、それぞれ自分の勢力圏を分害して貿易の障壁をたかくし、一種のブロッキズムというか、地域的封鎖体制をとっていた。
> (ibid. 18)

This quotation is built on another contrast, namely on a comparison of the global economic policies of the postwar and prewar times. The postwar prosperity is the result of the spirit of Bretton Woods, which liberated international trade, and strove for the prosperity of all participants, all countries together contributing to the well-being of all. On the other hand, a failure of the prewar time was economic nationalism pervading all countries, leading to the situation where the strongest created their own spheres of influence, erecting high walls around the blocks against trade. Before long this resulted in terrible suffering for all. Thus, Okita here takes sides for global free trade, against both narrow nationalism and regionalism. The argument centers not only on the economic hardships this kind of "blockism" created, but hints also that the phenomenon was one of the reasons leading to militarism and World War II.

Okita does not say directly that losing the war was beneficial for Japan and its economy, but he says that at least it was not a minus (ibid. 20-1). It brought with it the various social and economic reforms, which became the basis for the Japanese economic miracle (ibid. 35). Similar changes towards the direction of the well-being of all people happened all over the world. Former colonies became independent, and the will for controlling economic cycles, and reaching full employment on the global scale created international organizations like the United Nations, the World Bank, and the IMF (ibid. 19-20). After the period of the Cold War during the 1950's, even international politics seemed to have returned to the general postwar trend of increasing peace and well-being, by becoming economistic. In 1959 President Eisenhower visited India, promising the country a large sum of developmental assistance, and in 1960 Chairman Nikita Khrushchev visited the same country, promising a roughly equal amount of assistance (ibid. 93). The military race seemed to be shifting towards a development aid race. This is highly preferable for Okita, who uses here pacifistic arguments about it being a time when nuclear weapons could destroy the whole world, and the big powers wasting terrible amounts of good capital on the production of weapons, when there would be far better uses for the money in economic development (ibid. 40, 91-2). International peace, global free trade, and economic development are the cornerstones of the new postwar world, as seen by Okita.

Okita also presents other interesting interpretations of the new situation facing postwar Japan, constructed as persuasive in elevating Japanese self-respect, and in creating optimism for the future. Before the war, nations strove to possess a big land mass to be able to feed their populations, but in the qualitatively different postwar world this is no longer necessary. Quite the opposite to the prewar situation, the small land mass and the big population of Japan are assets, because they enable the concentration of people and industry. Continuing economic development is already decreasing the birth rate, leading to a demographically stable population whose standard of living will rise fast. Like Kojima in his texts, Okita also praises the example of England, the traditional advocate of free trade, and a maritime trading nation like Japan. Before the war England was able to feed only 50 percent of its population with locally grown food, but during wartime it was able to quickly convert idle land to food production, while also continuing to import. This is a model which also suits Japan. It should import food from the neighbouring countries with big land masses, where it can be produced more cheaply than in Japan. It would also increase overall trade in the region, and enable the countries to buy more Japanese industrial products (ibid. 39-41).

The same reasoning also holds true for industry. Japan may be dependent on the imports of various kinds of raw materials; at

that time Japan was importing over 80 percent of iron ore, almost 100 percent of raw cotton and wool, practically all of its oil, two thirds of soy beans and sugar, etc. This is, however, nothing special or alarming. When we look at the world at large, we can see several other countries, for instance in Europe, which are in an identical situation to Japan, importing a great part of their raw materials, while there are also a lot of countries which are dependent on the export of raw materials and foodstuffs. They are stuck with their piles of raw materials, only waiting for somebody to be kind enough to buy them (誰か買ってくれれば); otherwise they will not be able to advance in their own development (ibid. 41, 46-7). Both the content and the grammatical structure of the argument places the Japanese in a position where they can choose, and where others are dependent on them. Countries like Canada and Australia, as well as several South American and Southeast Asian countries are in this situation. The total argument thus rests on the idea of mutual dependence. As all countries want to grow and develop, they have mutual interest in keeping the global trading system open; both the Euro-American countries which can no longer rely on their colonies, and the raw material producers are in this situation, and within this system Japan can thrive very well.

As it seemed at the time, the world was full of raw materials. Okita in 1960 sees no end in sight, and much more is expected to be still hidden below the surface of the earth. New supertankers and huge ore carriers have been developed, which can supply large factories, while transport costs are diminishing rapidly. There is an abundance of energy in the world; in addition to coal and oil, the prospects of using nuclear fission seem promising, and further in the future there would also be the possibility of nuclear fusion (ibid. 42-3). The human race seems to be liberated from the limitations of the scarcity of nature. All that is needed is to process the raw materials in factories, trade them, and increase the prosperity of humankind. As development goes on around the world, and world prosperity rises, also its buying power rises, and there will be an expanding market for Japanese transistor radios, cameras, toys, art work, household goods, cars, ships, etc. (ibid. 47).

Okita's text is euphoric in its developmental optimism. Naturally, he usually qualifies his statements in a Japanese way, using expressions like と考えて間違いない, "it would not be a mistake to think so", or the volitional forms, which are quite oblique, in the sense that they allow the writer to throw in different ideas without taking an absolute stand on them. However, the general thrust of his arguments is as presented above, euphoric, trying to create similar feelings in his readers. No doubt part of the reason is, apart from his personal political ambitions, and the bureaucratic factional fighting between the Economic Planning Agency and MITI that Okita, as one

of the architects of the Ikeda Plan, has written a book to propagate a similar psychological state of mind to that which the Plan was attempting to achieve.

Consequently, as he argues for global free trade, Okita is not especially interested in the idea of regional integration. He is not against regional integration taking place in Europe and Latin America, after becoming satisfied that they do not represent a return to the prewar blockism (ibid. 47). Asia is taken as a totality, and seen still in 1960 as quite undeveloped. Many of its countries do not have much to sell beyond one or two agricultural products, the area is torn by political divisions, and the newly independent countries tend to prefer the other of the prewar evils identified by Okita, economic nationalism in the sense of concentrating on development on the national scale only (いわゆる国内発展主義). Most of them are also continuing a dependent relationship with their previous colonizers. Thus, no meaningful economic actor can be created out of the region (ibid. 95-6). Trade should be increased with the region; that would benefit both Japan and the Asian countries, but there is no reason to go above that level. In addition, Okita points out that the relative share of Japan's trade with the region has been declining all through the 1950's, Japan's trade shifting towards the so called high income countries like the United States, Canada, or Western Europe, so that the importance of Asia to Japan seems to be diminishing. He hopes that Japan's trade with the area would pick up in the future, but that was not the situation at the beginning of the 1960's (ibid. 97-9).

At this time there was also a shift in the identification of Japan with other regions in the world. As the general climate of discussion had turned increasingly away from the image of a small Japan towards the optimistic image of a dynamic Japan, Japan's international rank as evaluated by the Japanese had tended to rise, and the points of reference were changing accordingly. Comparisons of Japan with the European countries were increasing, and those with the Asian countries diminishing.

One usual European country of identification is England, a maritime trading nation, as in the examples above. The countries which were defeated in World War II, were devastated, and had to be laboriously reconstructed afterwards, are another point of identification. The increasing incomes of the Japanese introduced new consumer goods into everyday life, such as refrigerators, electric washing machines, televisions, and cars, while the dietary habits of the Japanese were also changing, all of this making life in Japan resemble more and more that of the European countries. In Okita's book it is not so much Germany, but Italy which stands out in this sense. Both Italy and Japan had been, so to speak, poor local big powers, but after the loss of colonies and big power status both came to experience unprecedented prosperity and growth of eco-

nomic activity. Okita even made a trip to Italy to study the conditions there (ibid. 47-9), and could thus speak with the authority of an eye-witness.

Okita also points to another important international phenomenon. The rise of Western Europe and Japan has coincided with an unmistakable fall in the international economic position of the United States. Its economic power was visibly waning, and after 1958 it began to run deficits in its balance of payments, due to worsening trade balances with Japan and Western Europe, accompanied by increased investment and military spending overseas. In 1960 the Eisenhower Administration asked other countries to lower their tariffs, ease import quotas, and reduce restrictions on trade in general. Advanced countries were also asked to take more responsibility for their defence, and for aid to developing countries, while various "Buy American" policies were promoted at home. The same measures were continued also during the Kennedy era (see Calleo 1982, 9-25; Shiraishi 1989, 120-3). Okita does not blame the American economy for being sluggish, or anything resembling the international quarrels of the 1970's and 1980's; he is rather thankful that the United States actively helped the economies of Western Europe and Japan back to their feet, thus purposefully making strong economic competitors of them. As a result, the total world economy is now bigger and more prosperous than ever before (Okita 1960, 266-70). However, as another result, a great change in the international balance of power is taking place:

> これまでのように経済力が断然他国を抜いていたアメリカがリーダーシップをとるという形ではなく、各国が話し合いをしながら、世界経済の円滑を運営についての方策を進めていく必要性が強まってきており、わが国としても日本の経済をどうするかということのほかに、世界経済全般の運営についての意見の対策を用意する必要性がでてくるものと考えねばならない。
> (ibid. 272)

Okita carefully stays only in the economic sphere, without mentioning anything else, but at least in this sphere the world has indeed changed. Thus far the United States had certainly been far stronger than the other countries, and consequently had taken care of world economic leadership, denying it to the others. However, recently the smooth operation of the international economic system has begun to require that all countries take part in discussions around the world, and that tendency is getting stronger. Japan, in this situation, has to move from discussing only the Japanese economy to preparing herself for presenting opinions about the operation of the global economy. Okita discusses here particularly the American economy, the importance of defending the value of the dollar, and the importance of helping the global economic system to continue opening, so that the goal of President John F. Kennedy, a growth rate of 5 percent

could be achieved by the American economy (ibid. 273-5). This is also related to the opening up of the Japanese economy. His ideas obviously also refer to the Joint Japan-U.S. Committee on Trade and Economic Affairs which was to be set up in January of 1961, and also during the same year the first meeting of Japanese and American economic ministers took place. Preparations for these events had obviously been under way when Okita was writing.

However, it is interesting to note that Okita concentrates only on the United States, and presents Japan as a supporter of its international position. He does not treat Japan as being in any big power position in this context, nor with respect to the Asian countries, nor does he think that there is much possibility of influencing Asia greatly. He points out that even though Japan can engage in small amounts of aid to Asian countries, including war reparations payments, in view of the size and needs of the region the Japanese contribution becomes diluted and is not of much effect in the total situation. The main contributions should come from rich countries, Japan being only on the sidelines in this sense (ibid. 99). He reiterates, however, his position of 1956, emphasizing Japan as an example *zenrei, jitsurei* (前例、実例) (ibid. 100) to them. Japan is the most relevant example for the Asian countries, and advances in development in front of them. In terms of the Flying Geese Pattern of Development this creates the image of Japan as a leader of the Asian countries, but only in this sense. The image does not contain the idea of political leadership. Being an example is seen as the principal contribution Japan can make for the development of the Asian countries, in addition to buying their foodstuffs and raw materials (ibid. 86-99).

In his book regarding the future of the Japanese economy, Okita thus reinterprets the position of Japan from fresh angles. He carefully refrains from references to a political big power status for Japan, but in the global economic sphere Japan is presented as a rising power with respect to the United States. This is a change away from the idea of a small and weak Japan. The change comes with the idea of Japan's dynamicity, based on the theme of rapid growth during the 1950's and planned-for growth during the 1960's, accompanied by the perceived drop in the international position of the United States. Consequently, the idea that Japan can again start to influence substantially the world around it, and has even the responsibility to do it, begins to emerge. However, the change does not reach the situation where Japan should start diverting considerable amounts of capital from its own development to the Asian countries; in this context Japan is still presented as a poor and small country, although even here pride is discernible, caused by Japan's economic success, seen in the way Okita presents Japan as a leading example for the Asian countries.

As argued in this chapter, during the 1950's regional integration in Asia was not a special concern to either Okita or Kojima, and according to Shiraishi (1989, 151-2) this was also generally true in Japan. Japan's position towards the Asian countries was characterized by the general need to dispel Asian distrust of Japan, as a good thing in itself, and also so that Asia could form a better export market for Japan.

4.2 Regional Cooperation in Asia

Regional economic cooperation in Asia was promoted most of all by ECAFE. Since its establishment in 1947 it had been, however, rather unfruitful. As Lalita Prasad Singh has argued in his study *The Politics of Economic Cooperation in Asia* (1966), although ECAFE was primarily an economic United Nations organization, its functioning was nearly paralyzed by various political questions. The Cold War and big power rivalry entered the organization because both the United States and the Soviet Union were non-regional members, and especially during the 1950's their political quarreling often took up most of the time in meetings. The colonial past also tended to enter discussions, as Great Britain, France, and the Netherlands were also nonregional members, as well as Australia and New Zealand, while some Asian countries, notably North Korea, the People's Republic of China, and North Vietnam were not. As Mongolia had no rival regime claiming the status of sole representative for the whole country, it was a member. There was political tension between Japan and some of the other Asian countries, the image of the Great East Asian Coprosperity Sphere being kept alive in discussions (Singh 1966, 5). Tension existed also between non-aligned and aligned countries, between India and Pakistan, between Malaysia and Indonesia, between Malaysia and the Philippines, etc. (Singh 1966, 26-52; see also Okita 1958). As a consequence, ECAFE was mainly an organization for research and recording, which was conducted by its secretariat in Bangkok.

After the Bandung and Shimla conferences in 1955, Japan, at the instigation of Prime Minister Kishi, made an attempt to put the idea of regional trade expansion and a proposal for an Asian Development Fund on the agenda in 1957, but only India offered support, while several countries, especially South Korea, Taiwan, the Philippines, Thailand and Pakistan opposed it, probably partly because Japan and India supported the idea, and in general because they were still not willing to discuss the question of regional planning (Singh 1966, 120-3). Also the United States was not interested, as Kishi asked the United States to supply the funds for the program

(Yasutomo 1983, 27-8). It was only after the formation of the EEC in 1958 that the atmosphere began to change. India presented a draft for a resolution on economic cooperation in Asia, which was eventually adopted unanimously as the Bangkok Resolution in 1960. The step was not a big one, but it at least meant that regional economic integration now became a legitimate subject of discussion in ECAFE meetings, although no practical measures could be taken then, and the consensus was already broken in the next meeting in 1961 (Singh 1966, 149-56).

However, encouraged by the Bangkok Resolution, the Secretariat in 1961 convened a consultative group of economic experts, which was dubbed in the press the "Wise Men's" Commission (Yasutomo 1983, 29). Its chairman was K. B. Lal of India, the other two members being Luang Thavil Sethaphanichakan of Thailand, and Okita Saburo of Japan. The report of the group was not published, its circulation being confined to ECAFE member governments, because it became a sensitive political issue. However, its main contents were leaked to the press, and became well known. In an article published in February of 1962, *Ajia keizai kyooryoku no shomondai* (The Problems of Asian Economic Cooperation) Okita also explained his views. The expert group proposed the establishment of an Organization for Asian Economic Cooperation (OAEC), conceived as an executive agency for taking concrete measures and implementing programs of action agreed to by member countries. It was to work through a council of ministers who would make policy decisions, assisted by the ECAFE secretariat, and it was also to have the authority to make decisions binding on member governments. These ideas were clearly too much for most regional member countries at that stage, in view of the political situation (Singh 1966, 158-60).

The goal of the expert group was not a full-fledged free trade area, but entailed the ideas of subregional and sectoral economic integration aimed at economies of scale and expansion of intra-regional trade. Okita emphasizes that in view of the differing levels of development of the Asian countries, the formation of a free trade area, or a common market in the European style, might be harmful for the development of many Asian countries. As industrial development in them was mostly new or just being established, there was a danger of their development being harmed by a free flow of industrial products from Japan. The goal was thus only the partial and carefully managed dismantling of trade restrictions, with a heavy emphasis on technical cooperation (Okita 1962, 76-80).

The general tone in Okita's article is that such integration might be good both for Japan and Asia, but with respect to European integration the matter is not pressed as urgent. It is in the background, seen as a breech of the spirit and principles of GATT, and as the general reason why the discussion of Asian economic

cooperation should have been started in the first place (ibid. 73), but it is evaluated in the following way:

> 戦後の地域協力は、その結合が将来ふたたびグローバルなものにすすむためのワン・ステップという考えが、少なくとも建前上とられている。
> (ibid. 74)

At least the EEC and other similar schemes of postwar regional cooperation have adopted as *tatemae* (public position, facade) the principle that they represent only a step towards future global integration. Okita thinks that at least as long as they keep this position, and there are no other reasons for changing one's mind, these regional schemes do not represent a return to prewar blockism, and are not a threat to Japan. His evaluation of the situation is fairly similar to the one he made in 1956, although there is a small shift towards scepticism with the word *tatemae*.

Okita also goes a step further in his article in reinterpreting the international status of Japan. He very carefully points out that just as the United States has a special relationship with Central and South America, and Europe has a special relationship with Africa, as an analogy it is possible to think of a similar relationship between Japan and Southeast Asia in the sense of cooperation (ibid. 74-5). In this round-about way Japan is now included structurally in the group of advanced countries. This reflects the new rhetoric of the Ikeda period, with its emphasis on Japan's new international status. Okita does not call Japan a big power, which Ikeda himself sometimes did, nor does he use the other famous Ikeda slogan of the "three pillars", namely Western Europe, the United States, and Japan, which would cooperate in the international system (Yasutomo 1983, 25-6). However, the structure of Okita's claim is the same.

Too much should not be read into these claims; they should be understood according to the themes of economism and growth. Just as Yasutomo interprets Ikeda's claims, saying that the Japanese still viewed them with humility, and did not equate them with either global political or military power (ibid. 26), Okita's claim is also clearly a very careful one, the content of the claim still centering on technical cooperation.

The opposite side of the coin was that Japan also came to be reinterpreted in these terms in foreign countries, as Okita points out (1962, 74-5). It seems that Ikeda's Japan was far more acceptable to many Asian countries than Kishi's Japan, Japanese economic success becoming noted there too, with a corresponding increase in pleas for economic cooperation and assistance (Yasutomo 1983, 27). In this way, also from the outside, Japan came to be placed in a structural position vis a vis the developing countries similar to that of Western Europe and the United States.

Japan's economic policies towards the Asian countries changed correspondingly. During the 1950's emphasis had been on war reparations provided as goods and services, but during the Ikeda period aid increasingly meant financial contributions, and the amount began to grow. The rhetorical goal also changed from emphasizing the alleviation of Asian distrust to emphasizing help for Asian development. From 1961 onwards the Ikeda government increased Japanese economic aid to Asian countries, and established an Overseas Economic Cooperation Fund, an Asian Productivity Organization, and an Overseas Technical Cooperation Agency, including a Youth Volunteer Corps, modelled after the American Peace Corps. Planning for the Asian Development Bank also began during this time (see Yasutomo 1983, 24-40; Singh 1966, 221-4; Shibusawa 1984, 43).

This, however, did not mean support for an Asian trading area. ECAFE held a meeting in Tokyo in March, 1962 to discuss the expert group's proposition for OAEC. Japan adopted a hostile attitude toward the issue, espoused by large segments of the government and bureaucracy, private business, and the press. In his analysis of the Japanese debate, Singh finds two types of arguments used: little advantage was seen in concentrating on the Asian market, because Western Europe and North America offered far better prospects, and a commitment to OAEC might have prejudiced Japan's negotiations in Paris for membership in the OECD (1966, 160-1). These arguments involved both the content of Japan's material benefits and status, and in both senses Japan was in the process of leaving Asia. As the attitudes of other Asian countries, with the possible exception of India (ibid. 161), were also hostile to the idea, the prospects for an Asian trading area even in the limited sense of OAEC were non-existent, and although ECAFE continued to have yearly meetings there was no real progress achieved (ibid. 161-4).

During this period Kojima Kiyoshi also entered the discussion of regional integration in Asia. In 1960, Prime Minister Ikeda had established an institute for Asian economic research. If one wants, one can read even in its name something of the situation of the period. In English it is known as the Institute of Developing Economies, the name implying a global approach, while the Japanese name, *Ajia keizai kenkyuu jo* (Asian Economic Research Institute) implies only a concentration on Asia, more suitable for Japan's resources. Both names emphasize economics. It was a government organ for the study of the economic situation of Asian countries, and the possibilities of commerce with them. Kojima Kiyoshi became one of the leading economists associated with the Institute. While most of the publications of the Institute centered on limited and practical questions, such as specific countries or specific trading items, the task of Kojima seems to have been to provide a general conceptual framework for thinking about Japan's economic relationship with the

region.

His reports in the publication series of the Institute, *Sekai keizai no koozoo hendoo to dai ichiji shoohin booeki* (The Change of World Economic Structure and Trade of Primary Products) and *Dai ichiji shoohin kakaku hendoo no mekanizumu* (The Mechanism of Price Changes of Primary Products) were both published in 1961. According to them, Southeast Asia was economically a very backward area facing grave difficulties in the development of its national economies. The products that the area had to offer did not fare well in the international market. They were concentrated in areas where demand was not rising, or was even at times contracting. The situation lead to wild fluctuations in prices, which even in the long term were not rising. In the international market this meant an abundance of raw materials usually with low prices beneficial for the industrialized countries, but hurtful to the Asian countries. In addition to tin and other metals, the exports of Southeast Asia consisted mostly of foodstuffs, such as rice and sugar, and agricultural raw materials, such as natural rubber, hemp, and raw cotton. These materials were not needed in the industrialized countries as much as before the war when the countries had still been colonies with their economies tied to their colonial centres. The reason was that during and after the war, economic development in the industrialized countries had concentrated on two main fields: agriculture and synthetic materials. Difficulties of transportation during the war, the collapse of the colonial empires after it, and various programs of social welfare and full employment lead to the expansion of agriculture in the industrialized countries, causing less need for imports of foodstuffs from the previous colonies. Kojima even claims that, accompanied by rising efficiency, the comparative advantage in agricultural products was moving from the developing to the industrialized countries (1961a, 34). At the same time, technological innovations in the chemical field, such as the development of synthetic rubber during the war when the areas producing natural rubber were mostly under Japanese occupation, led to the same direction, so that after the war natural rubber was not needed in industry as much as before (Kojima 1961b).

Most of these countries were either densely populated, or their population was rising fast. That created an additional problem, forcing the countries to grow and develop to be able to provide the necessities of living for the people. The prospects of development along traditional lines were, however, bleak. Because of a general lack of capital, intensive investment projects in agriculture were not possible, and perhaps not even feasible in light of the international commercial situation of these crops. There was only one area where the countries had a natural comparative advantage over the industrialized countries, namely, cheap labour. Thus Kojima comes to the conclusion that a change in the structure of production towards a

wide range of light manufactures was the only feasible, or even inevitable (必然) condition for their development. That would also be ideal from the point of view of scarcity of capital in those countries, as small factories for light manufactures can be started with limited capital. However, effective and wide ranging industrial development is not feasible on the national scale only. It is necessary to be able to use international markets, where the law of comparative advantage can work (1961a, 33-7).

Kojima's stress on the inevitability of the situation is inspired by the theory of the Flying Geese Pattern of Development, and as a more modern authority he uses Gunnar Myrdal's concept of second-grade international specialization (第2級国際特化) (1961a, 36-7; 1961b, 108)]. The concept means the same as the first phases of the Flying Geese Pattern of Development, namely that developing countries start their industrial development using their cheap labour to produce cheaply low quality goods which are competitive first in the home market and then in the international markets (Myrdal 1964, 258-9).

In this way Kojima argues forcefully that the countries of Southeast Asia have to start to climb the ladders of development. However, he is worried about the aspect of the theory which points out that no stable and durable system of international organization can be reached in this way (1961a, 23-5). The theory is beautiful in the sense that it gives hope for any country which wishes to advance from the bottom upwards, but Kojima's Japan of 1961 was already so far advanced on the road of development that the newly rising competitors were a source of insecurity, rather than companions on the same level:

> わたくしにはやはり永続的国際分業の原理が確立されなければならぬように思われる。
> (1961a, 25)

Kojima thinks that somehow the principle of a stable and durable international division of labour has to be established in the postwar world. From this light, totally free international trade would be disruptive, however advantageous it would then be from the point of view of global economic efficiency. The flood of cheap labour-intensive products would cause serious trouble in the already industrialized countries where the salaries are considerably higher. It would cause either a general reduction of salaries, and, as a consequence, a reduction of living standards, or a partial reduction of salaries in the industries affected. Equally undesirable would be large scale unemployment. Financial troubles might even halt economic development in the capital intensive industrialized countries (ibid. 40). Kojima's argument rests on the foundation that that kind of development would shatter the social policies of general welfare and full

employment adopted in the industrialized countries as a safeguard against the reemergence of fascism and similar movements born from the hardships of the 1930's, as well as a way to compete against the ideological influence of the Socialist countries. Japan would probably be the country hardest hit, as light manufactures at the beginning of the 1960's still formed about half of its exports. It would imperil both the democratization achieved after the war, and the road to prosperity which Japan had travelled ever since.

Kojima constructs the problem as combining the necessary development of the newly independent poor countries with that of the continuing development of the industrialized nations, and offers the following solution :

> ... 同質的、等所得間で合意的分業とバランスト・グロースを達成することが望ましく、圏外に対しては若干のなんらかの保護措置がとられざるをえなくなるであろう。
> (ibid. 41)

The solution is grouping countries according to the principles of homogeneity and a similar level of income. Inside of such groupings a mutually agreed division of labour and balanced growth would take place. This would not mean closed blocks - a similar object of abhorrence for Kojima as for Okita - and the overall principle of free international trade would still prevail, but the grouping would allow measures of protection for whatever reason against countries outside of the grouping. Thus, his solution in 1961 for the development problem of the Asian countries is increasing cooperation and trade among themselves, while not cutting themselves off from wider international economic communication. Integration was not seen by Kojima as touching Japan, but limited only to the case of the development problems of the Asian countries, Japan being cut out of their grouping as a different level country.

Up to 1960 regional economic integration was not a special concern either in Asia or in Japan, and, although in that year it became a topic of discussion with the Bangkok Resolution, it was not seen as a pressing immediate concern. Politically, Asia did not represent an area where a regional economic grouping could have been set up, and Japan was not in a position where she could have influenced matters much, even if there had been the political will to do so, and there was not. The case of Japan's lack of interest in ECAFE's attempt to forge regional integration in Asia, and Kojima's theoretical discussion both point to the fact that regionalism was not understood as a relevant policy alternative for Japan. With respect to integration, Japan still preferred a globalistic position as represented by GATT.

