

The Japanese rush to power

Japanese are by nature a passionately cautious people. Westerners are endlessly frustrated by the time it takes to get a decision out of the Japanese who usually make up their minds after lengthy debate and deliberation.

But when a consensus is finally reached, the Japanese move with relentless determination.

Such determination was evident this week in the naming of Noboru Takeshita, 63, as president-elect of the ruling Liberal Democratic Party (LDP). Takeshita, a long-time party stalwart, will automatically become prime minister of Japan on Nov. 6.

The two other contenders for the leadership, Finance Minister Kiichi Miyazawa and party chairman Shinjaro Abe will assume important roles in the new government. Miyazawa will take over as deputy prime minister and Abe will become the LDP's secretary general. Watching over this new triumvirate will be the former prime minister, Yasuhiro Nakasone.

Smooth continuation

The LDP, which has been in power since 1955, thus neatly assured the smooth continuation of its collective leadership that has given Japan rock-solid political stability—some might say immobility—and the framework for the island nation's economic miracle. No one here thinks that the firmly pro-western, pro-business policies of the Nakasone government will change.

In a world of growing political and economic storms, Japan remains a Gibraltar of moderation, common sense and enterprise.

As a result, Japan's gross national product per capita has surpassed that of the U.S. and Canada. Walking down Tokyo's streets, Japan's great wealth is everywhere apparent, from tall buildings to elegantly dressed women in the latest Paris fashions. And yet in spite of the insulated prosperity that Japan created for itself out of the ashes of World War II, there is deep apprehension among many Japanese that the world will intervene and somehow repossess their remarkable gains of the last 30 years. Japan may be living well, but it still feels itself living on the edge.

Last week the Tokyo stock market crashed, following the horrifying lead of New York. No one is jumping out of Tokyo's skyscrapers, but the mood is one of great

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anxiety. Yet more proof that the world's economy has been inextricably intertwined; now the prudent, hard-working Japanese, with one of the world's highest rates of personal savings, find themselves in the same leaky lifeboat as the spendthrift, debt-ridden Americans.

The only saving grace in this week's catastrophe was that the U.S. dollar actually rose rather than further declining, as many Japanese so feared, particularly after U.S. Treasury Secretary Baker's incredibly inept and ill-timed comment that the dollar would fall still further.

Call it "The Yen Also Rises" syndrome. The steady appreciation of the yen has priced many of Japan's exports out of world markets and forced large Japanese industries to invest in plants abroad. Medium and smaller firms have simply been knocked out of the export business. Any new rise in the yen threatens not only Japan's continued prosperity but the very foundation of its export-oriented economy.

The latest yen crisis is the third major threat that has faced Japan since the war. In the '60s it was export or perish. Just as Japan had built up its industries from the ruins of the war, it was hit with the oil crisis that hugely inflated the costs of production that was based on imported oil. No sooner had Japan managed to deal with this crisis when the yen began to resemble the Swiss franc—a currency that is more a wealthy collector's item than a medium of exchange and commerce.

Older Japanese recall vividly how the U.S. submarine blockade in World War II brought Japan to its knees. Even younger ones fully understand that an island nation whose only resource is the industry of its people must continue exporting at a high rate just to be able to afford imported fuel to keep its industries and transportation running, not to mention luxury items like grapefruit or Mission sweaters.

A strong lobby still manages to block the importation of foreign rice, 75% cheaper than home-grown produce, because it claims that Japan must remain self-sufficient in its basic foodstuff. Memories of the hard war years linger on.

Add to this the lurking suspicion among many Japanese that they are being slowly but surely shut out of the rest of the world by rising tariff barriers and trade blocs. Three of the world's most important trading areas, North America, western Europe and the East Bloc, are protected, to varying degrees, by tariff barriers. Japanese are now wondering if the recent Free Trade Pact between the U.S. and Canada will further limit their access to the North American market. Few doubt that the pact, if ratified, will pose new problems to Japanese exports.

Dangerous corner

At the same time, Japan is watching uneasily as its corner of the world becomes a more dangerous place. Soviet military power in the Pacific is a growing threat to Japan's security. The two trigger-happy Koreans pose a constant threat of explosion. And Japanese are not all content to see a rapidly modernizing China emerge close by as a new Asian power.

The most pressing worry, though, is the Philippines, where the Japanese have invested a great deal of time and money. Corazon Aquino's regime gets Japanese backing but not optimism that she will last in the face of rebellious army factions who are seen as a more serious short-term threat than the communist rebels.

To most outsiders, Japan's main problem seems to be where to store all the money that's piling up in its banks. Seen from Tokyo, Japan's prosperity looks impressive, but one cannot help thinking that this nation's mighty economy is rather like Tokyo's sprouting skyscrapers which are built over a major earthquake zone. The cautious Japanese are busy diversifying their economy and expanding into other countries.

Still, one catches a sense of unease, of a free-form anxiety as the world's problems beat against Japan's shores. This week's political and economic message in Japan was: Full speed ahead slowly.