4.3 Kojima's Concept of Integration

The concept of regional integration entered Japanese discussion through observing the process of integration taking place in Europe, and not as an abstract idea as such (see Kojima 1980, 6). Study projects were initiated to find out what was happening in Europe, and integration theory entered Japanese discussion through them. One of them was connected with the Insitute of Developing Economies, involved several economists, and was lead by Kojima Kiyoshi. The project was entitled *Sekai keizai to kyoodoo ichiba* (The World Economy and Common Market), and publications began to appear in 1962.

Kojima does not seem to have known the work of political scientists of integration, like David Mitrany (see 1966, 1975), or even Ernst B. Haas's *The Uniting of Europe*, published in 1958. Kojima's theoretical concept of integration was inspired by economic theoreticians, above all by the German Wilhelm Röpke and the Swede Gunnar Myrdal (Kojima 1962a, passim; interview 1991). In his *Beyond the Welfare State*, first published in 1960, Myrdal differentiates between an Old School of Internationalists who advocated classical international free trade policies with minimum state interference in the necessary adjustment processes, even though it would cause unemployment and business losses, and a New School of Internationalists who advocated free trade combined with welfare state policies, both nationally and internationally (Myrdal 1961, 122-6). Myrdal himself is a representative of the latter school, Röpke would represent the former, and Kojima would be situated somewhere between them, while continuing to stand on the theoretical basis provided by Akamatsu.

The principal work of Röpke used by Kojima was *International Order and Economic Integration*, published in 1959. The world view presented in this book is in many respects very similar to the one held by the Japanese economists, although in Röpke's case the initial intellectual shock of war was provided by the trenches of World War I, making him an anti-militarist and anti-nationalist (Röpke 1959, 3-7). The subsequent events which forced him to emigrate from Germany and which lead to World War II only reinforced his views, also making him anti-politics, equating politics with "arbitrariness, emotions and rivalries" (ibid. 17). Thus, as an economic peace researcher he came to understand the attainment of peace with decentralization (ibid. 23) and federalism both on the national and the international levels (ibid. 44-6), leading to a weakening of the authority of the centralized state both from the inside and the outside. The ideal country for him was Switzerland (ibid. 46), as well as other small industrialized European countries like Sweden and Holland; because of their smallness they have low political profiles and no inclinations toward military conquest, and are for free trade, as "islands of eco-

nomic reason" (ibid. 170). He even claims that "if these small states did not exist, they would have to be invented today" (ibid.). Röpke's argument rests both on the interdependence of states as a guarantee against their becoming belligerent, and on their weakness, making them unable to stir up nationalism and other political passions which might lead to war. He represents economism in the same sense as the Japanese economists studied here, concentrating on the economic sector and using economic rhetoric, but there is a political goal in his activity as a researcher.

Röpke does not argue for the integration of Europe, but rather for its reintegration. He looks romantically upon pre-World War I Europe:

> The author of this book belongs to the generation which in his youth saw the sunset glow of that long and glorious sunny day of the western world, which lasted from the Congress of Vienna until August 1914, and of which those who have only lived in the present arctic night of history can have no adequate conception (ibid. 3).

In Röpke's thinking, the world economy of that time, centering on Europe, with the free trade area of Great Britain as its nucleus, was an ideal economic system. It was basically a system of interdependence and intercommunication, where trade was flowing comparatively freely. Import duties existed, but they were not prohibitive, and quantitative import restrictions hardly existed. The system was multilateral, not based on bilateralism where planned regulation of foreign trade is easy, and it was not restricted to a certain number of participants, making the system open. The international monetary system based on the gold standard practically made the system a global payments community, and the basic freedom of international movement of not only goods, but also of capital and human beings was made possible under the system (ibid. 156-9). The whole structure was based on a common spiritual heritage, on the historical, cultural, religious and political unity of Europe developed over two thousand-five hundred years, leading to a distinct European way of life and consciousness (ibid. 48-50). Röpke sums up his ideas in the following way:

> This highly desirable state of affairs, as regards the economic integration of Europe, already existed ... it was integration which required no plans, no planners, no bureaucracy, no conferences, no customs' unions, and no High Authorities (ibid. 226).

Consequently, Röpke was sceptical about, or even outright opposed to the kind of integration taking place in Europe after the war; the process leading to the EEC especially fitted this view. It was led too much by political considerations, being state managed, leading possibly to an ever higher political entity representing closed European

nationalism, a mirror image of the closed "totalitarian imperium of Communism" led by Russia, which for him was the worst possible economic and political system (ibid. 29, 228-30). Röpke was not against regionalism as a first step in loosening the grip of economic nationalism, but regionalism should be open in its character, so that new strong supranational political entities could not rise up; the system should always be based on the open and multilateral working of free trade. In observing the EEC, Röpke was especially critical of France, which in his opinion seemed to be too interested in engaging in shows of military might around the world, even though its resources were no longer adequate for the task, and which also in its approach towards European integration seemed to be inclined towards furthering political objectives and protectionism rather than open trade (ibid. 259-69).

Röpke's thinking is heavily Europe-centered; he does not seem to have much knowledge about, nor interest in other parts of the globe (ibid. 234-9), apart from, naturally, the United States. Nor are the concepts of growth and development much used by him; he is rather trying to build a stable and open system where such matters as the development of poor countries would take care of itself according to the rules of comparative advantage. His romanticism does not include any advocacy of returning back to the days when most of the non-European world was colonized. Development would follow automatically from global free trade, industrialization beginning in the agrarian countries as a response to the economic profitability of first producing simple and coarse consumer goods, then developing through stages toward higher industries. This would destroy some of the industries in the old industrialized countries, which should not be lamented, because increased demand for capital goods would create new industries there. Even here Röpke has mostly in mind the European agrarian countries (ibid. 187-90), and it is only Japan, a country advanced quite well along this road, that becomes clearly visible beyond the European horizon (ibid. 191-2).

In spite of this, it is clear how well Röpke's thinking would complement the thinking of Akamatsu, Röpke representing the necessary opposite as a theoretician in the leader countries advocating global free trade and open import policies in them, on which the development of the follower countries would depend, since markets and the import of technology would be essential for them. Kojima terms Röpke's approach "functional", *kinooteki* (機能的) (1962a, 56) - although Röpke himself would not have accepted the term (1959, 229-31) - as it was based, according to the laws of classical economics, on the natural growth of a community from the basic economic needs of the people, while especially appealing to Kojima was the idea of minimizing the role of the state in integration, which would have led to politicizing the process of integration.

In terms of generational outlook Röpke and Akamatsu have much in common, and in a similar sense, as representatives of a later generation of economists, Kojima also has similarities to Gunnar Myrdal. Gunnar Myrdal can also be called a peace researching economist, although the term itself was not yet in use at the end of the 1950's. However, Myrdal does not have an aversion to the political sector as such, and does not argue for any primacy of economics, but rather tries to attain a combination of the two. Also, as a representative of the New School of Internationalists, relying on the Welfare State approach in both national and international situations, the blending of economics and politics as well as other sciences comes naturally in his thinking. In his *An International Economy*, first published in 1956, Myrdal defines integration in the following way:

> "Economic integration" is the realization of the old Western ideal of equality of opportunity. ... economic integration is at bottom not only, and perhaps not even mainly, an economic problem, but also a problem of political science, sociology, and social psychology. (1964, 11)

Equality of opportunity in societies assumes the emergence of a community with growing social cohesion and solidarity among its members, and with freer social mobility, based on the norms of equality and liberty. Thus, Myrdal adds to the basic idea of integration as parts being brought together into a whole, a strong normative element for the realization of classic and basic ideals of democracy, where both economic and social integration have to be understood together, each supporting the other, and each of them being unattainable without the other. The countries, which Myrdal at the time sees as coming quite near the ideals, are the rich countries of Northwestern Europe, North America, Australia and New Zealand (ibid. 17). However, they have done this only on the national scale, and the world at large was still far from attaining that normative goal. International economic integration is defined as the realization of the same basic ideal of the equality of opportunity in relations between peoples of different nations (ibid. 13).

Ernst B. Haas has termed Myrdal a utopian thinker (Haas 1964, 461), and criticizes him for taking the Western capitalist pattern as the norm towards which the underdeveloped world will develop. Haas' main point of critique is that there are strong nationalistic and political forces which will make this kind of development extremely difficult (ibid. 463). His critique is, however, somewhat irrelevant in this context, irrespective of its value of truth or probability. It is made from the sector of politics, and only clarifies that Myrdal argues basically from the sector of economics. In this sense he is totally compatible with Röpke, and as he has also similar premises to Akamatsu in terms of the idea of development, his ideas were very

easily acceptable to a Japanese economist like Kojima.

Just like the theory of the Flying Geese Pattern of Development emphasized moderate nationalism, also Myrdal sees national integration to a certain extent as a prerequisite for international integration. However, because national integration means economic nationalism, the purpose of the Welfare State being the guaranteeing of a good life for all of its members, national integration also easily becomes an obstacle to international integration. International integration, with its accompanying progress in productivity and the workings of comparative advantage, leads inevitably to relocations of industry, and because the Welfare States are committed to full employment and to defending the standard of living of their own citizens, rich nations are bound to start applying brakes on international integration at this moment (1964, 56-65). In this sense, Myrdal is as equally sceptical about Western European integration as is Wilhelm Röpke, and similarly he regrets the disintegration of the post-World War I European system. This is where Röpke would have started to demand the dismantling of the state apparatus to let the economic forces have their free play, but Myrdal takes another road.

He points out that in the postwar conditions of expansive economic growth in all countries the effects of international integration would matter less, and they could be coped with more easily than during times of stagnation when national autarkic tendencies would inevitably become stronger. The role of the United States would also be important, because of the size of its economy. Just as the United States had pushed forward European economic integration against the nationalist tendencies of the individual states, it should follow the historical example of England and move towards increasing international trade liberalization on the world scale (ibid. 70-1, 326-31). There is also a need for moral education in the advanced countries, to increase the solidarity of their citizens with those of the poorer countries, for instance, through the normative writings of economists like Myrdal, so that the concept of a welfare state could be widened into the concept of a "welfare world" (ibid. 324). In addition, there is also the classical argument, which Röpke would have agreed with, that even though international integration would cause problems of relocation in the old industrialized countries, in the long run the basic arguments for free trade, increased productivity through development and division of labour, together with expansion of trade, would also bring considerable benefits to the rich countries (ibid. 257-8). Thus, there also are ways to counteract the forces of national integration in the rich countries, while preserving and even furthering the achievements already reached.

However, still more important would be what the developing countries themselves would do. A great step had already been taken. At that time a great part of them had already attained political in-

dependence, and the process was going forward. Myrdal calls the process the "Great Awakening." They had been helped in this by the mutual infighting between the former colonial powers, which had weakened them, and strengthened the colonized people, for instance in the way Japanese conquests, crowned by its defeat, did in Eastern and Southeastern Asia (ibid. 152). The resulting challenge would be for them to start national integration. They would need to strengthen themselves in order to be able to increase their bargaining power with the developed countries, and to set in motion the processes of democratization, social cohesion, and economic development.

A crucial problem would be the development of industrial production in the developing countries, and the ability to market the products. Myrdal uses the concept second-grade international specialization in this connection, which means that because the developing countries would for a long time have incomplete industrial structures, combined with cheap labour, their target should be the production of goods of cheaper and coarser quality. With their price competitiveness, they could undersell these products in the advanced countries, if only those countries would not close their markets (ibid. 259). The bigger market would, however, be in the developing countries themselves. They would soon start to squeeze out some of the products of the advanced countries from their own markets where price competitiveness, because of the low level of incomes of the people, would be the most effective. Myrdal points out that this is already happening in many developing countries in the production and trade of textiles (ibid.). As can be seen, these ideas go together very well with those of Akamatsu.

There is, however, an important refinement, which brings in the concept of regional integration. Akamatsu's thinking centered on the situation of a lone follower country in economic communication with the international market as a whole, but in the new postwar situation when there appeared at one stroke a great number of independent states facing a similar developmental situation, Myrdal goes a step further. He suggests that the developing countries form groupings among themselves, focused on trade in manufactured goods. In his *Economic Theory and Underdeveloped Regions*, first published in 1957, Myrdal even maintains that any groupings, including political ones which have nothing to do with economics, are considered as good insofar as they increase the solidarity among the developing nations, and strengthen them with respect to the old industrialized nations (1965, 68-76). They need to defend themselves against attempts at military intervention, as well as political and economic pressures from the advanced nations. At the same time, integration among themselves might also lessen future troubles that might result from economic nationalism, should that process turn into a counter-productive one, as had happened in the rich countries.

Also in purely economic terms, regional integration would be beneficial for the developing nations. After the initial stage of only a small amount of production they would be in need of larger markets than the national one, and also for the growth of productivity they would need international competition. In this sense the ideal solution would be to form regional groupings, with effective protective walls against competition from the old industrialized nations - while the old industrialized nations should not be allowed to erect protective walls around them (1964, 259-62). In a sense this would create a double standard of morality in international economics, but in another sense it would not. The question is not only about righting the historical inequalities of hundreds of years of exploitation, and breaking down the relationships of monopolistic domination enjoyed as a consequence of it by the old industrialized countries, but also about trade restrictions by the developing countries, which would represent a wholly different phenomenon with respect to international trade than those of the advanced countries.

For one thing, the exporting of raw materials and agricultural products to the industrialized countries would not change. The industrialized countries would need these products as before, and the industrializing countries would need the exports to earn capital for industrial development. Myrdal points out that this has been the pattern of development in the old industrialized countries, like the coal exports of England during the early phases of its industrialization, or the export of wood products by Sweden and Finland as their basis for being able to develop both wood processing and other industries (ibid. 228-30). In their industrialization the developing countries would need huge amounts of imports for their development, both for the building of infrastructure and productive facilities. They would have to import as much as their export earnings would allow, and they would be able to earn all the more the stronger their national and regional integration and development became. Thus their import restrictions would not decrease total world trade, but rather expand it (ibid. 288). That would be a process of world wide cumulative causation (ibid. 15-16), which would turn the vicious circle of poverty into a virtuous circle of development.

When assessing the importance to Kojima of Röpke's and Myrdal's theoretical inspirations, we have to keep in mind the content of the Japanese economic debate at the time. As mentioned before, it did not concern regional integration, but centered on the debate of global integration versus nationalism. Since the late 1950's Japan had faced strong demands for the liberalization of its economy. In autumn, 1959 the IMF held a meeting in Washington, and in December GATT held a general conference in Tokyo. Both meetings demanded that Japan free the convertibility of its currency and open its domestic market to foreign products and investment (Johnson 1986,

238). This was the situation when the cabinet of Kishi started to plan the opening of the economy, which eventually lead to the Ikeda Plan of doubling the national income in ten years, accompanied by the deliberate push for economic optimism. Foreign pressure continued during the 1960's. The economic ministers of Japan and the United States held their first meeting at the end of 1961, when the Americans asked for a faster pace of liberalization. Also Great Britain continued similar demands, and the IMF and GATT continued their pressure. At the same time the Japanese were also debating about applying for membership in the OECD, as the first Asian country to do so. The application was submitted in 1963 and Japan was admitted in the following year. That was another process which committed Japan not only to trade liberalization, but also to the removal of controls on capital transactions. The debate between the nationalists and internationalists was extremely heated during this period (ibid. 263).

The difficulty with Akamatsu's theory of the Flying Geese Pattern of Development is that it is nationalistic, while also being based on the ideas of global free trade. It is open both to a nationalist and an internationalist interpretation. One crucial criterion is the relative level of development and general economic strength of the follower country. If the distance between the follower and the leading countries is seen to be wide, and the economic viability of the follower is evaluated pessimistically, the theory gives strong grounds for a self-legitimization of protective measures against foreign countries. Similarly, when the level of the follower country is seen to have risen high, and its prospects for development are evaluated optimistically, the theory favours an interpretation of proceeding towards liberalizing trade. This is one of the reasons for the deliberate optimism of the internationalists, and their reevaluation of Japan's international rank as being almost on a comparable level with the West European and North American countries.

With the inspirational backing of theoreticians on international integration like Röpke and Myrdal, Kojima can place himself on the side of the internationalists. The underlying ideas of international political economics inherent in all of the theories, the free working of the market in the international setting, and the essentially functional approach to integration to which this kind of thinking leads can be emphasized. Röpke would support Kojima with his insistence on the primacy of economics, while he would not accept Röpke's insistence on totally free international trade. Myrdal would inspire him to try to combine national integration with international integration, and to keep an eye on the developmental level of the countries concerned, giving more freedoms to the developing countries, and placing more demands on the developed ones. For instance, the form of Kojima's discussion earlier in 1961 regarding the benefits for developing Asian

countries if they created a regional grouping of their own was probably inspired by Myrdal. The theories of Röpke and Myrdal are, however, presented here only as sources of inspiration over the original theoretical basis provided by Akamatsu.

The first publication of Kojima's research project on integration was *EEC no keizaigaku* (The Economics of the EEC) (1962a). In this publication Kojima displays fairly enthusiastic interest in this new way of organizing regional economics. For him, the European Economic Community forms the basis for a new way of attaining an international division of labour. Kojima praises the achievements of the EEC, using expressions such as "wonderful" (すばらしい), and "a thing which has to be stared at in wonder" (どうもくすべきもの) (ibid. 39). The EEC had shown the beneficial effects of integration in various areas, such as the economic growth of its members. According to the statistics he uses, the average economic growth of the EEC countries had been 5.3 percent in 1959, rising to 7.0 in 1960. The latter figure was no longer far from the Japanese figure. Also the growth figures for the EFTA countries had risen perceptibly, from a low of 3.5 in 1959 to 5.0 in 1960. These figures are compared with those of the USA and Canada, which were in 1960 2.7 and 2.3 percent, respectively (ibid. 42). Integration had also enlarged the economies, increased trade, and strengthened the competitive power of the participating countries, hinting to a revival of Europe as an important actor on the world scene (ibid. 1, 39). It had also given a vast new vision of the world as a whole:

> ここに世界経済、少なくとも自由世界の新たな蘇生の基礎がきずかれ永続的繁栄への基本路線が敷かれることになるのだ。
> (ibid. 1)

European integration, especially that of the EEC, which Kojima treats as the principal case, shows the basis on which the road to a new revival of the world's economy - or at least that of the "free world," as the political expression went - could be built. This also seems to be a road on which can be paved the long term prosperity of the countries of the free world. Kojima expects that the economic dynamicity of the EEC also increases world trade, both between the industrialized countries and the EEC, as well as between the developing countries and the EEC. The good things Kojima sees in the EEC are the principles of horizontal integration between homogenous countries on a fairly similar level of income, the physical proximity of the countries, and the creation of a common market. However, the following is seen as crucial:

> ... 共同市場的アプローチとグローバル（世界大の）アプローチとをいかに調和し整合させるかは最後まで残される重大な課題といえよう。
> (ibid. 2)

The enormously important problem which would have to be discussed continually is the harmonious coordination of the approach of a common market with that of the global approach. The ideal is the combining of regionalism with globalism. There would be nothing threatening in that kind of outward looking EEC. This was also the basic criterion Röpke had used in evaluating the EEC. Kojima points out that, internationally, interest in the EEC is is very high. Great Britain had applied to the organization in July, 1961. This seems to him to be a very positive phenomenon, because Great Britain with the strongest traditions as a free trade country, with responsibilities to the British Commonwealth, would be an important factor guaranteeing that the EEC develops "looking outward" (ibid.). A similar effect would probably also follow if the small EFTA countries were to join, if they were considered to be "islands of free trading economic reason" as Röpke had; discussion was already going on in them, and together with the EEC they could form a "Greater European Common Market" (大ヨーロッパ共同市場) (ibid.). Also, a similar discussion was going on in the United States about at least getting nearer to the EEC, if not outright joining it. At the same time discussion had also spread to other parts of the world, both in industrialized and developing nations, of creating similar regional groupings elsewhere (ibid. 39-40). Regional integration indeed seemed to be a new and fascinating principle, around which a global movement was gathering, but at that moment the process did not present serious signs of developing in the direction of trading blocks.

Naturally, discussion had emerged in Japan, too, but Kojima comments on it thus:

> 自らの共同市場形成が困難である日本では国際的孤立感に焦燥を感じ ...
> (ibid. 40)

In this discussion, the Japanese have a tendency to feel themselves to be "international orphans", fretting restlessly about the matter, as it would be quite difficult for Japan to enter into such formations. Kojima speaks somewhat ironically about this excessive feeling of confusion, and sets out to find other perspectives on the problem.

He proceeds from the idea that the rationality behind international common markets need not necessarily be their internationality, but reaching reasonably large economies of scale. He assumes that 50 million people is the minimum size for a single economy or economic grouping in this sense. At the beginning of the 1960's, the United States alone comprised 170 million people, the six countries of the EEC 170 million as well, and the seven countries of EFTA, including Great Britain, 70 million. A similar reasoning can also be applied in the case of Japan:

一億に近い日本経済はそれ自体一つの大きな共同市場だと考えてよい。
(ibid. 80)

The population of Japan was nearly 100 million, and that makes it feasible to think of the Japanese economy as a common market of its own. Kojima also points out that Japan's dependence on foreign markets had diminished after the structural changes of its industries, leading to a lessened ratio of exports to production compared with the prewar time. The traditional textile industries were still clearly export industries, exporting a greater part of their production, but the newer Japanese heavy industries were exporting only 10 percent of their production, 90 percent being consumed at home. As an advocate of economic optimism, Kojima tries to turn the developing Japanese "international orphanage" complex upside down with this excercise, arguing that even though Japan may still be a small *country*, she is no longer a small *economy*, and thus not in a helpless situation. As an economy Japan is strong enough to handle the international problem of regional integration proceeding under the principles of GATT without any need to panic.

However, the argument points also to the fact that even in Kojima's eyes there are no prospects for regional integration for Japan. He dismisses the idea of integration with the Asian countries on the same grounds as earlier, saying that it would disrupt the degree of national economic well-being Japan had already attained, just as Myrdal's theory points out that the argument would be used in the old industrialized countries against international integration involving developing countries. The Japanese argument is only strengthened by the additional fact that the Japanese industrial structure still included large sectors which were not well developed above the level of the industrializing countries. Kojima is, however, becoming interested in the idea of Japan "educating" or "rearing" (育てていく) the Asian countries in their own schemes of integration (ibid. 80). The educational process would mean increased economic cooperation, and the argument is essentially similar to the one proposed by Okita.

In the area, there was another logical possibility:

アメリカ、カナダ、オーストラリア、ニュージーランドと日本による汎太平洋経済統合の構想が聞かれるのであるが、...
(ibid. 80)

As can be readily seen in the grammatical form of the sentence, Kojima does not feel any special enthusiasm about the idea of the United States, Canada, Australia, New Zealand, and Japan engaging in economic integration among themselves, an idea which had been thrown around by journalists at the time (Kojima 1980, 26). Kojima calls the idea Pan-Pacific economic integration. The term *han* (汎),

which seems to be somewhat out of place in the 1960's, probably reflects the newness of the idea; it is apparently constructed by using a form of prewar expressions such as Pan-Asia. From the start, Kojima rejects the idea that this grouping could in any way develop into anything resembling the EEC, although the grouping could be used as an approach to enlarge trade in the region. However, he does not dwell much on the idea, but rather considers it as an interesting thought experiment, nothing else.

Even though Kojima regards the concept of regional integration useful for the world economy as a whole, as a solution for the developmental problems of many regions, he does not favour it as a policy alternative for Japan. Integration has drawbacks, too. As Kojima sees it, a common market presupposes that the growth of its members is balanced, and this would create problems for a special country, *tokuteikoku* (特定国) growing faster than others. This special country would either destroy the balance of the grouping, or it would be forced to slow its speed of growth to the level of the slower and weaker countries (1962a, 80-1). It is clear that Japan is exactly this kind of special country:

> 欧米とのギャップを縮めねばならぬ日本にとっては、重大な問題だ。
> (ibid. 81)

The Japanese language has a handy concept, *Oo-Bei*, which lumps neatly together both Europe and America. The concept is not so much geographical, but rather refers to the cultural, political, and economic entity composed of Western Europe and North America. It is this group of countries which forms the special frame of reference for Japan now, ranked higher than Japan in the economic dimension, but not considerably higher. As argued in the quotation, tight integration would pose a grave problem for Japan because she *must* grow fast enough to be able to reduce the remaining gap between herself and these countries. The emotionally strong "must" is given in the sentence as an attribute of Japan, emphasizing the feeling. The race of reaching the level of the *Oo-Bei* countries is presented as an important national goal.

Kojima gives another reason why Japan has to keep on growing fast. Japan has to be able to increase its purchasing power, to be able to buy more products from Asian countries, thus helping the development of the area. In this connection Kojima actually advocates decreasing trade between Japan and the United States, in the sense that Japan should stop importing so many primary products from there, and instead shift its purchases to Asian countries. At the same time, Japan should continue liberalizing its trade, and allow the import of industrial products from Asian countries. For instance, Hong Kong and India were already exporting light manufactures to the

United States, and Kojima would also have liked to include Japan as a market for these countries. Japan and the United States could well cooperate in this sense of providing markets for Asian developing countries (ibid. 81-2).

In *Amerika, Nihon, Toonan Ajia sankaku booeki no kihon rosen* (The Basic Line of American, Japanese and Southeast Asian Trilateral Trade) (Kojima 1962d) Kojima develops the idea further. He contemplates the idea of increasing triangular trade between the United States, Japan, and Southeast Asia. As Japan and the United States are both in need of dismantling trade restrictions, they should engage in an increased mutual trade of industrial products, which would further develop their industrial structures, while the two should also increase trade with the Asian developing countries, importing both raw materials and industrial products from there. Japan would still be too weak to be the principal market for manufactured exports of the Asian countries without experiencing grave difficulties, but if the main thrust of exports went to the United States, Japan could very well participate, especially if its exports to the United States could also be expanded. As Japan's industrial structure was still lagging far behind that of the United States, it would continually need to import large quantities of higher technological products from there, and the Southeast Asian countries would need lower level technological imports, as well as capital, thus constituting an expanding market for both Japan and the United States. This structure could, according to the economic theories Kojima was using, benefit both of the two already industrialized countries, and create room in the world economy for the Asian industrializing countries to develop. This would be beneficial to all, and leave Japan ample leeway to continue its rapid growth.

In later reports regarding the reseach project on integration, Kojima's enthusiasm for the general concept of regional integration begins to wane. In *Dai ichiji shoohin booeki to kyoodoo ichiba* (Trade of Primary Products and the Common Market) (1962b) Kojima comments on the EEC, that the political objective of creating a third power to stand by the side of the United States and the Soviet Union is understandable, as well as the other political objective of overcoming the compartmentalization of Europe, which had already driven the subcontinent into two big wars during the 20th century, but that the economic rationale behind the EEC is obscure (1962b, 91-2). Kojima seems to be moving towards a Röpkean style critique of the EEC. Probably the fact that the entry of Great Britain was at the time being opposed by France, also stopping the movement of the other EFTA countries towards the EEC, influenced Kojima's evaluation of the situation. The EEC seemed to be developing towards a trading block, and that was not his preference.

In Kojima's opinion, the industrialized countries would be far

better served by global free trade than by regional integration. The problems facing the developed and the developing countries are basically different from each other. The developing countries have to try to establish new, diverse industries for which they need a measure of protection, which could be provided by a regional common market. It would also provide economies of scale, competition on a homogenous level, and regional division of labour. The developing countries could arguably benefit from regional integration. On the other hand, the basic problem of the old industrialized countries is redistribution and modernizing an existing industrial base, and in this they need strong international competition. The biggest problem in developing countries is the lack of income, technology and capital, but if these are provided, together with some initial protection, development is relatively fast and easy, as presented in the theory of the Flying Geese Pattern of Development. The biggest problem in the developed countries is the existence of old and inefficient industries, some of which should be demolished, some made more efficient, and international market forces would take care of this (ibid. 101-2). Thus Kojima comes to the conclusion that regional integration would be good for the developing countries, but more or less harmful for the developed countries.

Additionally, Kojima makes a thought experiment about what regional integration might look like in Asia in *Toonan Ajia keizai kyooryoku no koozu* (The Structure of Southeast Asian Economic Cooperation). As the whole region is too big to fit into one grouping, the principle of homogeneity, widely understood, is used in determining viable economic subregions (1962c, 187). Far reaching integration in the style of the EEC is not necessary in Asia, but rather something like a customs union or a free trade area. Kojima presents the following list of groupings and countries:

Subregion A: The Indian Subcontinent Group
India, Pakistan, Ceylon, Burma
インド、パキスタン、セイロン、ビルマ

Subregion B: The South Asian Group
Thailand, Malaya, Singapore, Indonesia, Cambodia,
タイ、マラヤ、シンガポール、インドネシア、カンボジア、
Laos, South Vietnam
ラオス、ベトナム

Subregion C: The East Asian Group
The Philippines,
フィリピン
Hong Kong, Taiwan, South Korea
香港、 台湾、 韓国

Japan (ibid. 213) 日本

Japan can be thought of as a subregion of its own, as Kojima had already argued before. The rationale behind Subregion A is that the countries form a geographically contiguous area, and are culturally similar. Religiously, the countries are divided, i.e., there is the division between Islam and Hinduism, but it may be only temporary, as the religions had been able to coexist for hundreds of years. All of these countries had been British colonies, and in that sense, too, they share a similar culture and history. The way of life and standard of living is similar in all of the countries, and in the latter respect the Indian Subcontinent Group is on the lowest level of all.

Subregion B is also a contiguous area. These are all predominantly agricultural countries. In addition to rice, their main crop, they produce rubber, sugar, maize, coconuts, bananas, palm oil, coffee, and other similar primary products. The countries are mainly Buddhist or Islamic, but there is not very much religious confrontation. Lots of overseas Chinese merchants are living in all of the countries. The way of life and standard of living is similar among them, higher than in Subregion A, lower than in Subregion C. Excluding agricultural products, the tin of Malaya and the oil of Indonesia, there are no special raw materials in the area. Thus it is a significant fact that just by exporting agricultural products these countries have been able to raise their standard of living above that of Subregion A. However, there are also problems. Except for Indonesia, they are sparsely populated small countries, and they do not have much capital or educational skills for industrialization (ibid. 217-8). India, at least, is beginning to industrialize. The countries of the South Asian Group are the most backward countries of all, but because of their higher standard of living Kojima still finds the prospects for industrialization good. Fertilization industries should be started, and Singapore, especially, should be developed as a high level industrial center (ibid. 219).

Subregion C is somewhat of a problem, because Kojima has included the Philippines. His main reason is that in this way he can make the population of the grouping bigger, up to 69 million. Without the Philippines it would be only 44 million, less than the 50 million which had been deemed to be the lowest feasible amount from the point of view of the economies of scale (ibid.). However, Kojima mentions that the Philippines could just as well be inserted into Subregion B (ibid. 218); in reality Thailand, Malaya and the Philippines had already formed a regional grouping in 1961, albeit in practice mainly a political one, namely the Association of Southeast Asia (ASA) (see Singh 1966, 215-21). This is one indication of how free of actual politics, and how much on purely economic grounds, *jun keizaiteki* (純経済的) (1962c, 214) Kojima wants to stand.

In addition, if we think of the culture of the area, the countries excluding the Philippines are all influenced by the Sinic culture.

These countries also have the highest level of income and standard of living, which means that in spite of the smallness of its population Subregion C, excluding the Philippines, might well succeed in integration (ibid. 219-20). The countries already have industries, and they have the greatest potential for more industrialization. Kojima expects Subregion C to become the industrial center of Asia, not including Japan, and even calls the countries *chuushinkoku*, "middle level advancing countries" (ibid.), an epithet similar to the one that had been used for Japan until recently. As Japan moves ahead in the Flying Geese formation, approaching the level of the *Oo-Bei* countries, the position of the middle level countries in the Asian setting becomes vacant, and the countries of the East Asian Group can step in.

A small scheme of regional integration for Japan is contemplated in passing. If Japan should be obliged to engage in regional integration in Asia, Subregion C would be the most natural partner. If Japan was forced for some reason to abandon its solitary road, this group would be the most splendid (最善) partner (ibid. 226). Athough Kojima does not give his reasons for this, they are obvious. With the Philippines excluded, and Hong Kong treated as a special case, the remaining countries formed that part of the prewar Japanese Empire which still remained outside of the Socialist block, and less than 20 years had passed since they had been integral parts of the Japanese economy. This is the place where Kojima could have used the term reintegration, resembling the sense in which the term was used in the European discussion, but as the situation was taboo, it could not be touched on directly.

Interestingly, Kojima also makes the connection in an esthetic manner. The reformed postwar Japanese language, as it is used in ordinary texts, employs two ways of writing the names of foreign countries. Most foreign names are written with *katakana*. Its symbols are phonetic, and with it we get names like マレーシア, *Mareeshia* (Malaysia), or フィンランド, *Finrando* (Finland). However, in the case of a few special countries the Japanese usually use *kanji* for naming them. It is hard to pinpoint the difference between these two systems, but the *kanji* names represent a degree of nearness, familiarity, or importance to the Japanese, and often also a certain amount of prestige, as the *kanji*, representing an old culture, certainly are a more prestigious way of writing than the simple and easy phonetic *katakana*. All *Oo-Bei* countries can always be written with *katakana*, but some of them are often honoured by representing them with *kanji*. These countries are 米, *Bei* (USA); 英, *Ei* (England, Great Britain); 独, *Doku* (Germany); and 仏, *Futsu* (France). The other countries including Hong Kong, which are almost invariably written with *kanji* are 中国, *Chuugoku* (China); 台湾, *Taiwan*; 韓国, *Kankoku* (South Korea); 北朝鮮, *Kita Choosen* (North Korea); 香港, *Honkon* (Hong Kong); and, naturally, 日本, *Nihon* (Japan). The latter grouping is most important

for Japan historically, and subtly reinforced by the written language. Anytime there is a string of names of East Asian countries, as in the list of the Asian economic subregions, a feeling of togetherness is displayed, especially as Kojima places Japan immediately after Subregion C. However, because of the ideological division separating China and North Korea from the rest, that kind of feeling is latent, as a *Gestalt*, lying dormant at the moment, and actual texts do not usually mention anything explicit about it.

Also Kojima proceeds to state matter-of-factly that in the present situation integration with Subregion C would mean grave problems for Japan, because Japan's textile industry and other light industries would inevitably be greatly damaged as a result. He emphasizes again that Japan is in the position of globalism, not in that of regionalism (ibid. 227). Japan could supply training, planning, and technical know-how to the countries, and also the strategy of a small and gradual opening of trade with those countries could be used. Japan could increase imports of primary products, as well as half-finished products and consumer goods. He once again expressly warns pessimists that nobody in Japan should be afraid of economic development in the neighbourhood; i.e., the process of development means that the fire of increased demand is lighted in the developing countries, and their buying power will expand as well (ibid. 228).

These ideas are clarified further in Kojima's next major work, *Sekai keizai to Nihon booeki* (World Economics and Japanese Trade) (1962f). The book contains an interesting discussion of world economic trends for the following 20 years. Kojima divides the period into two parts, the first reaching up to 1970, the second up to 1980. He expects that the overall trend of growth of the world economy to continue. During the first ten year period up until 1970 Kojima expects that the relative share of Great Britain and the United States will fall considerably, and that of Africa, Latin America, and Australia somewhat less. The risers will be Western Europe and Southeast Asia.

During the second phase - where simple extrapolation of present trends does not suffice, and theoretical insights and individual presentiments have a freer play - Kojima expects the share of the United States to fall even more sharply, and the rise of Western Europe to slow down. The rest of the world is expected to start rising fast. All the downward curves of Africa, Latin America and Australia are expected to turn upwards. The already rising curve of Southeast Asia is expected to rise ever more steeply, giving it the most rapid growth rate of all, the success story of the 1970's (ibid. 60-61). Japan is not included in that discussion, but its growth is also expected to continue briskly.

Kojima's forecast is based on the idea that the abnormally high position of the United States will inevitably continue falling as

other regions continue to gather strength, and the same holds true also for Great Britain. Further, Kojima expects the effects of integration in Western Europe to stave off these effects for some time, but in the long run, integration will not be the strongest force at work in the world economy, especially if integration is regional and tends to contain elements of undue protection for old industries. Development will be the strongest force in the world economy, and the industrialization of the developing world will be inevitable. The decisive moment was the attainment of national independence by the former colonies, after which the laws of the Flying Geese Pattern of Development, in the Myrdalian sense of cumulative causation, will push development forward with an irresistible force. Implicit in Kojima's thinking is also the idea that the developed countries will assist this development, or at least will not be able to block it the way they could during the colonial period. It will take only a bit longer than the United Nations development decade to produce large scale effects, just as the process of restructuring the economies of the developing countries after colonial entanglements had proved to be difficult and time-consuming. It is somewhat unclear why Kojima considers Southeast Asia to be continuously the most successful of all developing regions, disregarding the fact that in some respects it seemed to be the poorest and the most hopeless of all regions even at the beginning of the 1960's, but at least in the Institute of Developing Economies optimism among researchers for the prospects of Southeast Asia seems to have run high (see Ebihara 1962).

These expectations for the future place Kojima's ideas about "educating" Asia into a better perspective. As development is understood to be such a strong force, Asia, especially Southeast Asia, would rise whether Japan did something or not, but it would be easier if Japan made a positive contribution. It would be good from the moral and normative standpoint of a developmental internationalist, and it would also be in Japan's self-interest to be closely involved with the Asian area as it rose, not the least because positive contributions would create goodwill towards Japan, guaranteeing its security in the region, as it would be impossible to achieve it through military means. Kojima never engages in this kind of discussion, being reluctant to discuss anything outside of the domain of pure economics, but as presented earlier, the responsibility of contributing to Asia's development is part of the theme of economism.

If we return to the Japanese debate between the nationalists and internationalists, Kojima is naturally worried about some of the aspects of the rise of Asia, what it would mean to the salaries and employment of the Japanese, but he is confident that through the gradual implementation of theoretically inspired, deliberate policy measures a middle road could be found in trade liberalization, which would benefit both Asia and Japan (1962f, 409-10). From the point of

view of an economic historian used to observing long term trends, the outcome of the Japanese debate between nationalists and internationalists was clear, especially in light of Asia's developmental dynamicity. The abolition of restrictions on imports of raw materials and machinery would lower their price, which would help to lower the price of Japanese exports, making the Japanese producers more competitive in the international market. Free imports of capital would speed up the necessary structural changes of Japanese industry. At the same time, liberalization of imports would blunt the edge of the political pressures from abroad, and help Japan remove some of the trade barriers it in turn faced in some of its export markets, such as Europe. This might also contribute to the direction European integration would take with respect to its openness or closedness. In other words, cheap imports would lead to cheap exports, and free imports would lead to free exports, both of which would expand Japanese trade and help to continue the development of its economy (ibid. 430-2).

Kojima favours a slow pace in the implementation of liberalization measures, on items starting from the least dangerous from the point of view of employment, namely raw materials, machinery, and capital. After perhaps ten years, the problem of light manufactures from Asian countries would have to be faced directly, and preparations for that should also be started (ibid. 427). The structural change of Japanese industry, at the time clearly composed of two separate sides, light manufacturing, and heavy and chemical industries, would have to strongly emphasize the latter. Kojima here uses two concepts, "sunset industries", *shayoo sangyoo* (斜陽産業) and "sunrise industries", *shinkoo sangyoo* (新興産業), or literally "newly rising industries" (ibid. 431). The concept of sunset industries refers to the older industries, which the rise of the general developmental level of the country was leaving behind, and which were destined to be, before long, overcome by foreign competition from follower countries whose developmental level they would fit perfectly. They should be gradually phased out of receiving support through the industrial policy of the state, i.e., left to struggle on their own, as the term sadly implies. They would not all go down, some of the stronger ones would be able to continue developing and stay above the surface, but most of them would inevitably sink. The newly rising industries are the ones in which the Japanese should put their faith for future prosperity, and to which all of the developmental strength of Japan should be concentrated, to be able to use them as ladders along the upward path of development. That would be Japan's only way of staying a step or two ahead of the pursuing Asian nations, ensuring its own prosperity, and at the same time not standing in their way, blocking their development.

Thus the concept of international economic integration, devel-

oped by Kojima during this period, can be stated as follows: The overriding concept is global economic integration, including the ideas of global expansion of trade, and global development. This would bring prosperity for all, and at the same time diminish global inequalities. The relative rise would be higher for the less developed nations, so that the follower nations would slowly catch up with the older leading industrialized nations. Implicit in Kojima's thinking is also a process towards a more peaceful world, which the growing prosperity for all could ensure, although usually Kojima shies away from this kind of political discussion. He is not satisfied with the idea of Akamatsu, according to which development leads to raw competition, leaking outside of the domain of economics, among the countries on the road of development, but rather likes to see a global structure with some permanence in the division of labour. This could be achieved if the older industrialized nations would be able to continue their development, so that their lead would shorten only slowly. This conflicts a bit with the idea that Japan should continue growing to be able to rapidly attain the level of the Euro-American countries; it is only the smallness, the political and military insignificance of Japan, and Kojima's extensive economism, which prevents this discrepancy from becoming acute. Anyway, both the beneficial development of the world in general, and Japan's development in it, would both best be served by global economic integration.

Regional integration is also usable in some situations. Its model is the European integration process; not its political aspect, but the aspect of the functional development of an economic community over the pre-existing basis of a degree of homogeneity between the participants. Historical relations, common culture, feeling of commonness, a similar level of development and income, etc., are factors constituting such homogenous communities, the more of them the better, although nothing prevents attempts at purely economic regional integration even over a shallow pre-existing homogeneity. This is what has to be done in the case of creating regional economic groupings of developing countries, and this is the only case where regional integration can be attempted without misgivings. It can be attempted also among the developed countries, as in Europe, and it has short term beneficial consequences there, but in the long run may prove to be counter-productive.

Japan has no special place in any schemes of regional integration. There are two directions where Kojima has made small thought experiments: one being the industrialized Pacific nations, the other the non-Socialist Sinic East Asian countries. There is not much pre-existing community among the Pacific countries, and while there are historical ties with the Sinic countries, the political tension in the region, Japan's record as a conquerer and colonizer, and the direct competitive relationship these countries have with Japan's still impor-

tant sunset industries, also make that kind of regional scheme unviable. The best solution for Japan is to stay alone, as an economic region of its own, while continuing measures to increase trade in the region. Increasing trilateral trade among Japan, the United States, and the Asian countries would be one method of doing this.

4.4 An Asian vs. a Pacific Orientation

From 1963 onwards discussion about integration picked up momentum in Japan. It shifted from the question of whether Japan should engage in regional integration or not to the question of the geographic direction of Japan's integration. The "feelings of loneliness" led to a search for suitable partners in case they might be needed. Only two directions appeared practical, one of them being the Pacific countries, the other the Asian countries, but both of the directions presented various problems.

Nihon keizai choosa kyoogikai (The Japan Economic Investigating Committee) in 1963 published a report entitled *Taiheiyoo keizai kyooryoku ni tsuite* (On the Direction of Pacific Economic Cooperation). The document contained the first comprehensive semi-official proposal concerning Japanese economic integration in the Pacific Area. The investigation was essentially a bureaucratic venture along with business representation. The Ministry of International Trade and Industry had the heaviest representation among the Committee members, but also other ministries, such as the Ministry of Foreign Affairs, the Ministry of Finance, and the Ministry of Forestry and Fisheries were represented, as well as the Bank of Japan, the Economic Planning Agency, Hitachi, Marubeni, Fuji Bank, and Fuji Seitetsu.

As the title of the report suggests, the Committee was investigating the possibilities for Pacific cooperation. They deal rather quickly with other regions of the world, leaving out of consideration from the start the Socialist countries, like China and the Soviet Union (1963, Hashigaki). This exclusion is in a sense absolute; the Socialist countries are something that lay completely outside of Japan's foreign political objectives. The rest of the world is divided into two groups, the developed and the developing countries. Of the developing world, the Southeast Asian countries - which, as usual, are not defined - are the most important for Japan, but it suffices the Committee to note the special relationship Japan has with the region, namely, giving aid to it. The Committee also quickly goes through other ties that Japan has with the Asian countries, the important trading relationships, as well as an emotional relationship not found with other developing regions, like Central and South America, the Middle

East, or Africa, but there is nothing else to tie Japan with the region (ibid. 1).

It is to the developed world that the Committee sees Japan as belonging. This view is qualified by the notion that Japan is poorer than the other industrialized countries in terms of income per capita, which is negated by the notion of Japan's rapid rate of growth, far higher than that of the other countries, smoothing the situation in the future (ibid. 5). The theme of growth is thus tied in with the category of time, or the category of future, and this special combination is emphasized in connection with the advanced industrialized countries, balancing Japan's otherwise low rank as a relatively poor country. With this calculation Japan can be included in the grouping of advanced countries in places where the topic of discussion is on material well-being; the other way of doing this would be to emphasize the theme of development wherever industrial structure is discussed, as Kojima does.

The developed world, however, presents two worrisome problems for Japan. Japan's trading position is seen to be severely threatened by the internationalization being forced on her economy by outside pressures from the United States, GATT, and the IMF (ibid. 18). In the report there is not much trace of the optimism present in the writings of the internationalists, but rather the atmosphere of the report is somewhat panicky. However, the Committee emphasizes that in spite of its hazards, increasing global free trade under the auspices of GATT would be a comparatively small difficulty in Japan's situation at the time (ibid.). It was a known system, with almost twenty years of history behind it, with clauses providing for a multitude of exceptions, which could be used to diminish the effects of opening Japan's economy. The graver problem was that this kind of global economic integration, which had been the fashion of the immediate postwar period, had given way to regional integration since the end of the 1950's, the movement picking up momentum during the 1960's.

To this movement, a worrisome problem was the development of the EEC. The EEC seemed to be acquiring a mythical aspect. Time and again the rapid economic development and growth of the EEC countries is mentioned in the text, and it is called "a miracle of this century" (今世紀の一つの奇跡). As the EEC is perceived as an extremely successful venture, it might also be dangerous:

> 米、ソと並ぶ第３の巨人としての経済的地位を固めている。
> (ibid.)

The verb *katameru* means to harden, defend, or fortify; the worry of the Committee is that the EEC is attempting to turn itself into a third economic "giant" or superpower, on the same scale with the

United States and the Soviet Union. For this reason it was taking care of its economic rank, and seemed to be in the process of becoming a protectionist economic sphere. This would present a serious problem for the Japanese export industry.

An even more dangerous aspect of the EEC is the spread of the idea of regional economic integration. It is discussed and emulated around the world to a frightening degree (ibid. 2, 17). This leads to the following analysis:

> 世界経済の協力化および統合化は先進国および低開発国を含め、また、国際機関を通じて今や花ざかりという感じがあり、世界経済は一つの再編成の段階に入ったといっても過言ではなかろう。
> (ibid. 2)

A process "feels to be in full bloom" of the reorganization of the global economic system along the lines of regional economic cooperation and integration, comprising both the developed and the developing countries. In addition to the EEC and EFTA, COMECON was formed in Europe by the Socialist countries. In the Americas, the Central American Common Market (CACM) was formed to accompany the South American LAFTA (see United Nations 1959). In Asia, Malaya, Thailand, and the Philippines had formed ASA in 1961, and in 1963 the Malaysian Federation was created out of Malaya, Singapore, Sabah and Sarawak. Other former British colonies were also in a tumult, because in 1961 Great Britain had tried to join the EEC, and the countries of the British Commonwealth felt betrayed. In addition to the creation of the Malaysian Federation, India, Pakistan and Ceylon had begun to talk about creating a regional economic grouping of their own. The ideas of Arabian economic integration and an African Common Market were also discussed. From the point of view of Japan, the most worrisome discussion was being conducted in the United States and Canada about forming an Atlantic Common Market with the EEC (ibid. 1-2). The process is described as "natural", *shizen seiteki*, *shizenteki* (自然性的、自然的) (ibid. 3, 6), which, as seen from the point of view of rhetorics, is an effective way of emphasizing the perceived irresistible force of the movement blooming around the world. The only thing one can do with natural processes is to accommodate oneself to them. The Committee also points out that Japan is "tasting loneliness" (孤独を味わっている) because of this (ibid. 17).

Japan could try to use diplomacy to persuade the emerging groups from developing into trading blocks, and Japan could try to help the process of global economic integration to go on, however great would be the difficulties for the Japanese economy, but its means are seen to be very limited. The third possibility is to try to create a regional grouping where it could really belong, and end its

loneliness. The partners are not to be found in Asia. The Committee throws in names like the Pacific Common Market(太平洋共同市場), the Organization for Pacific Economic Cooperation (太平洋経済協力機構), and the still more vague Pacific Area (太平洋地域), but adds that unfortunately these are only names without much substance. In practice it is not known what should be placed under those names, and the whole thing feels like a dream(夢想にすぎない) (ibid. 2). The most that can be said is that the grouping would be composed of the United States, Canada, Australia, New Zealand, and Japan, and that these countries should build up a body for comprehensive and diverse economic cooperation.

In spite of the vagueness of the idea, the process aiming towards forming this grouping is deemed natural (自然の成り行き) (ibid. 2). The Committee clearly prefers the type of rhetoric where actual Japanese decision making can be de-emphasized, and the outer world depicted as a collection of strong currents, among which Japan drifts like a raft, being steered with a very small paddle. This is one way of sticking to the small country theme, and implying that there is not much sense in trying to paddle against the flow. When the Pacific orientation is presented here as this kind of natural current, it probably implies most of all a lack of convincing arguments in favour of the idea, allowing instead the themes of growth and development, along with the rise of Japan's rank, to finish the picture of the United States, Canada, Australia and New Zealand forming the most natural grouping for Japan to belong to.

With respect to policy, the Committee does not have anything drastic in mind. The most it wants is the establishment of regular government-level roundtable negotiations between the five countries. Such negotiations should be conducted at least once a year to discuss mutual economic problems. The countries should also exchange information for mutual understanding, in the form of cultural exchanges and spreading knowledge of the economic conditions in the five countries (ibid. 2).

The Committee does not see it as profitable to include developing countries in the grouping, saying that their problems are so different from those of the industrialized countries that if they were discussed at the same table, the number of possible problems would multiply to such an extent that getting tangible results from discussions would become difficult. Also, free trade between the developed and the developing countries would wreak havoc in the economies of the developed countries. The problem of the developing countries is left for economic developmental assistance, and for the future, for the problem to resolve itself (ibid. 3). The Committee expects rapid industrialization in some of the countries of Southeast Asia, and if they are able to make the transition to become industrialized countries, they could be adopted into the grouping (ibid. 4-8).

The central positive argument for the creation of the grouping lies in the development of ocean transport. In terms of time, costs, and the size of shiploads, transportation across the Pacific has become far easier than before. The amount of trade is increasing among the coastal cities of the countries involved. In addition, the economic structure of the United States seems to be changing, the West Coast gaining in importance, so much so that the Committee feels confident to say that the economic center of the United States is shifting from the Northeast to the Pacific Coast. Trade between Japan and the United States had been increasing rapidly in the past; during the seven years between 1954 and 1961 trade had increased five times, and seemed to be increasing further (ibid. 7).

The Committee presents figures on estimated transportation costs. According to them, it would be most economical in many cases for goods destined for Los Angeles to be imported from Japan. Using the figure of 100 to describe the cost of transport from the East Coast to Los Angeles, Western Europe would require 120, while Japan only 70-90. It would take 4 weeks to make the journey from Europe, 3 weeks from the East Coast, and 2 weeks from Japan. In this sense, not only Japan, but also Australia and New Zealand are comparatively close to the American West Coast. However, the argument becomes much weaker when the Committee discloses that these calculations were made by using ships as the only means of transporting goods; if road and railroad transportation were included, as in a real competitive situation, the American economy would again appear as tightly integrated, rather than splitting into two separate parts (ibid. 7-8).

As can be inferred from the way the argument is constructed, the main interest of the Committee was the United States, the finding of a way to keep it from turning its back on the Pacific and Japan in the face of the economic temptation emanating from Western Europe. "It is unnecessary to say"（いうまでもなく）that nothing would come out of the grouping if the United States was not interested in it:

> 本構想の成立の鍵を握る国は、世界経済のイニシヤテイブを持ち、また、それを自負している米国であろう。
> (ibid. 12)

The United States holds the key to the realization of Pacific integration. The United States has the power to take global economic initiatives, and feels proud, or conceited, about the fact. Nothing could be achieved without the support of the United States, or rather, the United States should be made to initiate it. That way, its prestige as the initiator of global and regional policies could be honoured, while Japan, which in this connection is nothing more than a small country, could get what she wanted.

The conceit the Committee is referring to can be discerned, for instance, in the famous words from the inaugural address of President John F. Kennedy in 1961:

> We shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe to assure the survival and success of liberty (quoted from Maga 1990, ix).

David Calleo has remarked that "if the world were only a theater, the Kennedy Administration would have to be counted as a great success" (Calleo 1982, 9), on account of the ability of the Administration to stir up the imaginations of both national and international audiences through the use of colourful exclamations, slogans, and various grand designs. The purpose of the Kennedy Administration was to renew the American position of world leadership, and instill new vigour into the American economy, both of which had slipped at the end of the 1950's, and it set out upon this task with bold epideictic rhetoric, differing greatly from the rhetoric the Eisenhower Administration had used (ibid. 9-11). This naturally diminished the perceived Japanese possibilities for initiating international policies, and strengthened the view of the Committee that in the international scene Japan would have to try to work through the United States, and not antagonize her with overly independent initiatives.

The Committee also points out that the eyes of the United States are concentrated on the military-political aspects of international activity, and even in that respect to the Atlantic Ocean and the NATO countries, and less on economics, or the Pacific region (Nihon keizai choosa kyoogikai 1963, 12-3). Kennedy's package of initiatives included the Trade Expansion Act of 1962, on the basis of which was launched an ambitious worldwide campaign for trade liberalization, named the Kennedy Round of GATT. In principle this looks like what the Committee was hoping for, a reemergence of the globalistic orientation of world integration, but in practice the matter was different. The Trade Expansion Act was specifically directed against the EEC, as a way of ensuring American access to the EEC market, and increase in this way integration between the North American and Western European economic areas. The idea of an Atlantic Community was circulated widely by the Kennedy Administration, and pushing Great Britain into the EEC became an important policy goal. This economic side of the Atlanticist orientation was accompanied by equally strong initiatives to tighten NATO as another Atlantic alliance. The Kennedy Round was a global initiative, but its global aspect was often overshadowed by the special relationship between the United States and Western Europe (Calleo 1982, 14-15; English 1968b, 25-8). The idea of an Atlantic Community, composed of the United States, Canada, the EEC and the EFTA remained as an important

theme of public debate all through the lengthy Kennedy Round negotiations, which were concluded in 1967, and also continued to be debated after that (English 1968b). From the Japanese point of view, this was a really worrysome situation. It explains the panicky atmosphere of the Committee. The Atlantic orientation of the United States with regard to Japan's case was comparable to the attempted entry of Britain into the EEC in 1961 from the point of view of the countries of the British Commonwealth.

Naturally, Atlanticism was only a part of the global initiative of the Kennedy Administration. As a matter of fact, it also proposed the creation of a New Pacific Community, although its meaning differed from the economic grouping the Committee was thinking about. The policy of the Kennedy Administration towards the Pacific and Asia was conducted under the general strategic framework of combating Communism. Eastern Asia and Oceania came to be regarded as one totality under this strategy, without perceiving any special relationship between Japan and the United States, or at least not as strongly as the Japanese felt about it. The idea behind the New Pacific Community initiative was to build a new frontier out of the non-Socialist countries of the region, and to shift some of the burden of supporting the economically weaker Asian countries to the more affluent societies, notably to Japan and Australia. The purpose was to form a strong political and military block in the area, and all economic initiatives were subordinated to the political goal of containing Communism (Maga 1990). The creation of the New Pacific Community would have meant an intensification of the Cold War in the region. The Japanese Committee did not want to have anything to do with this; rather, their tone in commenting on this was even somewhat sarcastic (Nihon keizai choosa kyoogikai 1963, 14). Apparently, from their point of view, the United States did not understand the vital priorities. The two countries seemed to be using totally different concepts of the international system.

The situation of the other three countries was different. In 1962 a meeting of the prime ministers of the Commonwealth had taken place in the panicky atmosphere of what to do if Great Britain should leave the Commonwealth. Canada, because of its special relationship with the United States, began to deepen economic ties with it. A discussion had begun about forming an economic unit of the two countries, as well as taking part in European integration. However, interest in Japan had also risen. Canada was a great exporter of wheat, while Japan was a food importing country. Canada also exported forestry products and minerals to Japan, and other possibilities were conceivable. In January, 1963 a ministerial level conference had convened in Tokyo to discuss mutual trade. The idea of a regional Pacific economic grouping does not seem to have been under discussion, but the Committee concludes that Canada, at least, would

not be against the idea of Pacific integration (ibid. 15).

The economy of New Zealand is presented as "riding on the backs of sheeps and cows", and except for the dairy industry, the country was not very developed industrially. Of all of the three countries, it was the most dependent on the British market, and was thus in the greatest need of searching for new markets. The nearest market was Australia, and a discussion had started about integration between the two countries (ibid.).

The economy of Australia was far bigger, and the market of New Zealand would be no solution for it. Australia seemed to be reacting most strongly towards creating something in the Pacific area. A lively discussion had flared up among academics, businessmen, and the press about finding export markets nearby. That would also decrease transportation costs considerably, compared with freight costs to Europe. Japan, a country importing great quantities of foodstuffs and industrial raw materials, such as wool, cotton, and iron ore which Australia had to offer, had begun to look extremely interesting in this respect. The governments had been doing nothing thus far, but a great convention of businessmen of both countries was scheduled to take place in Tokyo later in 1963 (ibid. 16). The meeting was a success, and in 1964 a similar meeting was held in Canberra (Nagano 1964). Thus, Australia seemed to be the greatest hope for advancing the idea of Pacific integration.

However, the Committee also holds great reservations about the practicability of the idea:

> わが国が白欧主義諸国の中にどの程度溶け込むことが出来るか、また、これら地域各国がどの程度日本を受けいれてくれるかという観念も強い。
> (Nihon keizai choosa kyoogikai 1963, 18)

The Committee doubts gravely how well Japan could "melt" together with the other four countries, which all profess "white Europeanism", *haku-Oo shugi*, and how far these countries would accept Japan into the same grouping with them. What seems so good and mutually profitable economically, becomes very difficult when other aspects of integration have to be taken into consideration. This is why the Committee proposes only a very careful beginning, namely the roundtable discussions, and is not willing to go beyond them. In addition, even with these countries, the Committee expresses misgivings about far reaching schemes of unrestricted trade, because all sectors of the Japanese economy were not yet strong (ibid.).

In addition, the Committee does not want to propose overly strong policies toward Pacific integration in the beginning, since it might antagonize other Asian countries (ibid. 19). It seems that the Committee would like to keep the Southeast Asian countries as a reserve from the point of view of regional integration. Obviously, the

rationale is that if nothing comes out of the Pacific Common Market, or the Organization for Pacific Economic Cooperation, and Japan faces the danger of being closed alone outside other regional trading blocks as was done to her before World War II, Japan could try to turn towards the Asian countries just like during the War, but without military means this time. Thus the Committee comes to propose for Japan a course of trying to be in the middle of everything, without taking a definite stand towards any direction, yet trying to keep channels open to all directions. At present, the direction of the Pacific countries looks the most promising, and the idea should be developed carefully, but situations might change.

In 1964, Tsukamoto Masao, Abe Masamichi, and Araki Tadao published a book called *Keizai toogoo no kodoo, EEC no seika kara OPEC no koosoo made* (The Beat of Economic Integration, From the Outcome of the EEC to the Idea of OPEC), in which they try to clarify the position of Japan with respect to regional integration. At the time, Tsukamoto was the director of the Japan International Cooperation Agency (JICA), a governmental body set up to deal with Japanese development assistance, associated with the Ministry of Foreign Affairs, while Abe and Araki were officials of the same Ministry. Their book is not from a theoretical standpoint as sophisticated as the writings of Kojima, but the question they pose about Japan's necessary choice between a Pacific and an Asian orientation is an important one.

The authors start out from the same idea as the Committee, namely that Japan has to look for partners for regional integration. Also, they present regional integration as the thing to do during the 1960's. However, in addition to the Pacific direction, they also argue for an Asian direction. Japan has to try to build parallel organizations either in Asia, or in the Pacific. The decision has to be made between these two directions (Tsukamoto et al. 1964, 164).

The orientation towards Asia crystallizes into the concept of the Organization for Asian Economic Cooperation (OAEC, アジア経済協力機構), which they associate especially with the name of Okita Saburo (ibid. 143). As officials of the Ministry of Foreign Affairs they had access to the report of the three member group of experts, as well as to the report of the seven member expert group which had convened in 1963, offering opinions similar to the earlier one (Singh 1966, 163). It was also declared confidental, so they could not make too specific references to the documents (Tsukamoto et al. 1964, 144). They do not take into consideration far reaching plans for regional integration, like the idea of an Asian Free Trade Area (アジア自由貿易地域), but rather discard them quickly (不可能に近い) (ibid. 161). The reasons are the already familiar ones: as the levels of development among Asian countries are too widely separated, free trade might harm Japan's traditional industries, while Japan's economic efficiency

might harm the development of industries in Asian countries. For the second, Asia is too heterogeneous, even if the Socialist countries were left out, to act together as a unit. However, trade and economic co-operation can always be increased. In this connection Japan is presented as the sole advanced industrialized country (唯一の先進工業国) (ibid. 160-1), and all discussion follows from this high status.

The Asian orientation would have some advantages for Japan. It is not uncommon that extremely romantic undertones appear in the sentences of Japanese writers when they discuss Japan's relationship with Asian countries. One of the authors, obviously Tsukamoto, presents personal reminiscences - which in 1964 was still a strong form of argumentation - of how he has been to Thailand several times before, during, and after the war, and this is what he has seen:

> ... タイ人の生活水準がめきめきと上がり、道路とか建物がぞくぞくと近代化していくのに驚嘆の眼を見張ったことである。戦争中から大戦直後にかけては裸足で路上を歩くタイ人が多かったが、今では皆日本製のサンダルとか運動靴をはき、長い間タイ人の公共の足であったメイド・イン・ジャパンのサムロー（三輪自転車）、今ではトヨペットとかブルーバード、プリンスなどデラックスな日本製の車がタクシーとなって、きれいに舗装された導路上を縦横に走っている。このことは一般タイ人の生活が向上するにつれ、わが国からのタイ国向け輸出品が多角化し、高度化したことを如実に物語っている ...
>
> (ibid. 161)

The standard of living of the Thais is rising rapidly, and one can only look in wonderment at the speed with which roads and buildings are modernized. Thais, who during the war and even after it were walking barefoot, are now all wearing Japanese made sandals and sports shoes. Taxis, which earlier had been three-wheeled bicycles made in Japan, have now changed to Japanese Toyopets, Bluebirds, Princes, and other high quality cars, which run back and forth along beautifully paved streets. The observer concludes that along with the rising standard of living of the Thais, Japanese exports are increasing, becoming more diversified and technologically more advanced.

The author can point to a basic continuity in Japan's relationship with Thailand, and by implication with the Asian developing countries in general. In trade, Japan has continuously been able to have an upper hand with the region, dominating the markets, and during the postwar period the situation seems to have become even more favourable for the Japanese, as can be seen in the diversity of the products exported there, from light industrial consumer products like sandals to quality cars. There is a vast and expanding market for Japanese products in the Asian countries, as the living standards of the Asians are rising, demanding both consumer products and capital goods. The relationship between Asian development and Japan's prosperity is seen to be direct, both of them supporting each other,

and this lays the groundwork for increasing Japanese cooperation with the region. Even short term economic profits are painted rosy: "if one invests wisely $1 million in the region, one can expect before long returns of twice or thrice the amount" (ibid. 162). The authors also argue that the Asian countries are hoping for Japanese help for their economies.

Thus far this has been a restatement of Okita's arguments, but Tsukamoto, Abe and Araki go a step further. The OAEC would open a new political vision for Japan:

> とくにわが国として、いわゆる世界の三本柱の一つとして自他ともに許す大国意識があるのならば、アジアの諸国を誘ってこの地域に経済協力の金字塔を打ち立てるためのわが国の責務の重大性をこそ今さらのように自覚すべきである。
>
> (ibid.)

The authors use allegories and vague expressions to discuss a delicate matter, but the quotation boils down to the idea that if Japan became conscious of its potentiality as a great power, and if this consciousness were allowed to rise to the surface both in Japan and in other countries, Japan should take the initiative and invite all the Asian countries together to "build up the pyramid of economic cooperation". As the sole industrialized and developed country in this context, Japan would naturally occupy the leading position in the pyramid, leading the rest of the Asian countries towards rising prosperity. The Asian orientation would mean travelling the road of a great power, the leader of one's own region, as one of the "three pillars of the world", the other two being the USA and the EEC.

It has to be noted that the authors use the conditional case. Even though the theme of growth had elevated Japan's international position, it still has to be viewed narrowly in terms of Japan's rank on the ladder of development, and not as a big power mentality with big power ambitions. The Asian orientation would imply a heavy commitment to economically support the Asian countries, and even though aid levels had risen with the Ikeda government, the amount was still only modest (Shibusawa 1984, 43). Psychologically, the change of basic policy would also have been difficult, both nationally and internationally, because it would have meant leaving economism behind, adopting a political stance, and it is hard to see any reason why the Ikeda government would have changed the platform which brought it to power. The vision of Tsukamoto, Abe and Araki in 1964 has to be seen as the opening of a new possible horizon for Japan, but no more than that.

The other orientation towards regional integration, where Japan would not be a great power, is what the authors call the Organization for Pacific Economic Cooperation (OPEC, 太平洋経済協力機構). The name is an obvious contrast to the OAEC. This is the grouping

of the five industrialized Pacific countries, the United States, Canada, Australia, New Zealand, and Japan. As to the contents of the idea, the authors consider it sufficient to review the report of the Nihon keizai choosa kyoogikai discussed above, without adding much of their own. The concept of OPEC is as delicate as the concept of OAEC, as it would mean great changes in all participating countries, and the authors of this book are as careful as the Committee in pointing out the importance of increasing mutual information and understanding of each other as necessary groundwork before attempting to deepen integration (Tsukamoto et al. 1964, 169-73). As constructed by Tsukamoto, Abe and Araki, both the Asian and Pacific orientations promise good possibilities for the Japanese economy, but the psychological situations would be different. Both of them would place Japan at a high rank, but in the first case as the leader of a regional grouping, and in the other as a member in the circle of rich and advanced countries. The first orientation would require a great change in the self-image of Japan as a small country interested only in economic matters, while the second orientation would involve equally grave difficulties in engaging in diverse international communication with the culturally very different Pacific countries. The authors refrain from taking sides in favour of either of these orientations, but treat them as being basically mutually exclusive. Naturally, some relations with both groups of countries should be maintained and increased, but Japan's basic orientation has to be chosen between them. In their opinion, Japan cannot refrain from deciding, because regional integration has become the overriding phenomenon of the international system, so that Japan cannot continue being alone, relying only on global economic integration.

It should be kept in mind that the Asia which is referred to in the book of Tsukamoto, Abe and Araki, means geographically the Asia of ECAFE, with the Socialist Asian countries excluded. The situation in 1964 also evoked discussions in the Parliament. Kajima Morinosuke, a member of the House of Councellors, was especially worried about the situation, and on the 6th of March, referring to the possibility of Atlantic integration, demanded Prime Minister Ikeda's opinions about building up something similar in the Western Pacific, or perhaps trying to include also the United States and Canada (Kajima 1964, 36-7). In his answer Ikeda outlined the possible areas where regional unity could be strengthened, namely the nations of Asia, nations of the Western Pacific, or nations centering around the Pacific (Ikeda 1964, 38). His answer is, however, for an unspecified future, and obviously no clear government policy had been formulated on the matter. The discussion tended to center on the question of China, which would have been a central country in the Asian region mentioned by Ikeda, Kajima emphasizing the usual attributes of common racial stock, a common script, and a common long his-

tory (Kajima 1964, 24).

The Chinese question had become acute also because France had recently recognized the government of the People's Republic of China. In the immediate situation there seemed, however, to be no possibility for such action on Japan's part, as the Chinese government would not recognize the Japan-United States Mutual Security Treaty, and remained otherwise hostile, as well (ibid. 25). Foreign Minister Ohira Masayoshi also pointed to the attitude of the United States, implying that nothing could be done on the matter (Ohira 1964a, 23). That part of Asia was closed to Japan, and in addition, in 1964 relations with South Korea had not yet been normalized. Although negotiations were going on, the parties had not been able to agree even on questions like the establishment of exclusive fishing grounds (Ohira 1964b, 15). In the immediate Asian neighbourhood of Japan there were no prospects for building up a regional organization, and in the more remote Southeast Asian area, although hostility against Japan was lessening, there were few possibilities of building such organizations. In the statements of neither Ikeda nor Ohira is there a trace of willingness to initiate an Asian policy where Japan would attempt to become an organizing and politically leading actor in a Southeast Asian grouping, in the sense that Tsukamoto, Abe and Araki had implied in connection with the Asian orientation.

The Asian orientation, in the sense of regional integration being difficult, the tendency to leave Asia as regards Japan's rank and psychological identification also went one step further in 1964. In that year Japan was admitted to the OECD, of which, for example, Okita Saburo comments:

> ... 先進国という大人の仲間入りもしたのだ ...
> (1964, 2)

The word *nakama* has several meanings, including a circle of companions, a gang, a group with informal relationships; and it is this kind of circle of "adult" advanced industrialized nations that Japan had now successfully entered. Japan's position with respect to the rich Euro-American countries has yet to be qualified, as its standard of living was not yet on their level, but that notion is again qualified by Japan's rapid economic growth, which Okita now calls "super high growth", *chookoodo seichoo* (超高度成長). If Japan's rank was low in terms of general standard of living, in the dimension of growth it has earned the incontestable rank of number one, *ichi ban* (一番) (ibid. 36), which balances the psychological calculation. In addition, in the not so distant future, as growth continues, Okita can expect that Japan will reach the standard of living of the OECD countries (ibid. 269-77, 286-8).

The process of Japan moving away from Asia in terms of its

frame of reference was in a sense confirmed by an international event during the following year. The first United Nations Conference on Trade and Development (UNCTAD) convened during the spring 1965, and at the beginning of the Conference Japan was in the unique position of being a member of both the Afro-Asian group and the group of developed countries. The arrangement reflected the old idea of Japan being a middle level country between developing and developed countries. During the early stages of the Conference Japan attended the meetings of both the Asian countries and the developed Western countries. However, during the middle of the Conference an explicit antagonism arose between the developing and the developed nations, and a solid block of the developing countries emerged. Since Japan continued to participate in the meetings of the developed countries, it was thrown out of the meetings of the Asian countries. As a consequence Japan, which was already the sixth largest trading nation in the world, was not elected to the working group which drafted trading principles, the Asian group sending only their own members. At the end of the Conference when members for the Trade and Development Board which was to act as a standing follow-up board for the Conference were chosen, Japan was elected, but not from the Asian group as had happened in similar situations before, but from the group of advanced industrialized nations. Asian antagonism towards Japan seems to have resulted in part from the conflict within the Conference, and in part from Japan's voting behaviour in the Conference, where Japan adopted an attitude conservative even for a developed nation, especially opposing attempts of the developing countries to remove import barriers on their export products. This was one occasion where Japan was clearly and publicly forced to take sides, and Okita Saburo, one of the Japanese delegates to the Conference, was clearly somewhat shaken by the event (Okita 1965, 1-3).

4.5 Asian Dynamism

The discussion in Japan went on, with several authors trying to clarify Japan's position. The new economic dynamicity of Asia seemed to be interesting to many authors. One of them was Oki Hiroshi, an official in the Section for Economic Cooperation in the Ministry of Foreign Affairs, who in 1965 published a book entitled *Ajia to Nihon, Ajia keizai hatten ni kyooryoku suru Nihon no yakuwari* (Asia and Japan, The Role of Japan in Assisting Asian Economic Development). It does not present such clear undertones of a big power as Tsukamoto, Abe and Araki expected along this path, but it does display a feeling of

Japan's emerging power and success:

> 戦争で傷ついた日本経済を一日も早く回復するとともに、その経済力を背景として国際社会における有力な一員としての発言力を回復することにあった...
> (Oki 1965, 3)

In 1965 twenty years had passed since the end of the war, and the Japanese economy, which had received severe wounds in the war, was reconstructed. With the backing of this economic power, Oki sees Japan as having again attained the place of a powerful member of international society, although it is primarily the recovery of its power of speech to which Oki refers in that context. In other words, Oki is also arguing that Japan has regained its ability to make international initiatives.

Making initiatives means using foreign policy, and Oki distinguishes three different foreign policies of Japan, namely the foreign policy of peace, *heiwa gaikoo* (平和外交), political foreign policy, *seiji gaikoo* (政治外交), and economic foreign policy, *keizai gaikoo* (経済外交) (ibid. passim). As used by Oki, they are not analytical concepts, but rather overlapping epithets, and their borders are not defined. Peaceful foreign policy refers to an orientation toward the world in general, exposing the peaceful and harmless nature of Japan. Also, Oki is careful to qualify his claims about the emerging power of Japan, as not meaning any big power policies. It would be carried out mainly through speeches in the United Nations and other similar forums, as well as through helping economic development around the world, making life better for the people, and the world a more peaceful place (ibid. 5-6). Political foreign policy would be conducted among the countries of the free world. It would mean supporting some of the global initiatives of the United States, while at the same time negotiating, e.g., the return of Okinawa to Japanese jurisdiction. Economic foreign policy is by Oki's definition synonymous with economic cooperation (ibid. 67). It is also a part of the peaceful foreign policy, and needed around the world, but it is especially meant to be aimed towards the Asian developing countries, which are the main interest of Oki in this book.

He here links Japan with the Asian countries in a logical structure, obviously inspired by ideas similar to those espoused by Akamatsu, although his name is not mentioned. He structures Asia in the dimension of the level of development in the following way:

1. Countries producing mainly primary products
2. Countries in the process of light industrialization
3. Light industrial countries
4. Countries in the process of heavy industrialization
5. Heavy industrial countries (ibid. 181)

Now, in 1965 Oki no longer finds any whole countries on level 1, although large districts in several countries, such as Indonesia, Laos, or Thailand belong here. Taken as a whole, most Asian countries are at stage 2, developing light industries, moving clearly upwards from the level on which they had been when they were colonized. They import capital, and their exports still consist mostly of the primary products they have traditionally exported. The products of their light industries are consumed in the home country, but more often than not they are already doing a good battle with imports by replacing them through their own production. However, their industries are still weak, needing protection, and corresponding national policies are usually adopted.

Pakistan, Thailand, and the Philippines have succeeded in climbing to the third stage. Their imports of light industrial goods have greatly diminished, and although primary products still occupy a major part of their exports, industrial goods are also exported. These countries import lots of capital and technology. At stage 4 are countries like Hong Kong, Taiwan, South Korea, India, and China - which Oki has not hesitated to include in his structure. The share of their exports dedicated to light industrial goods is fairly high, and except for China, they import even greater amounts of capital and technology for the construction of their heavy industries.

The only advanced industrialized country in Asia naturally occupies stage 5 alone. However, when presented in this way, the distance between Japan and the other Asian countries does not appear to be great. In addition, the same argument with which others could make the perceived distance between Japan and the Euro-American countries become insignificant, namely rapid development, is applied by Oki to the Asian countries. There are also instances where Oki places Japan and some other Asian countries into a structurally similar position. For example, in terms of their trading structures, Japan and Hong Kong are said to be very much alike, importing raw materials and exporting processed goods. Other countries, like Taiwan, are also approaching this situation (ibid. 92). In addition, Oki introduces a new concept, "relatively advanced countries", *sootaiteki senshinkoku* (相対的先進国), which allows him to group together Japan, Hong Kong, India, China, and "others" (ibid. 184), obviously referring to Taiwan, South Korea, and perhaps Singapore.

As can be expected, Oki does not use the term integration when referring to Japan's relationship with these countries, but speaks of economic cooperation. Trade in raw materials and industrial products should be expanded between the countries, and Japanese investments and developmental assistance in the region should be increased (ibid. 81-135). The argument is the familiar one in the theme of development, that for a long time to come the region would offer a vast and expanding market for Japanese products. Oki

can thus be seen as favouring the Asian orientation, although he does not talk about Japan assuming any role of political leadership in the region, but stays in the economic sphere.

It is important to emphasize the theme of economism here. Only because he closes out the political sector, can Oki make up this kind of constructive scheme where Japan appears closely connected with the Asian countries. Where the discussants transgress the borderline of economism, as Tsukamoto, Abe and Araki did by depicting Japan as a regional political leader, or when the amorphous political situation in Asia is discussed, something inhibiting regionalism in Asia always appears. With this it is not meant to say that there is something unrealistic in what Oki is doing, but rather that parts of reality have to be closed out in difficult situations for constructive thinking to be able to proceed (see Korhonen 1990a, 33-6).

In Oki's case there had also been a change in the political situation, which made it easier to place less emphasis on the political sector. In June, 1965 a breakthough was finally made in the Japanese-Korean negotiations, Japan agreeing to pay South Korea $200 million as war reparations, and $300 million as aid. In addition, the flow of private funds was expected to rise rapidly (Oki 1965, 105). As it turned out, the lessening of tension took time; even though diplomatic relations were established, it took two years until the first Japanese investment to South Korea was authorized, and the level of investment remained low until the early 1970's (Shibusawa 1984, 44). However, that is not important here. In 1965 Oki could expect that transfer of capital and technology would aid the development of South Korea, political tension between the countries would diminish, and the relationship shift towards an economic one. The same could be expected to happen sooner or later also with China, the whole of East Asia moving towards an economic orientation.

The Japan Economic Research Center (JERC) was established in 1964. It was a private organization, situated in the Nikkei Building in Otemachi, the economic center of Tokyo. Its purpose was to further research into the problem areas and future of Japan's economy, and to this end it organized various studies, study groups and conferences, bringing academicians together with government and business circles, also sponsoring international participation and personnel exchange. Okita Saburo became its first director, and JERC soon moved to the center of discussion on regional integration in Japan. In September, 1965 it organized a conference among Japanese economists to discuss ways of increasing trade with the developing countries. In light of the UNCTAD meeting it was deemed necessary to start discussion of Japan's situation in the Asian Pacific area in earnest. This conference acted as a preliminary meeting where the Japanese participants could prepare themselves for an international conference which took place in November, and where the Japanese participants

presented somewhat revised versions of their papers.

Of the discussants, especially Fujii Shigeru argues about the importance of perceiving the strength of the Asian economies. Like Oki, he also places great emphasis on the magical attribute of the high speed of growth, which during the 1960's began to present itself in many Asian countries. Fujii especially praises Hong Kong and Taiwan, while noting that India seems to be slipping somewhat. Other countries praised are Burma, Ceylon, Indonesia, South Korea, Malaysia, Pakistan, the Philippines, and Thailand; presented in alphabetical order, without an attempt to differentiate Asia into different regions. The list of products which Fujii presents as displaying especially good rates of development is impressive: cotton textiles, paper, cement, iron and steel, phosporous fertilizers, potassium fertilizers, sulphuric acid, caustic soda, and soda ash; in other words not only light industrial products, but also cruder heavy and chemical industrial products (Fujii 1965, 1-5).

This new Asia, as presented by Fujii, is an economic threat to Japan. He does not point out the beneficial effects of Asian development on Japan's export trade, but rather concentrates on its harmful effects. Japanese exports to the area are shown to be declining as a result of local production, trade among the Asian countries, and governmental measures against Japanese trade. Fujii remarks, though, that many countries have tended to run continuous deficits in their trade with Japan. In addition, many Asian countries are already competing with the Japanese in third markets, often successfully, in product categories like cotton goods, various other light manufactures, plywood and cement (ibid. 5-11).

Fujii notes that thus far the countries have not been able to compete very successfully in the Japanese market, except in one apparently threatening case. It became famous among Japanese economists, acquiring the status of a fixed expression: "the Hong Kong flowers" (ホンコン・フラワー). The plastic flowers made in Hong Kong, used in decorating both homes and public places, had been in 1965 able to conquer the Japanese market, driving the Japanese flower makers into near oblivion. Earlier, Japan had been one of the principal producers. The production of plastic flowers had increased rapidly in Japan during the 1950's, reaching their peak in 1960. Exports to the United States and other international markets had risen accordingly. However, from 1961 onwards the Japanese began to lose international markets in favour of the Hong Kong flower makers, and also imports to Japan began to rise considerably. Production in Japan fell rapidly, so that in 1964 it was already below the 1956 level, and was continuing to fall (ibid. 16).

There were also other sundries, the production of which required cheap manual labour, and which were beginning to be imported to Japan. Most of them were wooden, bamboo, and straw

products, such as furniture and various other consumer goods. Also the imports of zippers were increasing. The place of origin was usually Hong Kong or Taiwan, and Japanese producers were being pushed away in the international markets, too (ibid. 17-18). Resemblance to the history of Japanese development was obvious: new competitors entering markets with incredibly cheap, miscellaneous consumer products, which looked harmless, but with which the countries were able to conquer important niches. Later the products would diversify, and their quality rise. An especially shattering event in this sense seems to have been the easy conquering of the Japanese market by the Hong Kong flowers.

The importance of this kind of excercise is in creating a new frame of reference for Japan in Asia. The rank of Asia is rising along the economic dimension, and there is no longer a need to depict Japan as being alone in Asia as the only developed country. The attribute of economic dynamism is, in the middle of the 1960's, spreading outward from Japan to include the Asian countries as well, changing the generally backward image of Asia towards a more positive one. Following the theme of development, Kojima and Okita had expected this to happen, and now it was happening. In Oki's case, the new image of Asia is positive enough to act as a counterpoint to interest in the Pacific countries, but still not strong enough to elicit enthusiasm towards deep economic integration with them; in the case of Fujii a more threatening image is created. However, in both cases the dynamicity of Asia becomes an additional reason for taking the Asian countries into consideration in all visions of Japan's future.

4.6 The PAFTA Proposal

In the same conference on the trade expansion of the developing countries Kojima Kiyoshi and Kurimoto Hiroshi, an official of the Japan ECAFE Association, presented a paper, which subsequently came to dominate discussion on Japan's prospects for regional integration. The name of the September version was *Taiheiyoo kyoodoo ichiba to Toonan Ajia* (A Pacific Common Market and Southeast Asia) (Kojima & Kurimoto 1965), and that of the November version *A Pacific Community and Asian Developing Countries* (Kojima & Kurimoto 1966a). Although both Kojima and Kurimoto were given as authors of the paper, they wrote separately, Kurimoto's contribution appearing as an appendix to the text by Kojima, and they will therefore be separately analyzed. The main text and the principal ideas were contributed by Kojima. There is also a rewritten version of the paper in

Japanese (Kojima & Kurimoto 1966b), but analysis here will be concentrated on the first two versions. They constitute the original proposal of PAFTA, the argumentation in them being fresher, in the formative stages, and thus being more open to analysis. The part written by Kojima was also published, again with some rewriting, in his book *Japan and a Pacific Free Trade Area* (Kojima 1971, 71-104).

Because of different languages, different audiences, and the development of the argument over time, there are some differences in the versions. The basic one is that the first version is more marked by doubts as to the pros and cons of regional integration, to be discussed with the home audience. The latter version is more sophisticated, easier to read, and argued more persuasively as a proposition to be accepted by an international audience. The audience at the international conference was composed of economists from various Asian countries and one from the United States; later the English version was distributed widely in the Pacific countries. It must be emphasized, however, that the differences between the versions are not great, but rather a matter of emphasis. Both versions begin by emphasizing that what follows is "a highly hypothetical enquiry" (1965, 1; 1966a, 93), meaning that although the idea makes some sense economically, its practical feasibility is still felt to be questionable.

The idea of Pacific integration is presented as a research problem:

> ... what would be the scale, character, and mutual economic benefits for members of a Pacific Free Trade Area if one were to be established among the United States of America, Canada, Japan, Australia and New Zealand in the foreseeable future. (1966a, 93; 1965, 1)

The theoretical basis for Kojima's proposal goes back to his study on the concept of integration in 1962, and on his policy proposal for arranging trilateral trade between the United States, Japan, and the Asian countries. At that time he had been sceptical about treating the Pacific countries as an economic region with which Japan could integrate, but now he has changed his mind. It is interesting to note that while in previous discussion Japan had been placed as the last member in lists of the five countries, Kojima now places her in the middle of them. It was with this kind of tiny change of emphasis that Japanese thinking on Pacific integration proceeded. In addition, although he calls his study hypothetical, he also uses the expression "foreseeable future"; time is still unspecified, but at least it is seen as a concrete possibility, no longer as a dream. The idea of the five countries forming an economic grouping was by 1965 common knowledge in Japan, but thus far discussion had proceeded in rather vague terms, based more on feelings than actual knowledge of the situation between the countries. With this study Kojima moves dis-

cussion onto the firmer ground of a scientific study on the economic strengths and weaknesses of the countries in question, and on a matter-of-fact speculation on the probable effects of integration, if indeed it was to take place. The strength of Kojima's argument is that he lays bare, from an economic point of view, the basic relationship between the Pacific countries, and this laid a firm foundation on which subsequent discussion could be based.

However, in 1965 neither of the versions were yet ready. There were inconsistencies in the argument. A clear indication of the preliminary state of the idea is the number of different names that Kojima used in describing the idea. The titles of the texts, as presented above, clearly indicate that the European Economic Community has been used as their model, and the goal of integration is given as the formation of an "economically integrated free trade area such as already exists with the European Economic Community" (1966a, 94). However, these names are used interchangeably with 「太平洋自由貿易地域」(1965, 1), i.e., "Pacific Free Trade Area" (1966a, 93), which would point to a more EFTA-like approach. Basically, Kojima's approach is only that of free trade, consistent with his earlier opinions. He does not present any ideas regarding a customs' union, and still less of political unity, or creation of supranational organizations to stand over the member countries. That would explain the use of the latter names, while references to "Community" might at least partly result from the fact that the EEC was without doubt both more well known and the more prestigious of the two organizations. Using a name modeled after it would mean giving Pacific integration equally prestigious overtones as those of the EEC, an important thing from the point of view of argumentation as political action.

In the earlier text the name「太平洋先進国自由貿易地域」(1965, 12), or "A Pacific Advanced Countries Free Trade Area" is also used. In the same version Kojima also uses the abbreviation PAFTA, the whole name being given in English as "Pacific and Asian Free Trade Area" (1965, 2), which conflicts with the previous name. This probably indicates that Kojima is still vacillating somewhat between the Asian and the Pacific orientations. The later version uses PFTA throughout, where Asia has been dropped out. In later discussion, both by Kojima and others, the name returned to the more easily pronounced PAFTA, where the first "A" comes from the second letter in the word "Pacific" (see, e.g., Kojima 1971, 71). For the sake of consistency, the abbreviation PAFTA will be used throughout the following in the latter sense.

Interestingly enough, in the later version Kojima also calls PAFTA sarcastically a "rich men's club" (1966a, 103), as the PAFTA might lead to a still more drastic break with the Asian countries. A solution might be to include the Asian countries into the grouping through an associated membership in the way many African coun-

tries were associated with the EEC. In a footnote he also remarks about the possibility of including the Latin American countries as associate members, and in another mentions that the entry of the United Kingdom would also be welcome (1965, 2; 1966a, 96).

The vagueness of the question of membership indicates that Kojima does not want closed integration, and in both versions he still insists that the best course for Japan would be free trade on a global basis. However, his views about the threatening aspects of European integration seem to have become even stronger than before. Especially the earlier version argues from the basis of a threat emanating from Europe, and Kojima seems to have become worried even about the prospect of the EFTA joining the EEC, which might not result in a more open EEC, but in an even more closed Western European integration. Against this economic threat he strongly advocates that Japan has to start studying measures to set up a counterforce, *taikoo seiryoku* (対抗勢力) (1965, 2), the PAFTA being his solution. In the later version the argument is directed more toward the United States, Kojima pointing out that, in view of the possibility of the appearance of an "inward looking Europe", the United States "might well find closer integration in the Pacific desirable" (1966a, 93-4).

There is also a brief mention of the tendency of the United States to look "towards the possibility of ultimately going in with Europe" (1966a, 93). It is only a small one. The general structure of his argument is that he declines to make the liaison between North America and Western Europe present to his audience, but instead constantly argues for a liaison between North America, Japan, Australia and New Zealand. The prospects for an Atlantic Community had also diminished at the time. Following President Charles De Gaulle's veto of Britain's entry into the EEC in 1963 the GATT negotiations between the United States and the EEC had made a turn for the worse, and at the time of Kojima's proposal there was still no relaxation of the tension (Kojima 1980, 3). France in particular had adopted an antagonistic stance towards trade liberalization with the United States, especially on the question of agricultural products, and maintained a restrictionist attitude toward United States' investments. There was also a corresponding tension between France and the United States in NATO, although in 1965 French troops still remained under the unified command. These tensions caused a shift in rhetoric in Washington. The image of an Atlantic Community dropped lower in Washington's hierarchy of values, and in its place the concept Atlantic partnership, a more distant relationship, began to be talked about (English 1968b, 28-30). The United States still tended to be more interested in Atlantic affairs than Pacific ones, and Kojima's proposal has to be seen partly as an attempt to increase a Pacific orientation in the global policies of the United States, but the main idea in 1965 seems to have been the setting up of a counterforce to

the EEC. This idea of a counterforce explains the extremely wide membership Kojima contemplates. If Western Europe was to create an economic block together with Africa, and the Socialist world would be another block, Japan would still thrive quite well in a grouping composed of North, Central, and South America, Oceania, Asia, Great Britain, and the British Commonwealth.

In addition to this defensive or negative argument, Kojima also uses positive arguments. One of them is that if PAFTA was formed, and the attention of all of the five rich countries would be directed towards the Pacific and Asia, that would be a "miracle drug", *myooyaku* (妙薬) (1965, 2) to the developing Asian economies. It would mean increased trade, investments, and developmental aid to the region. The general idea is that a group of rich countries could do this far better than one poor Japan. In light of the recent conflict in the UNCTAD conference with the developing countries, Japan being criticized for not opening her import restrictions against them, the enlargement of the export markets of the Asian countries would obviously make the situation easier for Japan.

Another positive argument concerns the overall economic viability of PAFTA as a statistical entity. The statistical figures Kojima uses as the basis for his calculations are presented in the following table.

TABLE 4.1 Statistical Characteristics of the Pacific Free Trade Area, 1963.

	GNP $US million	Population thousand	Per capita income $US
USA	583 918	186 591	3083
Canada	39 781	18 600	1591
Japan	59 672	94 930	512
Australia	17 320	10 705	1283
New Zealand	4 436	2 485	1499
Total	705 127	313 311	
Average			1837
United Kingdom	84 000	53 441	1248
EEC	247 491	175 432	1088

Source: Kojima & Kurimoto 1965, 39.

It is always necessary to keep in mind that at that time the United States was still in an economic class of her own. In terms of GNP the United States was more than twice as big as the whole EEC. Its importance for Japan was also at least twice as great, and probably more because it was nearer, and this was without taking non-economic factors into consideration. Of the remaining PAFTA countries, Japan was the strongest in terms of GNP, but not very much stronger than Canada. Japan was also second in terms of population,

but on the lowest position in terms of national income per capita. Like Okita before, Kojima also points out that Japan's situation resembles in many ways that of Italy in European integration (1965, 4), as Italy was also relatively poor compared with France, the Federal Republic of Germany, and the Benelux countries.

It may be useful to speculate here about some matters that Kojima only hints at. For instance, in the earlier version, he mentions in passing that the United States might be too big for PAFTA (1965, 4). If we left the United States out of the calculation, we could get a grouping with a total GNP of $121 000 million, and with a population of 127 million. According to the purely economic criteria of Kojima, this would show that even without the United States the four countries could create an economically feasible grouping among themselves. Its size would be about half of the EEC in terms of GNP, and two thirds in terms of population. Japan would, however, be a dominant member in this grouping, especially if the industrial structures of the countries were taken into consideration. This idea is not discussed by Kojima at all. Perhaps it would not make sense even as a logical possibility. As in the discussion of the concept of OPEC above, Kojima does not show a willingness to use any overtones of a big power in connection with the idea of PAFTA, but treats Japan constantly as a small country. In addition, Japan could not possibly be seen as an integrating "glue" in any institutional scheme, if it were to be attempted. Japan would be alien to the three countries, with hardly any historical ties with them (1965, 4). Clearly in PAFTA it would be the United States towards which all of the other countries would orient themselves. Japan can do research, take part in, and even propose the formation of a grouping like PAFTA, but as formulated already by the Nihon keizai choosa kyoogikai in 1963, she cannot create a grouping like this on her own power, but has to get the United States to do it.

On the other hand, Kojima also included the figures for the United Kingdom in his table of statistics without explaining the reason. If we were to speculate further, and include the United Kingdom in PAFTA in place of the United States, then we would get an organization roughly equivalent to the EEC. Its population would be almost the same, 180 million, and its GNP only a little lower, $205 000 million. Here, Japan would be getting together with the British Commonwealth, including the three Pacific countries as well as a number of Asian and African countries. Naturally, this kind of speculation sounds ridiculous. The Commonwealth countries have long historical ties among themselves, and economically Japan and Great Britain would just be competitors. In addition, Great Britain was relatively stagnant economically, and would no longer have been strong enough to accommodate Japan as a junior partner, and it is exactly a junior partnership in a larger grouping that seems to be in

Kojima's mind for Japan.

Kojima's third argument concerns the industrial structures of the participating countries, and the effects on them of tariff elimination. Kojima uses the concept of the intensity of trade, meaning the amount of trade that is conducted between any two countries over and above the amount that would be expected in a purely abstract situation of global free trade. He found that the trade intensity is above normal among the five PAFTA countries. They especially tended to export quite a lot to the other countries in the area, but tended to import from outside of the area. The United States and Canada on the one hand, and Australia and New Zealand on the other, form especially close trading relationships, and in 1965 the latter two countries had already signed an agreement to create a free trade area between themselves, coming into effect on January 1, 1966. Japan traded quite extensively with the United States and Australia, generally consisting of complementary trade, exchanging primary products for manufactured ones (1965, 5-6; 1966a, 97). Japanese exports went to the United States (27 percent), all five countries (33 percent), and Southeast Asia (32 percent). The rest (35 percent) went other places around the world. The general situation was thus such that the trade of Japan could be divided into three parts of roughly equal size, which makes Kojima warn that Japan should not be too preoccupied with Pacific integration at the cost of forgetting Asia. Especially in the earlier version he emphasizes that, in terms of trade, Japan stands in between Asia and the Pacific (1965, 5-6). However, with respect to the overall international market the Asian Pacific region - or rather the *Taiheiyoo-Ajia chi-iki* (太平洋ーアジア地域) (1965, 6) as Kojima calls it, placing the word "Pacific" first, as it had not yet become a fixed expression, being one of the names under formation - which absorbed 65 percent of Japan's exports, was extremely important. If the tendency towards forming economic blocks continued, Japan would have had to place the guaranteeing of good relations with this area above everything else.

However, the process of the relative diminishing of trade with the Asian countries, which had started during the 1950's, was still continuing. Since the partial liberalization of Japan's trade after 1960, which meant mainly the liberalization of imports of some primary products, Japan's trade with the five Pacific countries had been further intensified in contrast to its trade with Asian countries. For instance, Japan imported large quantities of soy beans, rice, maize, sorghum, raw cotton, iron ore, and coking coal from the United States; sugar, iron ore, copper, and coking coal from Australia; and iron ore, copper, and coking coal from Canada. Except for cotton, imports were increasing. This leads to the following comment: "... the import of primary goods is being made in increasingly large quantities from the Pacific advanced countries, whose supplies are better

in quality, cheaper in price, better in quality control and more punctual in delivery. The liberalization of trade is causing Japan to turn its back to Asia" (ibid. 1966a, 104). The process is not wished for by Kojima, but the phenomenon is still a factor favouring the Pacific orientation.

When we look at the industrial structures of countries, and divide products into four groups, namely heavy and chemical industries (K), light manufactures (L), natural resource intensive products (N), and agricultural products (A), the global situation is that the countries which have a comparative advantage in K-products are the United States, Japan, and Western Europe, which actually has the highest ratio. The strongest comparative advantage Japan had was in L-products, where it had the highest relative share. It was in a competitive relationship with Western Europe and the Asian developing countries in these products, although losing its competitive edge, but complementary with the four Pacific countries. In A-products, Canada, Australia, New Zealand, Asian developing countries, and to a large extent also the United States, were competitive with each other, and complementary only with Japan and Western Europe. In N-products, only Canada had a large share, and Australia and the United States a moderate one, lower than Southeast Asia. Japan's share was extremely low, and thus it was in an extremely complementary situation with all of the countries within the Asian Pacific area (1965, 10; 1966a, 99).

Several things follow from this: The four other PAFTA countries are competitive with the Asian developing countries in exporting A- and N-products. If trade liberalization were to take place among the five countries, Japan's trade might shift even more strongly towards them, if special measures were not adopted to help the Asian countries in their export trade. They would need assistance to develop their production to increase their competitiveness, and the four PAFTA countries would need to make structural adjustments in their economy. A similar problem is also seen to exist in the expansion of trade of manufactured goods if trade liberalization were to take place only among the five; because of its comparative advantages in both K- and L-products, Japan might hamper the possibilities of the Asian developing countries to export to the other PAFTA countries if special measures were not taken to help them (1966a, 103-7).

It also seems clear that Japan would benefit more than any other of the five countries if trade was liberalized among them. According to the first version, if tariffs were eliminated, Japan's exports to the four other countries would increase by 55 percent, but her imports by only 12 percent (1965, 14). The reason is that Japanese exports tend to be products which generally have higher duties than the kinds of products it imports. If Japan was to engage in similar

integration with Western Europe (EEC + EFTA), its exports would grow by only 27 percent, but imports by 40 percent. For this reason Kojima comments that it would be wise not to integrate with Western Europe, but with the Pacific countries, which idea he praises enthusiastically (非常に望ましい有利な効果だ ...) (1965, 15). These arguments are obviously meant for national consumption, to increase Japanese interest in the idea. Even though Kojima still valued global integration above regional integration, the latter now began to look like a viable and highly recommendable second-best solution.

In the later version, recalculations are made and the expected benefits toned down. Kojima does not mention whether it is because of more correct methods of calculation, or because of a different audience. The figure for the increase of Japan's exports is 21 percent, not much above the figure at which they were already in reality rising, and the figure for the increase of imports, 6 percent. After this, Kojima mentions that "Japan would be able to improve her balance of trade with the area which was deficit by $1000 million in 1963" (1966a, 101). In this way it is made to appear as right and proper that Japan would be able to improve its trading situation with the other countries. Naturally, it may be that Kojima did not have fresher figures at hand, but it may also be that Kojima used the most convenient year to back up his proposal for the international audience. Japan's balance of trade was already getting better in 1964, and in 1965 it was already back in the black (Nakamura 1987, 51). The United States would increase its trade somewhat, keeping quite well in balance, while the situation for all of the three remaining countries would deteriorate, suggesting "the need of industrialization" for them (1966a, 102).

Thus, according to Kojima's calculations, Japan would fare quite well whether the world trading situation remained the same as it had been, based on GATT, or whether it would take part in Pacific integration. The United States would gain somewhat with Pacific integration, or at least it would not seem to lose anything by it, and the need to turn the attention of the United States away from Atlantic integration rests on this basis. The other three countries would be the losers. They were built up as supporting economies for Great Britain, but now they were clearly in need of finding new markets, and changing their economic structures. From Kojima's point of view, they should rapidly start to advance along the course of the Flying Geese, decreasing the share of A- and N-products in their exports, adding more industrial products. In this way they would fit better into Pacific integration, and not stand in the way of the Asian countries in their exports of A- and N-products. The high levels of income and education in Canada, Australia, and New Zealand would point to a direct orientation towards K-products in their industrialization, so that also in the case of L-products they would make way for

the Asian developing countries.

Kojima also points out that recently Japan had approached full employment, so that the problem of employing its huge population was disappearing, and also because full employment would lead to a rise in wages, Japan would rapidly lose competitiveness in several L-industries (1965, 22), placing them clearly in the category of sunset industries. Thus, Japan would also, as if naturally, start paving the way for the imports of L-products from the Asian developing countries, and it would even be easy from the point of view of the export expansion resulting from PAFTA. The trade expansion of the Asian countries would be managed carefully, which is the basic sense of the idea of associated membership. With the greater market of PAFTA, their exports would increase, and as they would need to import all they could to continue their development, also export trade from PAFTA to the Asian countries would increase. Japan would be very well situated in this regard. The PAFTA proposal of Kojima was, thus, in face of the possible threat emanating from European integration, a way of securing Japan's trading position in an optimal way, while allowing it to retain its trading relationship with the Asian countries, the market second in importance. Kojima's proposition amounts to adopting a general Pacific orientation in Japan's economic foreign policy without, however, turning her back to Asia.

The part written by Kurimoto stands as a curious appendix to the text of Kojima. His main problem is the balance of payment deficits of the Asian developing countries. To correct it, he advocates that as a first stage the advanced Pacific countries should gradually stop importing agricultural products from each other, and transfer supply sources to the Asian developing countries. In the second stage these countries should refrain from exporting agricultural products to third parties, like Europe, and curtail their own production to the level of minimum self-sufficiency, leaving the international agricultural markets completely to the developing countries (Kojima & Kurimoto 1965, 22-26; 1966a, 107-111).

The idea has a superficial similarity to Kojima's proposition, but nothing more. It would cut the strength from Kojima's argument for PAFTA with respect to Canada, Australia and New Zealand, and the United States would also be affected. The only function Kurimoto's piece would appear to have is as a political offensive towards the Asian developing countries. As it is situated at the end of the paper, it might leave a good taste in the mouth of Asian readers who might be alarmed by the formation of a "rich men's club", which would give the Asian countries the status of a mere associated member. In that sense, Kurimoto's proposition would be purely persuasive, albeit clumsy, politics towards the Asian countries.

On the other hand, even that function is limited, because Kurimoto does not try to make room for the industrialization of

Asian countries, but rather argues in favour of developing them as agricultural economies. There is a discrepancy between Kojima and Kurimoto, which perhaps most of all shows the immaturity of the paper, as if it had been hastily put together for the conference.

Too much should not be read into the PAFTA proposal about its orientation towards developed countries (comp. Chung 1981, 14-17). PAFTA included more than an idea of keeping Asia as a reserve in case Pacific integration did not proceed smoothly. The proposal reflects the rise in Japan's international status and level of development, and in that sense Japan had left Asia, but only in that sense. The Asian countries are kept constantly in the picture, and the PAFTA proposal should also be viewed under the theme of Asia, as an attempt to define optimally, in an economic sense, the relationship between Japan and Asian countries, and as an attempt to assist the latter according to the Flying Geese Pattern of Development. In the rewritten Japanese version of 1966, which was published in February, a special concluding chapter is added, where the Asian aspect of PAFTA is emphasized (Kojima & Kurimoto 1966b, 94-5).

In his *Sekai keizai nyuumon* (Introduction to World Economics), published in December 1966, Kojima conducts most of his discussion of the PAFTA concept from the point of view of Asian countries. Although he hopes for the success of the Kennedy Round in general, he also criticizes it because it had begun to look like trade liberalization through it would mostly benefit the industrialized countries, leaving countries producing agricultural products and light manufactures without much change in their international trading situation. PAFTA is presented here as a corrective measure to the Kennedy Round (Kojima 1966, 103-4).

He calculates that at least Hong Kong, Taiwan, Singapore and India were on a level of development where they would be strong enough to benefit greatly from free access to the markets of the five Pacific countries, while the other Asian countries would still need assistance from the industrialized countries for their light industries. They could, however, export raw materials and agricultural products (ibid. 116). He calculates also that the brunt of the exports from Asian countries would be borne by the United States. Exports there would expand by $330 000 000, to Canada by $20 000 000, to Japan by $40 000 000, to Australia by $30 000 000, and to New Zealand by $14 000 000. Asian exports would rise overall 15 percent, and light industrial products would occupy the greatest share of the rise of Asian exports, giving a great boost to Asian development (ibid. 114-5). As a market, and as a source of capital and technology, PAFTA is presented as the parent organization, *botai* (母体)(ibid. 117), to Asian development.

It is probably because of a different audience that Kojima emphasizes PAFTA's Asian and Pacific aspects differently in different

settings. It seems that in the actual proposal, intended to initiate political action among an international audience, he concentrates on the relationship between the five industrialized countries, while especially in this text written for home consumption, in the middle of general economic discussion, the Asian aspect can come into the foreground.

Bela Balassa's typology of the degrees of regional economic integration, which had been widely used in the study of integration during the 1960's (see, e.g., Nye 1971, 28-9), and which Kojima had also known in 1962, although he did not at that time take special interest in it (Kojima 1962a, 56, 61), can be used in setting Kojima's proposal into perspective. Balassa distinguishes between five different categories of economic integration, from the loosest type to tighter forms, starting from 1) a free trade area, where tariffs and quantitative restrictions between countries are abolished, but each country retains its own tariff policy towards non-members; 2) in a customs union the whole group adopts common tariffs against non-members; 3) in a common market not only trade restrictions, but also restrictions on factor movements are abolished among members; 4) in an economic union national economic policies are also harmonized to remove discrimination due to them, and 5) in total economic integration also monetary, fiscal, social, and countercyclical policies are harmonized, and a supranational authority whose decisions are binding for member states is set up (Balassa 1962, 2).

In view of these possible degrees of economic integration, Kojima's PAFTA proposal appears as the loosest form. He proposes only the formation of a free trade area, not even a customs union, much less any of the more far reaching forms of integration. In one sense Kojima goes beyond the simple free trade area approach, as he advocates a common trade and aid policy towards the Asian countries. Also, the proposal as an application of the theory of the Flying Geese Pattern of Development could in a sense be seen as a harmonization of economic policies, but the sense is different from Balassa's stage no. 4. The purpose of PAFTA was general expansion of trade in the widest possible area outside Europe and the Socialist countries, and it should be seen as a very loose form of regional integration. PAFTA was modelled to be harmonious with GATT and the ideal of global economic integration.

4.7 Japan, the Bridge

In 1967 Miki Takeo became the foreign minister of Japan, and adopted Kojima's proposition as the economic basis for his foreign

political visions. Kojima's scientifically backed construction made the idea of Pacific integration look practical, or at least usable in politics. Although Kojima himself does not claim so, on the basis of timing and political actions it is possible to argue that on this foundation first Miki, and after him other politicians including Miyazawa Kiichi and Ohira Masayoshi (see Kojima 1980, 21-5) were able to build more political constructions. The following analysis is based on Miki's published speeches on the subject in 1967, taken from a collection of his speeches and proposals (Miki 1984f).

Miki Takeo was the first politician to help make the idea of Pacific integration known in wider circles both in Japan and in other countries. In 1967 emerged the slogan *Miki koosoo*, "Miki Plan", or "Miki Conception" (三木構想), which in its economic substance followed Kojima's proposition, but it was argued by means of using more political rhetoric. Kojima's argumentation was meant for professional economists, but Miki, as a politician, using heavily epideictic rhetoric, constructs his arguments so that the idea can be sold to wider audiences both in Japan and abroad. He turns the idea of economic integration into a political ideology.

In his public speeches Miki further extended definitions of Japan with respect to other countries:

> 日本は今や米国、ソ連に次ぎ、英国、ＥＥＣと並ぶ先進工業国の地位に立つに至りました。
> (Miki 1984a, 292)

By 1967 Japan had become the third largest national economy in the world after the United States and the Soviet Union, surpassing each of the Western European countries, becoming thus number three within this dimension, and consequently Japan could now be presented as standing on the same rank as Great Britain and the EEC countries. At least in this context there is no longer any need to qualify the statement with the complex reference to standards of living and rapid growth; the statement can now simply stand on its own.

At the same time, Miki carefully presents Japan also as a member of the Asian countries, as *Ajia no ichi in* (アジアの一員) (ibid., passim). This is still qualified by emphasizing that Japan remains the only advanced industrialized country in Asia, balanced by the notion that the situation may not necessarily remain so in the future. He uses the expression "the new breeze of Asia", *Ajia no shinfuu* (アジアの新風) to describe the new economic dynamism of the Asian countries. Miki talks also about their diminishing lack of interest in war and ideological tensions, presenting them as following the economistic example of Japan. The Vietnam War is spoiling the picture, but Miki has hopes that it will end soon. China was in the middle of

the Cultural Revolution, but Miki is confident that before long - perhaps after ten years, perhaps after fifty years - China, too, will be moved by the new wind of Asia, especially if ideological tensions were allowed to disappear, and economic cooperation increased (1984c, 308). The Japanese themes of economism, growth and development are thus thickly spread over the Asian countries with the slogan "the new breeze of Asia."

Miki strongly emphasizes that Japan is a member of two groups, the advanced industrialized countries, especially the Pacific advanced countries, and the Asian countries. For these two groups to be combined into a meaningful whole from the point of view of Japan, a special geographical reference is needed, and this is the expression "Asian Pacific area," *Ajia-Taiheiyoo chi iki* (アジア太平洋地域), which Miki constantly uses in his speeches. He is treating the whole area as one entity which develops together, and increases the mutual security and prosperity of all of the participating countries. The term is usually written without any connective article between the words Asia and Pacific, although also the form「アジア・太平洋地域」is used in places; English usually requires adding that little "-n" after Asia, separating the words, and writing both of them with capital letters. It is a geographical term, and as such it is outside the sector of politics, which makes it useful toward the political end of discussing increased economic cooperation not only among the non-Socialistic countries, but also with China, and even the Soviet Union. All countries whose shores are washed by the Pacific Ocean can be included into the concept, while ideological differences can be de-emphasized. This is important from the point of view of Japan's security, and Japan would benefit also from increased trade.

At the same time, the concept is also a means of moving towards a more meaningful geographical definition of Asia from Japan's point of view rather than the European one. Miki is still vague on this point; he can very well name the Pacific countries as the United States, Canada, Australia and New Zealand - but he hardly mentions the Asian countries. However, he hardly refers to Asian matters west of Indo-China, and at least in this sense the concept of Asia relevant to Japan is in a process of being defined through the term "Pacific", so that it means what is today known as East and Southeast Asia. It is a small enough place in which to concentrate Japan's still limited projects of development aid and other economic cooperation, and it also diminishes the enormous heterogeneity of countries and cultures contained in the European concept of Asia. It is perhaps most accurate to say that Miki's concept does not exclude the rest of Asia, and in all situations he argues against closed groupings, but the Pacific parts of Asia are emphasized more than the rest. The Latin American countries are also usually missing from Miki's frame of reference, but we can at least say that they are potentially

contained in the concept of an Asian Pacific area. Miki is creating a new geographical concept to structure the surface of the globe in a way that is meaningful to the Japanese.

Miki also uses the category of time to argue for the newness of the situation. One of his ways is to divide the 20th century into three parts. The first third was characterized by World War I, the second by World War II, but the last third of the century, beginning in 1967, was supposed to be a period of peace (Miki 1984a, 286). The argument is based on the idea that the spread of nuclear arms is awakening the world to the same revelation Japan awoke to at the end of the war, that militarism and ideological politics do not pay, but economism does (Miki 1984b). By means of economism and peaceful politics Japan had risen from extreme poverty to prosperity, and the same road of economic construction is also open to all other countries. With the new breeze of economic development blowing in Asia, more and more countries seem to be adopting that road. The future prospects of Asia are emphasized, and if the remaining third of the 20th Century were to be spent on peaceful construction, the 21st Century, *nijuu isseiki* (二十一世紀) (1984a, 286) would present a peaceful and prosperous Asian Pacific region. Both the geographical category of the Asian Pacific region, and the temporal category of the next thirty years and beyond, are essential ingredients of the Miki Conception.

The 21st Century had become a catchword by 1967, following a boom of future studies in Japan. It was a continuation of the theme of growth, and resulted in a multitude of various visions. The model of Japanese studies was future research, which had been conducted in Western Europe and the United States during the 1960's (Okita 1967, 9), but in Japan it acquired a special meaning. Naturally it was extremely economistic, most discussants being economists, and there was a tendency among them to equate future research with economics (未来学は経済学と同じことだ) (Sakamoto 1967b, 264). The time was appropriate for that kind of national exercises. In 1965, 20 years had passed since the end of the war, and, in 1967, 100 hundred years had passed since Emperor Meiji had ascended the throne. The crowning event in 1967 was Japan's economy becoming the second largest among the Western trading nations. These factors were duly noted by the discussants (see, e.g., Koyama 1967, 30).

Various government agencies built up visions of Japan's future (ibid. 27; see also Okita & Murobuse 1967, 258-71), and Okita Saburo remarked that especially long term visions are in their full bloom (まさに長期ビジョンの花ざかりである) (1967, 9). The Japan Economic Research Center organized seminars and international conferences where both the historical record of Japan's growth and its economic development were studied (see, e.g., Shinohara & Fujino 1967), and various visions were built up.

The euphoric rhetoric of these studies is easily comparable with the rhetoric of the Ikeda Plan, and confidence in the future is based on confidence in the continuation of economic growth. In a JERC survey of the opinions of Japanese economists and economic experts it was found that 40 percent of these experts expected Japan's present high rate of growth (9-11 percent) to continue up to 1975, although the majority of 54.4 percent of them expected growth to slow down to a yearly rate of 6-8 percent. That is also the rate the majority of 61.5 percent of them expected the Japanese economy to grow between 1975 and 1985 (Okita and Murobuse 1967, 250). As the economists well knew, the growth rate of 6-8 percent meant doubling the size of the economy during a ten year period, and they were thus conservatively following the Ikeda Plan (see, e.g., Koyama 1967, 30-31; Matsumoto 1967, 121). The end of high growth was not seriously questioned, and this gave the basic undertone to all visions of the time.

The idea of 100 years since the ascension of Meiji easily translated to the idea of 100 years from 1967, which brought in the concept of 21st Century (see ibid. 27; Nakayama 1967, 1; Sakamoto 1967a, 5; Okita & Eto & Onishi 1967, 51). In practice studies tended to be restricted to the following 20 or 30 years, and the 21st Century was left unmapped. However, that rather tended to heighten the emotional load of the idea of *nijuu isseiki*. As its contents were not defined, the idea assumed the general dynamicity of the theme of growth, a shining bright future towards which Japan was moving.

For instance, the future Tokyo of 1985 was compared with London and New York, especially in international importance, as the central point, *kyoten* (拠点) of Asia, like London is presented as the central point of Europe, and New York that of the Americas. The text does not go any further than the year 1985, but it gives grounds for the reader's imagination to continue the trend, as it is full of exclamations about the enormous developmental energy, *kyodaina hatten no enerugii* (巨大な発展のエネルギー) of Tokyo. The other component of the image is that there are no more examples for Tokyo to follow, either in Japan or in other countries, because Tokyo has come to stand in the vanguard, *sentan* (先端) of the development of world history (Okita & Sakamoto 1966, 7-8). Other similar images afloat at the time included the idea of Japan as a special state, *tokuchoo kokka* (特徴国家), as a grand experimental state on the cutting edge of world history (世界史の最先端に立つ偉大な実験国家) (Sakamoto 1967a, 24; see also Koyama 1967, 26-7). Thus far Japan had been presented as a follower that had recently been approaching the same level of the leading *Oo-Bei* countries, but here also the image of leadership in terms of the Flying Geese formation is presented.

This image of the 21st Century is, however, economistic. Military or political images are not floated along side of it. There is ex-

pected to be a convergence of the Capitalist and Socialist systems, and development is expected to take off in the developing world, setting the stage for the ending of political tensions, and for real worldwide economic integration (Okita & Eto & Ohnishi 1967). Japan is given the attributes of a peaceful cultural country (平和国家・文化国家日本) (Okita & Sakamoto 1966, 8), a country which does not use military power (武力を使わない国家) (Sakamoto 1967a, 24), and a country which is on the road of becoming big, but not strong in the military-political sense (大きいが強国ではない国家への道) (ibid.). In the sense the concept is used in this study, Japan is still seen as a small country in the global hegemonic political system, in spite of the grand economistic attributes given her. However, here we are approaching the end of that theme.

This is also the sense in which Foreign Minister Miki Takeo's references to the 21st Century in the Asian Pacific region have to be understood. His idea meant that in the 21st Century the Asian Pacific region will become a great, prosperous, and important place, but exclusively concentrated on economic development. All the three Miki slogans, *Ajia no shinfuu*, *Ajia-Taiheiyoo chi iki*, and *nijuu isseiki* belong together, forming one package.

In his rhetoric, Miki deliberately reinterprets the meanings of such value-laden geographical terms as east, west, north, and south. The problem of Asian Pacific development is depicted as being at the point of intersection of East-West and North-South problems (Miki 1984c, 305). East and West do not, however, have the meaning they have when seen from the Western European perspective, from which both Communism and Asia would be situated in the East, while Democracy and the Euro-American area would be situated in the West. In the rhetoric of the *Oo-Bei* countries, the West tends to be a concept valued positively, while the East tends to have a negative value. The more Japan approaches the *Oo-Bei* countries the more this usage of words is bound to disturb the Japanese, and Miki's reinterpretations of the terms can be seen as a reflection of this. In Miki's rhetoric, the West represents Asia, which is situated on the western side of the Pacific Ocean, the world of yellow people and Asian culture, while the East represents the eastern side of the Ocean, the white people with their culture of European origin. The construction is not purely geographical, however, because Miki also places Australia and New Zealand into the East, together with the United States and Canada (ibid. 306).

The construction has several useful meanings. Firstly, it is a way of elevating the status of Asia by linking it with the positively laden word West. Secondly, it is a way of excluding the political East-West dimension from the discussion, making it appear irrelevant in the Asian Pacific setting, in light of the future prospects of economic development. Thirdly, it is a way of placing Japan into a dou-

bly western situation, initially as a member of the group of Western advanced industrialized countries, then as a member of the Western Pacific countries.

North and South are equally value laden terms. They appeared during the 1960's, and were used extensively, for instance, in the first UNCTAD conference in 1964; North representing here the developed countries, South the developing countries. Usually Miki uses the terms in this sense in the Asian Pacific setting, but he also plays with the idea of using geography as the determinant, i.e., making Australia and New Zealand represent South, while Japan, South Korea, and Taiwan would represent North (1984e, 313-4). Here too, Japan would appear in a doubly positive position of being a Northern country in two settings, and at the same time South Korea and Taiwan are also elevated in rank.

Although the ranking dimensions are thus occasionally mixed, Miki also at times emphasizes the differences between the two parts of the Asian Pacific area:

> ... 白色太平洋と黄色アジア、先進太平洋と後進アジア、西洋太平洋と東洋アジア、あらゆる面で異質である。ただ同じなのは、精神的にも物質的にも「より豊かなる生活」を求める人類共通の願いであろう。
>
> (Miki 1984d, 311)

It is difficult to adequately translate all of the images present in the quotation, but the following is an attempt: the Pacific countries represent the white race, economic leadership, and Atlantic culture, while the Asian countries represent the yellow race, economic followership, and Asiatic culture. There is only one common basic interest that binds these two groups of countries together, namely the psychological and material wish towards a more prosperous way of living. In Miki's sense, prosperity includes both economic prosperity, which would be created by increased trade and development of the whole region, as argued by the economists, and the prosperity of security, which would also be created by economic development, and by letting the ideological and political tensions fade away. The diminishing of conflicts in Asia would directly increase the security and well being of the Pacific countries, too (ibid. 311-2). Miki obviously has in mind things like American soldiers not needing to fight in Asia, nuclear proliferation in Asia being stopped, and both Australia and New Zealand not being drawn deeply into the structure of the Cold War.

Just like the economists, Miki also argues that to help Asia develop, the assistance of all of the Pacific countries would be needed. He presents, for instance, statistics according to which Asia is the most neglected of all developing regions in terms of developmental assistance; Africa receives $6 per head yearly, Latin America

$4.20, and Asia $3.30, but if the massive aid given to Vietnam is excluded, Asia receives only $1.60 per head yearly (Miki 1984c, 307). Miki in no way defines Asia, but the accuracy of the argument itself is not important; what is important is the mathematical formula used to back it up. The argument is based on the idea of balance, making it appear as rightful that aid to Asia should be increased. Japan is depicted here as being too small to be able to do much by itself, so that the main point is to draw the United States to commit itself heavily into the economic development of Asia. In spite of the self-satisfied exclamations of the economic success of Japan, Miki also returns to the idea of the smallness of Japan in this kind of practical context.

In addition to the new geographical definition of the Asian Pacific area, the temporal dimension of mutual future prosperity, and the argument of common humanity, there is also an additional "glue" which ties the region together. That is Japan. Japan can act in the role of creating a bridge across the Pacific, as *hashi watashi yaku* (橋渡し役) (1984c, 306). Japan is not only geographically located between the two coasts of the Pacific, but it is also both an Eastern and a Western country. It is among the industrialized Pacific countries and geographically an Asian country, combining both Western and Eastern cultures. Japan would thus be in the center of two worlds, serve in a mediating role between them when seen on the regional level, and benefit enormously from the central role when seen on the level of Japan's national interest.

It is important to note here, when analyzing the very powerful images Miki creates, that he does not talk about an "Asian-American area". It would in a sense be much more logical as a geographical term, depicting the two continents where people live and engage in their economic activities, connected by the salty water between them. One reason is that Australia and New Zealand have to be included, but nor is the expression "Austral-Asian American area", or other such combination used. Handy political slogans, such as "Double-A Area", "Triple-A Area", or even "A-Class Area" could be created out of such geographical terms. However, they would place Japan only in the Asian group, and it is just this exclusive image from which the Japanese try to escape with their new concept. Such expressions would not adequately express the new identity the Japanese were creating for themselves as a Pacific country.

Miki's final probe into the ideology of the Asian Pacific area relates to the future. The world - as a politico-economic-cultural entity - was formerly revolving with Europe as its center, and at that time the part of Asia that Japan is situated in came to be referred to as the Far East, *Kyoku-Too* (極東), beyond "Central East", *Chuukin-Too* (中近東) and "Near East", *Kin-Too* (近東). It is degrading. Reality has passed the central position of Europe, but, so to speak, vocabulary

and the general way of using language retain the former world system. Europe should be dropped from its central place also on the conceptual level, and Miki's answer is the Asian Pacific area. A new world situation is developing, and with a view to the 21st Century, Miki envisages the emergence of a new era, the "Asian Pacific era", *Ajia-Taiheiyoo jidai* (アジア太平洋時代), when the Asian Pacific area would replace Europe as the center of the world (1984d, 310).

The Miki Conception plays on all of the important themes of the discussion of postwar Japanese economists. Over these themes he weaves the exclamations of the boom of future studies during 1966-67, and the geographic image of the Asian Pacific region developed in the discussion on integration, especially in Kojima's sense. On the international level Miki's rhetoric uses extremely strong images of a common destiny of the Asian Pacific countries, which leads them as a group towards material prosperity, global importance, and splendid historical grandeur. This common destiny is for creating unity in the grouping, while at the same time another unifying element, Europe as a common enemy - although this image is far from strong - is also used. On the national level Japan, as the Bridge over the Pacific, as the essential member in connecting the Asian and the Pacific countries with each other, is presented as the center of the center of the future world.

4.8 The Internationalization of Discussion

In June, 1966 the Asian and Pacific Council (ASPAC) was created, primarily instigated by South Korea. It was promoted as an association for regional cooperation, and the first meeting was attended by ministers from Australia, the Republic of China, Japan, the Republic of Korea, Malaysia, New Zealand, the Republic of the Philippines, Thailand, and the Republic of Vietnam, and in addition, the Kingdom of Laos sent an observer. From the point of view of the discussion being conducted in Japan the name of the association was, so to speak, right, but membership was too limited, and the objectives were considered with misgivings. ASPAC had among its expressed objectives the increase of cultural and economic cooperation with the other member countries, but its main objective was political and ideological, i.e., the creation of a regional association to assist the front line countries of South Vietnam, South Korea, and Taiwan in the containment of Communism. ASPAC never became an influental organization, and after 1972 it no longer had meetings at the Council level (Shibusawa 1984, 45, 87; Chung 1981, 4).

An association like this can naturally be developed in various

directions, and while attending the second meeting of ASPAC in July 1967 in Bangkok, Miki strongly argued that ASPAC should not be developed as an anti-Communist association (反共会議にしない) (Miki 1984e). Instead he argues for developing ASPAC as an economic organization with open membership, which should be enlarged, although he does not elaborate on this point in his speech.

However, clearly ASPAC was not what the Japanese integrationists were looking for, and instead Miki gave his support to the PAFTA-proposal of Kojima Kiyoshi. In March and April of 1967 he dispatched Kojima on a mission to the four Pacific countries and England to sound out possibilities for an international academic conference to discuss the establishment of a Pacific Free Trade Area. Kojima's mission was successful, and he could recruit suitable participants for the conference (Kojima 1980, 2; letter 1992). The conference was held in January 1968 in the Japan Economic Research Center, which as a private organization was an ideal place for a low profile probe of the international reception of Kojima's proposal, under the title *Pacific Trade and Development*, with Kojima and Okita Saburo together taking care of organizing the meeting.

In contrast to ASPAC, the members of the conference were carefully chosen so that they were all economists, rather than politicians. It was a way of ensuring that discussion remained within the professional economic sphere, and did not leak unnecessarily into the political sector. In their preface the organizers emphasize that "our study should be academic and free from various pressures except truth" (Kojima & Okita 1968, i). "Academic" in their sense, however, means just trying to remain outside the sector of politics, understood as ideological, military, or power-political topics of discussion. The conference certainly constituted a political act, as a move towards restructuring the Asian Pacific international economic system. Kojima and Okita clearly emphasize that they are policy oriented, claiming that their studies "should certainly stimulate, within 3 or 5 years, moves by nations around [the] Pacific Basin towards closer economic cooperation" (ibid.).

However much the organizers tried to shun the political sector, it inevitably crept into the conference with the participants. Their countries were in different situations with respect to Pacific integration, and as they considered themselves as representatives of their countries, the different national interests of each country were reflected in their presentations. What kept the conference together was Kojima's PAFTA proposal, to which all participants reacted in their various ways. An indication of the value of the PAFTA proposal as a well thought out economic idea, and as a new vision of restructuring the Pacific international reality, is the way it had been able to captivate the interest of other Pacific economists, whether or not they were for or against it.

The basic point in the PAFTA idea, especially as coloured by Miki, was that the whole Asian Pacific area constitutes a clear region, and the five Pacific countries form a still closer unit. A basic issue dividing the participants was whether they accepted this proposition, or whether they conceptualized differently the geographical situation relevant to their country.

All Japanese participants had adopted the idea. Kojima himself in his presentation talks about the Pacific as "one of the two major centres of world trade and ranks alongside Western Europe" (Kojima 1968a, 155). The Pacific here means PAFTA, and its counterpart is the EEC. Kojima compares the ranks of PAFTA and the EEC, showing that intra-area trade in the EEC was in 1958 smaller than intra-PAFTA trade, composing respectively 5.98 percent and 7.99 percent of world trade. However, since that time the EEC trade had grown faster, so that in 1965 intra-EEC trade already comprised 12.00 percent, but intra-PAFTA trade only 10.38 percent of world trade. A similar comparison is made between "European trade", meaning trade among all Western European countries, and "extended Pacific trade" among PAFTA, Asia excluding the Socialist countries, and Latin America. Between 1958 and 1965, the former had increased its share of world trade from 19.38 percent to 29.45 percent, while the latter had risen from 20.36, when it had been higher, to only 21.71 percent. In economic dynamicity Western Europe thus ranks higher, and the situation elicits the following comment from Kojima:

> Extended Pacific area trade is another centre of world trade, but it has not grown so fast as has European trade, mainly due to the stagnation in exports of primary produce from developing countries in Asia and Latin America. The extended Pacific area could be the largest centre of world trade if there were closer cooperation in expanding trade and development within the area, since it has greater potential in the endowment of its population, natural resources, and capital awaiting development than already-well-developed Europe. (ibid.)

The construction of the situation in these terms makes sense only from the point of view of treating Pacific integration as a political ideology as Miki had done. The Asian Pacific area is treated as existing in the real world, and in addition, a history is given to it. The year 1958 is logical as the beginning of the EEC, but at the same time it makes it possible to rank the two entities in a way which gives the Asian Pacific region a glorious past, at a time when it had been at a higher rank than Europe, and which had turned to a dismal present. At the end of the quotation Kojima clearly treats Pacific integration as a political program which should be advanced, and the number one position in the world should be taken "back".

In Kojima's argument Latin America belongs to the idea of Pacific integration, as it would be necessary from the point of view

of making the United States interested in the proposal. It is interesting that here Kojima can construct an entity called Asia and Latin America (ALA) (ibid. 156), but only in the connection that Japan is at the same time placed inside PAFTA, the five Pacific countries. Like Miki, Kojima, or the other Japanese representatives at the conference never use the expression Asia-America. Japan has to be identified principally as a Pacific country, from the point of view of Japan's rank as an advanced industrialized country. Without doubt also the point of view of Japan's pre-World War II history is relevant here, although it is never referred to.

The importance of a PAFTA type of regional integration has risen in Kojima's eyes also because the Kennedy Round of GATT negoatiations for tariff reduction had ended in 1967. They had dragged on for years, and especially from Kojima's point of view the results were not encouraging. The level of tariff reductions was not high, and important commodities, like agricultural products, remained to be protected by many countries. In addition, the difficulty of the negotiations of the Kennedy Round, and the negative trade balance of the United States suggested that another major round of global tariff reductions would not be feasible during the next ten, or even twenty years. That seemed to be another step in the slow process leading towards the end of the era of global economic integration. This has turned him in favour of regional economic integration among the PAFTA countries, in the sense of a complete free trade area (ibid. 163, 168), and he no longer has any doubts on the matter. PAFTA would ensure that Japan would not be shut out of the markets of these English speaking countries, and leave her alone with the poor Asian countries, as happened during the process leading to World War II. In addition to the preferred Japanese ways of identifying themselves, this material factor also necessitates the Japanese placing so much emphasis on the Pacific group of five countries.

On the other hand, PAFTA was only an argument, a reconstruction of reality on the rhetorical level, but not a material reality. PAFTA should not develop towards a closed trading block, the development potentiality of the Asian and Latin American countries should be allowed to come to fruition, and the possible harmful effects of free trade among the PAFTA countries should be taken care of. For the practical realization of the PAFTA proposal, with all of these objectives in mind, Kojima emphasizes the importance of proceeding through functional, rather than institutional integration (ibid. 176). PAFTA should not be set up with a declaration as an institutional entity, but rather the groundwork should be done first through functional cooperation. To this end Kojima proposes the adoption of three moral codes of international behaviour: 1) A code of good conduct in the field of trade policy, which means moving towards dismantling trade barriers among the five, particularly those

which inhibit imports of agricultural products and light manufactures. 2) A code of overseas investment not only among the five advanced countries and but also towards the developing countries, which would minimize fears of American capital domination, and maximize protection of United States balance of payments. 3) A code of aid and trade policies towards associated Asian and Latin American developing countries, to encourage their development and help their trade expand. As a practical expression of these codes Kojima proposes the setting up of two organizations, a Pacific Bank for Investment and Settlement, and an Organization for Pacific Aid and Development (OPTAD). The features of the latter should be similar to those of the OECD, including three committees on trade, investment, and aid (ibid. 176-7). With these new proposals PAFTA is removed somewhat more to the future, as the final institutional goal of cooperation, while the functional OPTAD becomes the immediate goal (see Chung 1981, 16).

Other Japanese presentations tend to echo similar views, and together they present a fairly unified front. In discussing agricultural trade over the Pacific ocean, Hemmi Kenzo starts with a similar comparison between the EEC and the Pacific area, arguing that the latter is "the second biggest trading area of agricultural commodities in the world" (Hemmi 1968, 251), and if the potential of the region for growth and development - this qualification has by now become a fixed expression - was taken into view, it should be seen as the most important trading area for those commodities. Ashiya Einosuke starts directly from Kojima's ideas, concentrating on devising a plan for a bank, to be called Pacific Bank for Investment and Settlement. It would be necessary on two counts. First, as Kojima's calculations had shown, Japan would be the country to benefit most from free trade among the five countries, while Canada, Australia and New Zealand would be the losers, at least in the initial stages. The Bank would assist them in their probable balance of payment difficulties, and in building their industries towards a more competitive direction. Second, the Bank would be an instrument for directing capital to the Asian and Latin American developing countries, to help them in making the extraction of their raw materials and agricultural products more efficient, as well as in advancing development of their light industries. Ashiya does not clearly face the problem of where the capital for the Bank would come from (Ashiya 1968).

Together, Okita Saburo and Ohnishi Akira presented a paper dealing with Japan's role in Asian economic development. Japan, as the economic leader of the Asian countries, is presented as having a moral obligation to continue its "high growth tempo" (Okita and Ohnishi 1968, 359), so that she can develop herself as a market for the products of the Asian developing countries. Japan could also provide for imports of technologically sophisticated products needed

by the developing countries, as well as give aid in general. The Asian developing countries would also need larger markets than Japan, markets which could be provided by the advanced Pacific countries combined. At the same time, even though Japan could quite well provide for a large part of the imports needed by them, it would not be able to provide for the capital they would need:

> ... the GNP of North America is 15 times the aggregate GNP of all the countries in Latin America, and the GNP of Western Europe as a whole is 10 times that of Africa. However, Japan's GNP only equals to the aggregate GNP of the nations in South and Southeast Asia. Thus aid to the developing countries in Asia is too gigantic a problem for Japan alone. It naturally follows that the joint and coordinated aid efforts by the five developed countries in the Pacific area are highly desirable in the light of the proportion of the aggregate economic output of the developed nations to that of the developing nations in the Asian-Pacific region. (ibid. 371)

Even though Japan has attained the economic rank of the Western European countries like Britain, West Germany and France, as also Okita and Ohnishi gladly emphasize (ibid. 359), it is still too small a country for the task of directing massive capital flows to the Asian developing countries. The formulation of the argument is a clever construction, a contemporary development of Okita's arguments during the 1950's. It allows Okita and Ohnishi to place Japan on the same proud rank with Western European and North American countries, but arguing from an economic perspective in no way succeeds in touching the politically sensitive issues of a politically great power status. At the same time Japan, as a national economy, is contrasted with the economic regions of North America and Western Europe, so that Japan's problem really can be made to appear as gigantic. The implications of the numerical values given, 15, 10, and 1 are very easy to grasp. Okita and Ohnishi can thus argue both from the perspective of a high rank and the position of a small country at the same time. The key word in the quotation is the inconspicuous "naturally", which implies that some other unnamed partner in the Asian Pacific region has the moral obligation to foot the bill.

The position in greatest contrast with the Japanese was that of the economists from the United States, and also they present a fairly unified front. They are perfectly conscious that their country would be the one who would pay, and are reluctant to advance discussion on any but their own terms. They refuse to accept the Japanese geographical concepts, but instead argue with the globalistic concepts of a hegemonic political and economic superpower. They like to concentrate on discussing the Kennedy Round and its effects. When they discuss regional integration, they either stay on the non-committed abstract level of economic theory, treating regionalism in general as the "second-best" solution when "superior courses of action", namely

global integration, are closed off (Cooper 1968, 306). Another way is always to speak of efforts at regional integration in the plural, e.g., customs unions, free trade areas, or free trade arrangements, always trying to keep more than one such existing or hypothetical arrangement under discussion (Johnson 1968, passim). Nor do they use the concept Asian Pacific area, but always keep these two words separate, in quite different contexts.

The other striking difference from the Japanese rhetoric is that economic goals are subsumed under political goals. For instance, Gustav Ranis who treats foreign assistance as "one of the most important tools of foreign policy" (Ranis 1968, 334), discusses the whole issue of aiding Asian developing countries as a way of helping the free world countries to compete with the Communist block (ibid. 335, 342), and discusses together both military and economic assistance.

It is interesting to note that even the word "contain", which was used extensively in the military-political rhetoric of the United States as "containing Communism", is also used in a similar way in the economic sphere, as in "containing" the discriminatory effects of the EEC (Johnson 1968, 234). For the present, in view of the recent conclusion of the Kennedy Round, and for several years to come, in view of the balance-of-payment problems and strengthening upsurge of protectionism, the United States is not expected to be willing to contemplate any additional moves towards free trade. Johnson considers the possibility of increasing economic cooperation with Canada (ibid. 238), but on other types of regional cooperation he comments:

> At the present time, the constellation of circumstances that would most probably evoke a new U.S. initiative would be the opportunity to strike back at the countries of the European Economic Community, from which the external pressure for the new restraint policies has come, through the formation of a free trade area with E.F.T.A. and Canada that would discriminate strongly against E.E.C. exports of manufactures. But the development of the war in Vietnam might lead the United States to contemplate a Pacific Free Trade Area as a means of strengthening its political position in Asia vis-a-vis Communist China. (ibid. 239-40)

Johnson represents at the same time both the London School of Economics and the University of Chicago, which may explain part of his special geographical emphasis of North America and Western Europe, but he is only the most vocal representative in this matter, there being no essential difference from the other American economists. The argument is based on the situation of a superpower, which is conscious of its capability to strike left and right with trade wars or military wars against countries which have angered it, and this is the only position from which regional integration is contemplated. Of the North Atlantic Free Trade Area (NAFTA) and PAFTA, the first is clearly preferred, while "Pacific free trade would be a sequel and

extension or adjunct of Atlantic free trade" (249). Johnson recommends, however, a narrower Pacific free trade arrangement among Australia, New Zealand and Japan, suitable for these "relatively small, not yet fully mature industrial economies" (250). He also accuses these countries, as well as Canada, of trying to "enjoy a free ride" during the Kennedy Round negotiations, trying to benefit from tariff reductions between the United States, Britain, and the EEC, while not offering any of their own (244-5).

Alone among the countries concerned, the United States retains the highest rank according to Johnson's rhetoric, while the others are shown in their proper place as immature and small economies. They are treated conceptually just like the Japanese are treating the Asian countries, advised to create a free trade area among themselves, and offered only an associative relationship within the grouping of more mature economies (comp. Kojima 1968a, 154).

The Canadian position was less unified. One of them, Bruce Wilkinson, makes a Kojima-type of statistical study of the PAFTA countries from the point of view of Canada, thus accepting the Japanese way of conceptualizing that part of the world, while the other, H. Edward English, does not accept Kojima's vocabulary at all, but likes to talk about a Pacific free trade group, or a general free trade association. He also refuses to accept the Japanese concept of the Asian Pacific area, as well as their way of treating PAFTA as an area:

> ... the Pacific area is not really a region; it is a hemisphere or a little more ... there are three regions involved, one large - North America, one medium sized - Japan, and the other small - Australia and New Zealand. (English 1968a, 23-4)

Both Canadians like to argue in a way which places them in a high rank, and in their case that means emphasizing North America as a region, and the close relationship Canada has with the United States. English, especially, emphasizes their Atlantic identity, their long history as part of the British Empire, and their trading relations with European countries, up to the point of calling Japan a "non-Atlantic" country (ibid. 18).

However, the Canadians use economic rhetoric, without showing enthusiasm for supporting the political objectives of the United States. Even though English shows more interest in Atlantic and American economic integration, they also both give serious consideration to the idea of Pacific integration, although they tend to leave the Asian countries out of the discussion. They are very concerned about the economic structure of their country, which is competitive in exporting agricultural products and raw materials, and which also has a wide industrial base, but built up behind protective walls, so that

it may not be very competitive internationally. The productivity of the Canadian economy was on the average one third lower than that of the American economy. The problem with PAFTA is that it would place Canada into a competitive situation with both Australia and New Zealand in the export of primary products, while the low wages of Japan would make it difficult to compete with Japan in industrial products. Problems would be smaller in a North American free trade arrangement; the lower Canadian wages compared with the United States would close at least some of the gap in productivity between the two countries. However, both Canadians are after all fairly confident that before long free trade conditions would improve the state of their economy, even make it prosper, assuming an appropriate adjustment period (English 1968a, 22; Wilkinson 1968, 49). At present various political groups favouring the continuance of protection seem to be fairly strong in Canada, but still it would be very useful also to further study the idea of economic integration involving the Pacific.

However, what is curious after one has become familiar with the Japanese position, which tends to regard the other four countries as a culturally unified block of English speaking countries, is that Australia and New Zealand do not figure extensively in the discussion of the Canadians. The countries had never had an especially extensive trading relationship, and even that was declining; it is the United States which looms large on the Canadian horizon as a market, Japan holding the second position, but Australia and New Zealand do not feature highly in their arguments.

The small New Zealand presents a special case. Especially as constructed by Leslie V. Castle, of all the countries, New Zealand had held the closest relationship with Britain:

> Most immigrants were of British stock and retained close family and business ties with the "Old Country" or "Home". There was a common language, a common sense of destiny and purpose. New Zealand regarded itself as an outpost of England and of Empire ... (Castle 1968, 100).

New Zealand developed much like a county of England, only situated on the other side of the globe. Even as an agricultural country it was highly specialized in serving the British market, the three key products being butter, lamb, and cheese. Over a period of several decades New Zealanders became used to relying on the British to absorb a steady increase of about 3 percent per annum in New Zealand's exports with slowly increasing prices (ibid. 88), and thus they were used to an extremely secure source of income, which was stable on a fairly high level. No other markets were needed, nor sought for. New Zealanders were used to a peaceful existence, a tranquil pastoral life, with stable rather than rising incomes. Even the climate

was good. These were the nostalgic good old days.

Things began to take a turn for the worse during the 1950's, when the production of meat and milk in Britain rose rapidly, and also European and North American producers began to export their surpluses to world markets, while continuing to protect their own. GATT does not feature much in the vocabulary of the New Zealanders, except as a source of disillusionment. The final blow came when Britain applied to the EEC in 1961 without making a blanket reservation for agricultural products. The move was greeted with "a mixture of rage and incredulity" (ibid. 89), as many had not believed that Britain could even contemplate imposing tariffs on New Zealand products while allowing imports from the EEC to enter duty free, or that even quantitative restrictions would be placed on New Zealand products in favour of European ones, as the common agricultural policy would require. De Gaulle's veto in 1963 came as a relief, although only temporary. The New Zealanders concentrated on securing a bargaining position for themselves, which meant in practice that "the generally agreed official line appears to be that the best outcome can be achieved if New Zealand does not reduce her degree of dependence on the United Kingdom market" (ibid. 90).

However, new markets also began to be sought for. The easiest solution appeared in the neighbourhood, and the Australia New Zealand Free Trade Agreement (NAFTA, not to be confused with the idea of a North Atlantic Free Trade Area, also abbreviated as NAFTA) was signed in 1965. However, it did not mean much. Its coverage was very narrow, confined to products which were already being traded, and only a few items of manufactured products were included. It reflected bitter opposition of the New Zealand Manufacturer's Federation and New Zealand's commitment to guaranteeing employment, the Minister of Industries and Commerce declaring that no industry should be damaged by the Agreement (ibid. 96).

New Zealand had developed various industries, like meat preserving and freezing, various dairy products, pulp, paper, and other forestry products, fertilizer plants, vehicles, and farm machinery. The entire production catered, however, almost completely to the home market behind very high protective walls, with very little exported except foodstuffs. An example is the New Zealand electronics industry: "The entire market is not quite large enough to cater for one optimum-size plant producing radios, yet in 1965 there were some twenty-six firms engaged in the production of radio sets or components" (McDougall 1968, 123).

New Zealand would not be able to adjust its industries quickly enough to be able to compete internationally, and the markets for agricultural products were contracting in the traditional market. In this situation only Japan appeared as a "really bright spot" (Castle 1968, 92). Although the government, and the nationalistic pro-British

farmers were slower to act, economists were beginning to eye Japan with interest. It was protectionist in respect to local production, just like the United States, but with a big population on a small land area, and with the economy growing fast, Japan would clearly be in need of importing lots of foodstuffs. Especially if a free trade arrangement could be created, New Zealand could very well compete in the Japanese market. Only Japan looked like a possible alternative to the British market (ibid. 92-3). The problem would be the concessions the New Zealanders would have to make to increase imports from Japan, but the creation of more competitive industries really seemed necessary from an economic point of view. To guarantee even the stability of incomes, exports should be diversified, and a larger share of them should be composed of industrial products. The long tradition of protection and easy life would, however, make any opening of the economy a long and arduous process, as the feeble attempt of NAFTA had demonstrated.

To Castle, PAFTA seems like an interesting proposition. However, it is really about Australia and Japan that he discusses, as well as wider Asian markets, which might also start to absorb more dairy products if living standards were to rise there; of Canada and the United States he remarks that they "need not be left out of account" (ibid. 107). Disillusionment about their past trading practices no doubt explains much of this. However, he also points out that from the cultural perspective, hesitation or apprehension in New Zealand about closer ties with Australia or Japan would be reduced if Canada and the United States were also included in the same grouping (ibid. 108).

The Australian case is fairly similar to that of New Zealand, except that its economy was larger, and consequently it had never been able to be as dependent on a single market as the neighbouring country. Ian A. McDougal, formerly in Australia, at the time at Massey University in New Zealand, is even more critical of countries engaging in agricultural protection than Castle, and only discusses his own idea of a Japanese - Australian - New Zealand Free Trade Area (JANFTA). The high growth of Japan is the center of his argument, improving Japan's prospects for future absorption of increasing quantities of not only agricultural products, but also minerals. Japan had already displaced Britain as the most important export market of Australia in this sense. However, just like in Canada and New Zealand, the industrial sector of Australia was varied, but well protected. An example corresponding to the radios of New Zealand was car production in Australia, where fourteen firms were engaged in the manufacture or assembly of motor vehicles, and a wide range of cars, station-wagons and other vehicles were produced (McDougall 1968, 130-1). An indication of the state of the economy was that the largest foreign market for the manufactured products of Australia was New

Zealand (ibid. 117). However, McDougall also recognizes the necessity of creating competitive export industries, and like the Canadians, he is fairly optimistic of the chances of Australia, provided a period of careful adjustment was allowed. While discussing his JANFTA, McDougall also thinks that "at a later date" other countries, too, such as Canada, the United States, and some of the less developed economies of the Pacific Basin could be included (ibid. 133), but he wants to start very carefully.

Peter Drysdale is, among all of the non-Japanese attendants at the conference, the one most interested in Kojima's original proposal. He uses throughout his paper the concept of PAFTA. He has in a sense taken a large part of Kojima's argument, and applied it to the Australian case. Although he is also very critical of the protectionism of the United States, which places heavy duties not only on Australia's dairy exports, but also on her exports of wool and minerals, he at least points out that as an origin of imports, the United States had in the previous years displaced Britain from first place (Drysdale 1968, 194), and looking thus at the pattern of overall trade, the Pacific as a whole constitutes a major part of Australia's world (ibid. 205).

He is also the most optimistic of the non-Japanese economists in his general outlook, using more than the others arguments derived from classical free trade theory, and shows a fairly high degree of reliance on the prospects of the Australian manufacturing industry. It is interesting that he also constructs such a view of the world that he can argue optimistically from the position of a high rank, claiming that "Australians, proudly, are the Norwegians of the Pacific" (ibid. 208), whatever he then means by it.

The greatest similarity between him and the Japanese economists is that he also extensively discusses the Asian countries, both from the moral point of view of raising their living standards, and from the point of view of export markets (ibid. 212-3). As he constructs it, the Australian position in relation to them is similar to the one Japan has. He regards them from a similar kind of mentor role, derived in particular from the case of the Territory of Papua-New Guinea, which was under Australian guardianship at the time.

Looking at the whole discussion in the conference, there is a striking difference between the rhetoric of the Japanese and the other participants. The Japanese have a different mentality. They are always talking about growth and development; these words and similar expressions appearing continuously in their texts relate to a movement upwards, toward a positively evaluated future. The other economists are talking more about stability, ways of guaranteeing the present level of well being, or modest improvements on it. They do not build nebulous visions about the future. Even Drysdale, the most optimistic of them, does not build visions of the Pacific as the center of the world in the next century.

The reception of Kojima's PAFTA proposal by the economists of the Pacific countries was thus mixed. If we look at the central concept, only the Canadian Wilkinson and the Australian Drysdale adopted it as the basis for their papers, and no one used the concept of the Asian Pacific area, although Drysdale came close. There also appeared a clear division among the countries, which did not run between Japan and the rest, but rather between North America and Oceania. The latter two countries were the warmest towards regional economic integration including Japan, while the former were the coolest. Probably the greatest disappointment was the position of the United States, interested in economic terms more in the Atlantic area, while the Pacific area received economic attention only of a secondary degree, and even that tended to be coloured with ideas of military and political strategy. The Americans also perceived no urgency, and tended to think that nothing special needed to be done immediately, while all of the others were thinking in terms of the immediate necessity of some first steps. However, even the American participants were not hostile to the idea, but mildly interested, leaving the door open for future discussion. All discussants adopted a similar attitude toward the policy makers of their respective countries, in the sense that they emphasized the strong protectionist tendencies in all countries, while presenting themselves clearly on the side of either regional or global free traders. In his analysis in 1990 of the reasons why the Pacific Free Trade Area could not eventually be set up, Kojima gives substantially the same reasons, which had already come out in this first conference (Kojima 1990, 3-7).

The final Communique put together at the end of the conference calls for step-by-step moves towards closer cooperation in trade policies among Pacific economies, and for more coordination in their aid policies. It also stressed the need for continued public discussion of these problems in all of the countries, as well as for their consideration by their respective governments. The participants also agreed that a new conference should be held fairly soon, in about a year's time, and the place was set to be the East-West Center in Hawaii (Communique 1968, iii-iv). The place was obviously well chosen symbolically. The conference thus ended up by acting as a small but not uninfluential lobby in the direction of their national publics and governments, as well as taking steps towards transforming itself into a permanent body of international discussion.

5 CONCLUSION

This study has analyzed Japanese discussion on international economic integration during the 1950's and 1960's, up to 1968, as well as the rhetorical categories used in the process. The study probably has certain strengths, but obviously also weaknesses. The interpretation of the process has naturally been only a partial one, made from one point of view. Yoshihara Kunio reminds his readers in the preface of his *Sogo Shosha* (1984) of the story of the three blind men and the elephant, when each man perceived the animal differently depending on which part of the elephant they touched. For instance, the one who touched the trunk thought that it was a snake. With this Yoshihara pointedly emphasizes that his study of the Japanese general trading companies was, in spite of strenuous attempts to guarantee objectivity, only a subjective interpretation. The observation could well be applied to this study, too. Even with the same texts, a different person would probably arrive at a different interpretation. The problem becomes even more pronounced if a different selection of material were to be used.

This has been only a skeletal outline of the Japanese discussion, based on the analysis of a small number of key texts. There has been narrow, exclusive rather than inclusive, concentration on Kojima Kiyoshi, Okita Saburo, Miki Takeo, and a few other individuals. While they have been the most important ones, no doubt additional information could have been obtained by studying the texts of other economists, political scientists, and other intellectuals in general. Newspapers and other such publications would probably have been a another plentiful source of views and opinions, as well as the publications of various government agencies. Statements of politicians might also have been used more extensively.

On the other hand, the selections used also had certain advantages. The limited number of texts allowed for more detailed reading, and the exclusivity of texts made it easier to analyze coherently the development of the arguments, which limited the particular qualifications needed to be taken into consideration. This is not to say that important reinterpretations could not be made with a different selection of texts, in regard to both timing and the components of the story.

A more sociological research method based on interviews probably would have uncovered various behind-the-scenes schemes, especially concerning the spread of the idea of PAFTA to politicians after Kojima's proposal in 1965. It would also have clarified the connections between the main actors, as well as between them and others who do not appear in the study. It is possible that there have been influental persons who did not produce published texts. Dennis T. Yasutomo uses this method brilliantly in his *Japan and the Asian Development Bank* (Yasutomo 1983), and finds several important connections and persons, who had not appeared in the limelight, and who would not otherwise have been discerned. On the other hand, at least in the texts themselves there was no indication of the relevance of such factors, nor did Kojima or Okita refer to such matters during the brief interviews they gave me.

The textual method used in this study has a few advantages, too. In addition to the fact that once research material has been collected, one is free to study wherever one wants, the method directs analysis to more immaterial factors. A textual method easily emphasizes intellectuals, and intellectuals bring with them theories, values, and visions. It also emphasizes long term themes, and rhetorical rules of discussion, which have, thus far, been fairly little studied in connection with Japan, and hardly at all in connection with Japan's integration policies. Textual analysis is probably the most suitable method in this kind of study, which looks for the development of an idea, rather than examining an institution like the Asian Development Bank, or the industrial policy of a ministry.

The selection of Japan as the only country to be studied has had its drawbacks. Emphasis has been almost exclusively on Japan, and similar processes of discussion in other countries have been left outside of the study. Only brief references have been made to discussion in other Asian countries in connection with ECAFE. Related discussions seem to have been held also in other similar international meetings (Kojima 1980, 2). Discussion processes in Australia, New Zealand, Canada and the United States have not been studied beyond those at the first Pacific Trade and Development Conference. The perspective of Japan has been one-sided, but on the other hand, discussion in the other countries does not seem to have been widespread, being confined mainly to newspapers, and some business

circles (see Drysdale 1981; Pacific Basin Economic Cooperation Committee 1967).

The Japanese discussion process seems to have been the most fruitful. The ECAFE plans were not proceeding very well. The Asians were not in a position to engage in far reaching regional integration. Even the Association of Southeast Asian Nations (ASEAN), which was formed in 1967 by Thailand, the Philippines, Malaysia, Singapore, and Indonesia, barely worked during the 1960's, and only after the end of the Vietnam War in 1975 began to take a more important regional role. In spite of the early stirrings of discussion, the horizons of the four Pacific countries tended to be directed toward Europe, especially toward Britain and the EEC. With the Kennedy Round of GATT negotiations going on, and Britain's entry to the EEC blocked for the time being, these countries during the 1960's had no immediately pressing reason to start a wide discussion about a Pacific orientation, although the situation of the Oceanian countries was somewhat different from that of the United States and Canada.

Only Japan during the 1960's was in the unique position of being situated in the middle of the Asian Pacific area in more than one sense: geographically, culturally, and in terms of her international rank, industrial structure, economic capabilities, and trading relations. The Pacific War and the Cold War together had ruptured Japan's traditional relationship with her nearest Asian neighbours, and when the possible threat from European integration hit the region in the early 1960's, Japan was already in the process of trying to find a meaningful place for herself in the region. There was a suitable situation, a reason, and during the 1960's the self-confidence for grand visions emerged. Probably these factors explain why discussion on regional integration in Japan started so early and so earnestly among intellectuals, and why they found a ready response among politicians. As seen in the Pacific Trade and Development Conference in 1968, Japanese discussion on Pacific integration by that time had become more developed than in the other countries. In spite of the internationalism of the Japanese discussants, and their connections with foreign ideas, the Japanese discussion had developed on Japanese terms, in a Japanese setting, with their own language, and formed a distinct body of texts.

With these qualifications on the methodological limitations of this study, the following general conclusions can perhaps be made. Japanese discussion on regional integration was spurred by external influences, the cautious discussions conducted in United Nations circles during the 1950's, but most of all by the formation of the EEC and the spread around the globe of the idea of regional economic integration. Also, demands made at the turn of the decade under the auspices of GATT for opening the Japanese economy to freer trade contributed to an intensification of discussion on Japan's external

economic relations. The reception of these influences inside Japan brought about a reinterpretation of the situation according to Japanese terms.

In Japan the question of integration came to be discussed at the time of rising self-esteem in connection with rapid economic growth and development. This brought forth the problem of Japan's identity, an indication of which was the importance of the category of geography in the discussion. The change of Japan's identity took place as small changes in the definitions and qualifications given for Japan.

The first stage of these definitions began at the end of World War II, when Japan came to be interpreted pessimistically as an impoverished, small, weak, and backward Asian country. She was dependent on the United States in terms of military security, as well as for economic survival and reconstruction. She was placed inside the hegemonic structure of the United States, as a junior member, and consequently Japanese foreign political orientation was determined by this dominant power. Japan was defined as an Asian country, and the term "Asia" at that time was given very low prestige. This definition was balanced by one positive qualifier, the fact that Japan was an industrialized country, and in this sense a little ahead of the other Asian countries. The difference was not seen to be great, however, as Japan was often compared with countries like India or China. In military terms, the latter was even seen to be above Japan as the new military power in East Asia which had eclipsed Japan, and was destined to be the superpower in Asia in her place.

At the same time Japan also had difficulties in linking herself with the other Asian countries. There were varying degrees of hostility and distrust towards Japan, and this attitude was most pronounced among her geographically, historically and culturally closest Asian neighbours. Moreover, the two Koreas and the two Chinas were front line countries in the Cold War, and Japan tried to stay far away from actual involvement in it. Japan moved towards an economistic orientation, while the other East Asian countries remained preoccupied with a militaristic and ideological orientation. Trade with China had fallen to a low level, and although trade with Southeast Asian countries was growing, its relative importance was diminishing, the general postwar expansion of trade happening between industrialized countries. In this situation, Japan tended to remain basically alone in her foreign economic relations, trying to approach the organizations of global economic integration, making only discreet attempts towards economic cooperation and image healing in Asia through war reparations payments.

The year 1960 opens the second stage, and during the decade the situation began to change rapidly. The igniting event was the Ikeda Plan, which, with its deliberate optimism and pride, brought a

definite change to the picture. The attribute of rapid growth came to be attached to the definition of Japan, and that raised her rank with one stroke. Rapid growth was an area where Japan could be better than any other country in the world. The idea was heightened by various additional factors. It offered an opportunity to brush off at least some of the indulgence in self-pity engaged in during the previous 15 years. It was also a ranking dimension favoured by Japanese economism. As Japan had succeeded in the field most important for her on her own terms, it tended to increase Japanese economistic orientation. The goal of economic growth also rose to the surface in the rest of the world at about the same time, with plans for growth in the OECD countries, and the declaration of the United Nations Development Decade. Accompanied by the period of thaw in the Cold War, this change made it possible for the Japanese to view themselves not as a backward nation, but a nation in the vanguard of modernism: peaceful in her foreign policies and very successful economically. This set the basis for the opening of a completely new foreign political horizon.

The international frame of reference of the Japanese begins to change, the *Oo-Bei* countries taking the place of the Asian countries as the principal referents. However, at first a complex of qualifiers had to be employed. When the claim for being on the same level with the Euro-American countries was made, it had to be qualified by bringing the category of future into the picture. The structure of the claim was that at present Japan was still behind the Euro-American countries in terms of her living standards and the backwardness of some of her industries, this qualification then being negated by the idea of rapid growth, which in the future would make the previous qualifier unnecessary. The relative ease of the shift into this definition was made possible by Japan's history when, as a colonial Great Power she had once been on the same rank as the Euro-American countries. The mental structure was already in existence in the Japanese social consciousness, and it only needed to be activated. The ranking dimensions were different from the earlier ones, economic growth and development replacing colonialism and military might, but the structure was similar. It is this factor which brought forth the demand that Japan *must* continue growing fast to be able to attain the level of the Euro-American countries.

The third stage is reached with the discussion of regional integration during the years 1962-65. The potential economic threat emanating from Europe, and the perceived world trend of a shift from global to regional integration forced the Japanese to look for a specific region to which they could belong. In practice there were two directions, the Southeast Asian developing countries, and the four advanced Pacific countries. There were two other hypothetical directions, namely the historical grouping of countries within the

Sinic cultural sphere, and the geographical grouping of the Socialist countries in Siberia and south of it. Both of these directions were closed because of the political situation, and hardly appeared in discussion. Especially the total silence about the nearest geographical neighbour, the Soviet Union, was conspicuous in the discussion of integration.

Both of the open directions had their advantages. Regarding the Asian orientation there had also existed a ready, historical mental image, dating especially from the 1930's and early 1940's, when the Japanese had pictured their country as the leader of Asia. This image had drawbacks, as it also contained the images of colonialism and militarism, a reemergence of which was not hoped for by the Japanese economists, nor by the Japanese population in general, nor by the Asian countries. Neither would the international situation, the new military strength of the Asian countries, nor the hegemonic position of the United States have allowed Japan to appear on the Asian scene as a military and political leader at the time.

However, the theory of the Flying Geese Pattern of Development, or more generally, the theme of development it represented, provided a way to circumvent the situation psychologically. As an economic theory, using the image of development as a procession of leaders and followers along a one dimensional road, it made possible the depiction of Japan in the position of a leader of the Asian countries. The idea was confined to the economic sector, having a component of prestige, as well as a sense of responsibility towards helping Asian economic development. The theory also provided a way of identifying Japan continuously with the Asian countries. There was the time lag causing a difference in the level of development, but otherwise, within the economic dimension, Japan and the Asian countries were in a similar situation of rising towards higher levels. The attribute of economic dynamism also came to be attached to the Asian countries from the middle of the decade, imposing the category of future on the whole region. Even though Japan was, in a sense, distancing herself from Asia both mentally, and in terms of her trading relationships, Asia was a place to reckon with in regard to the future. There was not one discussant in the literature analyzed who advocated a policy of turning Japan's back to Asia, but all of them, to varying degrees, advocated deepening her relationship with the Asian countries.

On the other hand, the Asian orientation also had its drawbacks. The concept of Asia used by the Japanese was not practical. Even though they usually limited it by excluding the countries west of Pakistan, and the Socialist Asian countries, the area was still too big in terms of Japanese capabilities of economic assistance. The almost total absence of China and the Koreas from the picture, in terms of an amiable and working relationship, was a serious handi-

cap to this orientation. In addition, Japan had neither the capabilities nor the motivation, nor any reason to start challenging the position of the United States. The creation of a regional grouping - if it could have been possible considering the misgivings of the Asian countries - without the participation of the United States might have led towards that direction. There was little wish to be a great power in that sense. There was a way to approach the Asian countries with the support of the United States, along the politico-military sector, exemplified by President Kennedy's proposal for a New Pacific Community for the containment of Communism. However, that orientation presented the danger of being pushed to the front lines in the Cold War in Asia, and it was not at all acceptable to the economistic Japanese.

In terms of Japan's psychological identity and her national interests, understood here in terms of overall security and economic profit, the Pacific orientation proved in many ways to be the ideal solution. In terms of Japan's international standing, the group of the five advanced Pacific countries appeared as the most natural for Japan's new self-understanding as an advanced industrialized nation. The event during the first UNCTAD conference in 1965, when Japan was thrown out of the group of Asian nations, pointed to the same direction. Among the PAFTA countries Japan would appear as a fairly advanced industrialized nation; admittedly poorer in GNP per capita and standard of living than Australia, Canada, and New Zealand, but more advanced than those countries in terms of her industrial structure. In terms of trading relations, a PAFTA would have guaranteed Japan fairly large markets, even if Western Europe would have followed the example of the Socialist countries and turned to a closed economic block. Related to this was the fact that in view of the discussion of a North Atlantic Free Trade Area, Japan faced a situation resembling the 1930's, when Japan was pushed out of the markets of the Euro-American countries, and left alone with the poor Asian countries. That period led to the policy of Japan militarily conquering her own regional block. It was unthinkable, or undiscussible during the 1960's. Although the Pacific orientation represented regionalism, it was open regionalism in as wide a region as possible. It was a logical extension of the security relationship with the United States, although the economists did not explicitly refer to that fact, the aspect coming into the discussion through the small country theme. This orientation would have allowed Japan to remain a small country with respect to the enormous economic and military size of the United States, to continue her economic orientation without the danger of being pushed towards a military confrontation in the Cold War.

As a member of the exclusively economic Pacific grouping, Japan could have increased cooperation with the Asian countries

without political big power connotations. In light of Asian distrust of Japan, that approach would also have been the most viable. The economic development of the Asian countries could have been assisted, but both the financial burden of assistance, and the burden of being their market would have been borne by the PAFTA countries as a group. Also, nationally, the argument was well conceived. Japan would have benefited economically both from trade expansion among the PAFTA countries, as well as from expanding importing capabilities of the Asian countries, and thus the difficulties of opening Japan more to international trade in general would have been largely circumvented. At the same time that kind of development would have increased the overall security of Japan. As the whole framework would have been constructed in economic terms, the ideological, political, and military confrontation in Asia would have ended, or at least become limited, and that would have placed the new Japan without military ambitions into a far more secure position than before.

This is the way Kojima Kiyoshi's original PAFTA proposal has to be understood, as the crowning of the third stage. It was an accurate mapping of the new Pacific horizon. Identification with the Euro-American countries had opened the possibility for it after 1960, and during the third stage with the discussion on regional integration the horizon was opened wide.

The fourth stage of the process began when Kojima's proposal was adopted as the basis for further discussion. The Pacific industrially advanced countries came to represent a new regional identity for Japan. This was also the time when Japan had become larger than any of the Western European countries in terms of her GNP, and thus the second largest national economy in the Western trading system. This was the ultimate point to which Japan could advance as a small country. As other components of the structure remained the same, however, there was still no reason to drop that attribute. During this stage it was possible to define Japan principally as a Pacific country, and it was in connection with the Asian countries that specific qualifiers, such as the geographical situation, had to be used. The Pacific identity was the ground on which a Bridge over the ocean, connecting the Asian and American continents could be built, always carefully phrasing this geographical entity as the Asian Pacific area. The category of future, referring to growth, development, and economic dynamicity in general, was further strengthened, and the place it was attributed to shifted once again with Miki's ideological expansion of Kojima's rather down to earth Pacific horizon. The concept of this category shifted to point in the direction of building from the Asian Pacific area a new center of the world for the 21st Century, Japan being in the center of that center.

These Japanese ideas appeared too nebulous for others at first,

as exemplified by the discussions in the first international conference on Pacific economic cooperation, but they provided the grounds on which the discussion of Pacific integration could be intensified during subsequent years. The Japanese began the process by conceptualizing the geographic terms, as well as the economic and ideological rationale for future discussion.

The Pacific Trade and Development conferences became a yearly gathering of economists, known as PAFTAD conferences, which are still continuing. Already in 1969 Asian participation was included, with participants from South Korea, Taiwan, Hong Kong, the Philippines and Indonesia, and during the 1970's the conferences widened still, with even occasional participation of economists from the Soviet Union. Another professional regional grouping was also born during the 1960's. In 1967, in Tokyo, a preliminary meeting was organized for setting up a Pacific Basin Economic Co-operation Committee (Pacific Basin ... 1967), and in 1968 in Sydney, Australia the Pacific Basin Economic Council (PBEC) held its first general meeting. It was a grouping of business executives of Australia, Japan, New Zealand, the United States and Canada. The PBEC is also still in existence, and its scope has enlarged.

At the end of the 1970's there was an explosive increase in the dicussion of Pacific integration, starting again in Japan. Ohira Masayoshi became prime minister in 1978, adopting the idea of Asian Pacific integration as his foreign political platform, and in 1979 he asked Okita Saburo to be the foreign minister in his cabinet (Okita 1983, 99). At the same time there was also renewed interest in the United States in the idea, with the economic strengthening of the West Coast. In 1980 a new international organization was born, when Ohira and the Austrialian Prime Minister Malcolm Frazer agreed to hold a non-governmental international seminar to explore the Pacific Community idea. It was held in Canberra in the same year, and with it the Pacific Economic Cooperation Conference (PECC) was born, with almost yearly meetings thereafter. It combined economists, business executives, and government officials under one organizational framework. The membership of PECC consists of the original five PAFTA countries, the six countries of ASEAN, South Korea, Hong Kong, a group of Pacific island nations, and such Latin American countries as Mexico, Peru and Chile. Also, China and Taiwan are both members, although the latter with the name Chinese Taipei. The possibility of the Soviet Union joining was debated in the latter half of the 1980's. The process was similar to the birth of the PAFTAD conferences, but the scale was larger. Although the political sector began to enter discussion with the widening scale, also PECC was basically an organization for economic discussion. In 1989 still one additional wide regional organization for discussion was born, namely the Asian Pacific Economic Cooperation (APEC) ministerial level

conferences, which have continued yearly since then. Its membership is that of PECC minus the two Chinas and the Pacific island states. Kojima Kiyoshi's two volumes *Taiheiyoo keizaiken no seisei* (1980; 1990) provide a good overview of the expansion of discussion, as well as other literature presented in the introduction to this study.

The Asian situation began to change during the 1970's. The four newly industrializing countries (NICs), or newly industrializing economies (NIEs), South Korea, Taiwan, Hong Kong and Singapore emerged as new industrial centers in the area; the Vietnam War ended and ASEAN became a better working organization after 1975; and after 1978, when Deng Xiaoping started to shift China's foreign political orientation from the political to the economic sector that country also began to enter discussion. This clarified Japanese Asian politics. The vacuum created by the hostility of the nearest neighbours began to fill up, the spread of economism diminished politico-idealogical divisions in the area, and several Asian countries were clearly approaching industrialized stages according to the theory of the Flying Geese Pattern of Development. Geographically, the Asia where Japanese interests could concentrate came to be defined through the Pacific. The countries of the Indian Ocean were separated from the concept of Southeast Asia, and came to be referred to as South Asian countries. They receded to the periphery of the Japanese Asian horizon, and were also separated from the new East and Southeast Asian economistic dynamism.

At the end of 1980's the world was entering a new movement towards regional integration, starting with the Single European Act adopted by the Commission of the EC in 1985. The remaining EFTA countries began to approach the Community, either through the European Economic Area concept, or by trying to join the EC itself. After the changes in the former Socialist Eastern European countries in 1989, and the collapse of the Soviet Union in 1991 the idea of greater European integration has come to be circulated, the widest geographical images depicting a unified Europe from Scotland to Sakhalin. American regional integration has also been going on. The United States signed a free trade agreement with Canada in 1988, and negotiations for creating a North American Free Trade Agreement (NAFTA, not to be confused with the two NAFTA conceptions of the 1960's) between the United States, Canada and Mexico are under way. Also, ideas of some sort of economic integration between all American nations have been circulating.

In the Western Pacific, similar regional schemes have been presented. Chinese economist He Xin proposed in 1990 that China and Japan, together with other East Asian countries, form an economic grouping among themselves (He 1990). His proposal was not an offical one, but it appeared in the *Beijing Review*, and can be seen as a probe. There have been other similar probes, the most famous

one from Malaysia in 1991, proposing the formation of an East Asia Economic Group (EAEG) among ASEAN, Japan, and other unnamed Western Pacific countries. The EAEG was seen as a response to European and American regional integration processes, but even the Malaysian proposal emphasizes that the EAEG has to be compatible both with GATT and APEC (East Asia ... 1991). Japanese response to this kind of probes has thus far been very vague.

The probes underline, however, how Japan has become an acceptable partner in regional integration from an Asian point of view, and although the idea is highly debatable, it is possible that in the present situation of flux of the international system there might emerge a division of the world into a European, an American, and an East Asian economic and political block. As He emphasized in his proposal, that would not mean an emergence of a new Great East Asian Co-prosperity Sphere with Japanese domination, because the East Asian countries would be relatively far stronger now. On the other hand, the situation is still in many ways similar to the one during the 1960's. There does not seem to be a wish for the formation of actual blocks, but rather setting up of loose regional groupings with better bargaining power, under the ideology of global free trade, as represented by GATT. The Asian-Pacific region, represented by APEC in the Malaysian proposal, is a large and loose area a step downwards from the global level, and its importance in a period of threatening integration in other regions is the same as in Kojima's original proposal in 1965.

However, seen from Japan's situation, the 1990's present an important difference as compared with the 1960's. At that time there were only two possible directions towards which efforts at integration could be directed, the poor Southeast Asian countries and the four rich Pacific countries. During the 1990's Japan has a wider range of possible combinations. The four Pacific countries are still there, but the Southeast Asian countries have meanwhile strengthened quite a lot, presenting a more viable possibility. The culturally and geographically nearest Sinic countries present another possible direction. A fourth possible direction is Siberia and Russia, which also includes the prospect of creating a new link with Europe. The Pacific direction, especially the relationship with the United States would still appear to be the most important, not only because of the importance of the American market, but also in light of the negative argument that, if that link was broken, the situation might resemble too much that of the 1930's. However, the three other directions can be combined either with the Pacific direction, or with each other, in a variety of ways.

YHTEENVETO

TYYNENMEREN VAPAAKAUPPA-ALUEEN IDEAN MUOTOUTUMINEN

Tutkimus japanilaisista retorisista kategorioista keskustelussa kansainvälisestä integraatiosta, 1945 - 1968

Tutkimus koostuu kolmesta osasta: metodin rakentamisesta, viiden japanilaisen toisen maailmansodan jälkeisen keskusteluteeman konstruoinnista, sekä varsinaisesta integraatiokeskustelun analyysistä. Perusmetodina työssä on käytetty ymmärtävää alkuperäistekstien lukemista, jonka avulla on muodostettu mielikuva keskustelun peruskulusta ja -kategorioista. Tähän hahmoon on sovellettu tarkempaa retorista analyysia, lähinnä Aristoteleen, Kari Palosen, Stephen Toulminin ja Chaim Perelmanin inspiroimana. Erityisesti työ pohjautuu Toulminin argumenttien rakenteen analyysiin, niin että Toulminin lähinnä lausemuotoisiin argumentteihin soveltamat kategoriat - väite, sen usein eksplisiittinen perustelu, ja usein implisiittinen yhteisöllisiin retorisiin käytäntöihin liittyvä oikeutus - siirretään laajemman yhteisöllisen keskustelun analyysin välineiksi.

Huomio on kiinnitetty ennen kaikkea keskustelussa lausumattomiksi jääneisiin oikeutuksiin, ja niiden eksplikoimiseksi tutkimuksen toisessa osassa on konstruoitu viisi yleistä keskusteluteemaa, jotka tulivat esille japanilaisten taloustieteilijöiden keskustelussa. Niistä ensimmäinen, pieni maa, pohjautuu Japanin toisen maailmansodan jälkeiseen tilanteeseen, jossa se hävinneenä ja miehitettynä valtiona

asetettiin erilaisten reformien ja muiden ulkoisten vaikutusten kohteeksi, samalla kun valtion pinta-ala pieneni. Tämä johti yleiseen viittaukseen Japaniin pienenä maana, jonka kansainvälispoliittinen merkitys ja vaikutusmahdollisuudet nähtiin hyvin vähäisinä, ja ranki alhaisena.

Toinen teema, ekonomismi, tarkastelee konstruktiivista vastausta tähän tilanteeseen. Toisaalta reaktiona sodan aikaiseen militarismin korostukseen, ja toisaalta pikkuvaltion tilanteessa keskittyminen talouteen nähtiin parhaana ratkaisuna jälleenrakennuksen aikana. Myös sisäpoliittisesti ekonomismi osoittautui parhaaksi keinoksi luoda yleistä konsensusta.

Kolmas teema, kasvu, perustuu Japanin vuoden 1950 paikkeilla liikkeelle lähteneeseen nopeaan taloudelliseen kasvuun, mutta varsinaisena teemana se löi itsensä lävitse vasta vuonna 1960 Ikeda Hayaton tultua pääministeriksi. Optimistisena teemana se alkoi tasapainottaa pessimististä pienen maan teemaa, ja samalla se vahvisti ekonomismia, mikä alkoi vaikuttaa ainoalta oikealta tavalta konstruoida maailman relevantit piirteet.

Neljäs teema, kehitys, tarkastelee Akamatsu Kanamen alkuaan 1920 - 30-luvuilla kehittämää hanhiauran kehitysteoriaa, joka oli hyvin merkittävä sodan jälkeen luotaessa Japanin teollisuuspolitiikkaa. Teoria tarjoaa mallin kansainvälisestä järjestelmästä, jossa valtiot voidaan asettaa selkeään rankihierarkiaan, ja kehitysteoriana se korostaa myös tulevaisuutta tärkeänä kategoriana, liittyen täten taloudelliseen kasvuun optimistisena teemana.

Viides teema, Aasia, liittyy Japanin Aasian suhteisiin sodanjälkeisessä vihamielisessä ja epäluuloisessa tilanteessa, jossa Japanin suhteet lähes katkesivat lähimpiin naapureihinsa Kiinaan ja Koreoihin, ja vastaavanlaisia hankaluuksia oli muidenkin Aasian maiden kanssa. Näiltä osin teema liittyy pyrkimykseen määritellä Japanin asema suhteessa toisiin Aasian maihin. Toisaalta taloudellinen kasvu ja kehitys, sekä sodanjälkeinen pienen maan teemaan liittyvä amerikkalaisvaikutus saivat aikaan sen, että kulttuurisesti, poliittisesti, taloudellisesti ja kansainvälisen rankinsa osalta Japani erkani Aasiasta, ja lähestyi vähitellen euro-amerikkalaisia maita. Tässä prosessissa Japani kansainvälisenä toimijana määriteltiin uudelleen, ja tutkimuksen perusajatuksena onkin tähän prosessiin pohjautuvan Tyynenmeren horisontin avautuminen Japanin ulkopolitiikassa, vaihtoehtona perinteiselle aasialaiselle horisontille.

Tutkimuksen kolmas osa, varsinaisen integraatiokeskustelun analyysi, lähtee liikkeelle 1950-luvulta, jolloin lähinnä vuoden 1952 jälkeen, jolloin Japani jälleen sai itsenäisen valtion statuksen, alettiin luoda diplomaattisuhteita uusiin Aasian valtioihin ja osallistua kansainväliseen yhteistyöhön alueella. Erityisesti Yhdistyneiden Kansakuntien alainen Economic Commission for Asia and the Far East (ECAFE) pyrki tuohon aikaan kehittämään alueellista taloudellista

yhteistyötä Aasiassa, mutta käytännössä edistyminen oli vaikeaa. Aikaa tarkastellaan erityisesti Okita Saburon tekstien kautta.

Euroopan talousyhteisön syntyminen vuonna 1958 ja muiden vastaavanlaisten alueellisten organisaatioiden synty ja suunnittelu vuosikymmenen vaihteessa sai Japanin 1960-luvun alussa tilanteeseen, jossa se taloudellisen turvallisuutensa takaamiseksi joutui määrittämään suhteensa alueelliseen integraation. Japanin integraatiopolitiikka oli tähän asti pohjautunut globaalin orientaatioon, General Agreement on Tariffs and Trade (GATT) -organisaation edustamaan yleiseen vapaakauppaan, ja regionalismin aalto esiintyi tässä tilanteessa uhkana. Japani joutui etsimään kumppaneita mahdollista alueellista ryhmittymää varten, ja 1960-luvulla oli vain kaksi reaalista suuntaa, toisaalta Kaakkois-Aasian kehitysmaat, ja toisaalta Tyynenmeren neljä teollistunutta ja rikasta valtiota: Yhdysvallat, Kanada, Australia ja Uusi Seelanti. Näistä kahdesta suunnasta käytyä debattia tarkastellaan vuosien 1962-65 osalta, sekä erityisesti taloustieteilijä Kojima Kiyoshin vuonna 1965 esittämää ehdotusta Tyynenmeren vapaakauppa-alueen muodostamiseksi. Sen piti koostua edellämainituista neljästä Tyynenmeren valtiosta ja Japanista, ja ehdotuksen yhtenä tärkeänä poliittisena merkityksenä onkin se, että siinä Japanin tulee määritellyksi nimenomaan Tyynenmeren valtiona, eikä aasialaisena valtiona. Kojima pyrki kuitenkin liittämään myös Kaakkois-Aasian maat suunnitelmaansa, jotta Hanhiauran kehitysteorian mukainen kehitys pääsisi niissä liikkeelle.

Vuona 1967 silloinen ulkoministeri Miki Takeo adoptoi Kojiman ehdotuksen, ja ryhtyi propagoimaan sitä sekä Japanissa että Tyynenmeren maissa. Hän käänsi samalla Kojiman taloustieteellisen retoriikan poliittiseksi retoriikaksi, ja liitti Tyynenmeren vapaakauppa-alueen suunnitelmaan Japanissa vuosina 1966-67 käydyn tulevaisuudentutkimuksellisen buumin retoriikkaa. Mikin suunnitelmassa Japani esiintyi siltana neljän rikkaan Tyynenmeren maan ja kehittyvien Aasian maiden välillä, ja suunnitellun vapaakauppa-alueen ajateltiin muodostavan pohjan Tyynenmeren alueen nousuksi 2000-luvun alussa maailman taloudelliseksi keskukseksi. Tältä pohjalta Miki kutsui 2000-luvun I vuosisataa Tyynenmeren vuosisadaksi, eräänä sloganina jolla ajatusta propagoitiin eri auditorioille.

Tutkimus päättyy vuonna 1968 Tokiossa järjestetyn ensimmäisen kansainvälisen Pacific Trade and Development (PAFTAD) -konferenssin paperien analyysiin. Tässä konferenssissa toistaiseksi lähinnä Japanissa japanin kielellä käyty keskustelu joutuu vastatusten kanadalaisen, yhdysvaltalaisen, australialaisen ja uusseelantilaisen keskustelun kanssa, ja sitä voidaan hyvin kontrastoida niihin sen erityispiirteiden esille saamiseksi. Samalla selvitellään niitä vaikeuksia mitä Tyynenmeren vapaakauppa-alueen luomiseen käytännössä liittyi eri valtioiden erilaisten materiaalisten tilanteiden ja retoristen maailmankonstruktioiden erilaisuuden johdosta.

要約

太平洋自由貿易地域構想の生成
日本の修辞学的なカテゴリーと国際統合論、１９４５ー１９６８

この論文は三つの部分に分けられている。第一部の課題は研究法、第二部は戦後議論の主題、第三部は国際経済統合に関する議論である。

研究の基本方法として解釈学的な原文の読み方を利用した。その上アリストテレス、カリ・パロネン、チャイム・ペレルマン、そしてステフェン・トウルミン等から霊感を受けた修辞学的な方法を使った。特に第二部に対してトウルミンの一般的な論証の解釈をもとにして、社会的な規模で使われる修辞学的な方法を作ってみた。

第二部には五つの戦後経済学者が使用した議論の主題（テーマ）を構成する。その主題は１）小国としての日本、２）戦後のエコノミズム、３）日本の高度経済成長、４）工業発展論、特に赤松要の雁行形態発展論、そして５）日本とアジアの国々との戦後関係状態。これらの主題は国際統合論の底流になった。小国としての日本が悲観的なテーマであるのに対しエコノミズム、高度成長と発展はかなり楽観的な主題であり、特に日本の国際地位が１９６０年代に色々な面で欧米諸国のレベルに上がってからそれは顕著になった。結果として日本は精神的にアジアの国から太平洋の国に変わった。この論文の基本思考を一言で言えば、１９６０年代日本に新しい外交的なホライゾンが開かれた。それを太平洋のホライゾンと呼ぶ。しかしそれは「脱亜」ということだけではなく、日本を太平洋諸国の中にいれても、同時にアジア発展途上諸国を雁行形態的な発展過程に入れるものであった。

第三部には日本の国際統合論の物語を１９５０年代の始めごろから開始する。占領時代が終わり日本はアジア諸国と新しい関係を結ぼうとしていた。国連機関であるアジア極東経済委員会（ＥＣＡＦＥ）がアジア諸国間の経済協力関係を進めていたが、それには色々な困難があり、ＥＣＡＦＥの計画はあまり実行しにくかったのである。

１９５８年に欧州経済共同体（ＥＥＣ）が成立されてから日本の国際統合に関する議論が新たな段階に入った。ＥＥＣに続き、欧州、南米などの地域で他の地域的な統合市場が作られ、あるいは論議中であった。その現象は日本に戦前のようなブロッキズム、つまり経済的国家至上主義傾向への恐れを起こし、日本でも地域的な国際経済統合の議論が著しくなった。具体的な外交政策の段階では統合の相手は二種類しかなかった、即ち東南アジア発展途上国と太平洋先進四ヵ国。１９６５年に小島清が「太平洋自由貿易地域」（ＰＡＦＴＡ）の提言を発表した。それによればアメリカ、カナダ、日本、オーストラリアおよびニュー・ジーランドが自由貿易地域を作り、東南アジアとラテン・アメリカの発展途上諸国もある程度参加する。そういうふうにアジア・太平洋地域には貿易拡大が出来、発展途上国にも貢献が出来るという考えであった。

１９６７年三木武夫外相が小島の提言を取り上げ、それを宣伝し始めた。同時に彼は小島の経済学的な修辞を政治的な修辞に変えた。ことに三木外相が同時の将来学ブームで使われた「二十一世紀」というスローガンを太平洋自由貿易地域構想に付け、「アジア・太平洋時代」という楽観的なスローガンを掲げた。

論文の終わりに１９６８年に東京の日本経済研究センターで開かれた最初の太平洋自由貿易会議（ＰＡＦＴＡＤ）で行なわれた議論を分析する。会議発表の中で日本、米国および他の太平洋先進国経済学者の修辞学的な特徴が指摘出来る。そして、国々の違う物質的な状況と違う修辞学的な世界見解による太平洋自由貿易地域を作る難しさも解釈出来る。

ユワスクラにて、１９９２年７月１日、ペッカ・コルホネン

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