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Michael H. Armacost. *Friends or Rivals? The Insider's Account of U.S.-Japan Relations*. New York: Columbia University Press, 1996. xiv + 271 pp. \$24.95 (cloth), ISBN 978-0-231-10488-3.

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Does it matter who heads the “Bar None Ranch,” as the US Embassy in Tokyo came to be called under Montana rancher and former Senator Mike Mansfield for his constant reference to the US–Japan bilateral relationship as America’s most important, “bar none”? This memoir of Michael Armacost’s stint as ambassador to Japan, from May 1989 to July 1993, provides insight into that issue, a question that certainly is on the mind of ambassador-designate Tom Foley with the approach of his Senate confirmation hearings. From Armacost’s account I conclude that it does matter, but not very much. Our relationship is highly politicized, and driven by decisions made in Washington. An ambassador is far removed from that scene, though a former politician undoubtedly holds some advantages there. On the other hand, a career diplomat such as Armacost brings a wider perspective to the job. It is indicative that he begins the book taking over the “Bar None Ranch” from Mansfield, but does not refer to the “ranch” again until he hands it over to Walter Mondale at the book’s end.

It was an eventful 4 years. On the security front, Armacost’s tenure saw the end of the Cold War and the prosecution of the Gulf War. On the economic front, the less quiet one, he oversaw the Structural Impediments Initiative, the launching of APEC, a G-7 summit and the start of the Framework Agreement, while the US economy went through one recession and Japan saw the collapse of the “bubble” economy. The political front changed at both ends, with the transition from a Republican to a Democratic administration in the US, and the collapse of 40 years of LDP rule in Japan. Finally, Armacost had a first-row seat to the disastrous January 1992 visit by President Bush, dominated by the President’s illness and the antics of the chairmen of the US Big Three automotive firms. Armacost’s book thus provides a useful overview of US-Japan relations during this turbulent decade, full of lively and insightful anecdotes and the occasional blunt observation.

Let me begin with the lively part. During the con-

struction talks, a senior LDP member queried Armacost as to the “real” US position, bluntly asking, “which contracts do you want?” (p. 45) and leaving puzzled when Armacost insisted that the US had no specific number in mind, but rather a general principle. Or there was the attempt by the Japanese Ministry of Finance to exclude him from meetings with a delegation from the US, to which Armacost retorted that whatever might be the role of the Japanese Ambassador in Washington, in Tokyo he represented the US government and would accompany high-level delegations as he saw fit (p. 62). He can be blunt. Armacost notes that the White House did not keep him informed of changes during the off-and-on-again Bush visit in the winter of 1991-92. First, he was given no advance warning that the original November date was to be cancelled. It was likewise suddenly rescheduled. Furthermore, President Bush personally changed the agenda, asking for “autos, autos, autos” a mere 7 working days before the summit, leaving those involved “shaken by the request virtually to start from scratch in preparing for the visit.” In effect, the months of preparation for the cancelled November trip were deemed a waste, and totally new demands placed on the table (pp. 162-63).

The above incidents also are full of irony. Armacost later relates that, as a result of the auto industry targets announce during the January 1992 Bush visit and the numbers-oriented 1986 and 1991 semiconductor industry agreements, the incoming Clinton was infatuated with “results” (p. 177). (He also notes the influence of “revisionist” views.) Whatever the lofty principles proclaimed by the US, the nameless Japanese politician had an accurate sense of what Washington wanted in a re-election year. Again, during the Structural Impediments Initiative negotiations, Armacost relates that US Treasury managed to exclude State from various talks, so that the Embassy was totally shut out. Finally, as a career diplomat rather than a former politician with ties to the Hill and the White House, the Embassy was clearly out of the loop on political decisions. Not only were they

not asked for advice regarding the 1992 Bush visit, but the original preparations seem to have been made without any sense of the political nature of the event. That is something that would be less likely to happen under a former politician more attuned to the pressures of an election campaign. Even then, the Embassy is a long ways from Washington, and when the policy-making levels in an administration are focused on Europe and Russia, even the voice of a strong ambassador will be muted.

At the same time, the Embassy, or perhaps more appropriately the larger policy-making apparatus, appears to function well when domestic (US and Japanese!) political sensitivities do not dominate. Armacost was quite aware of the underlying tensions in the bilateral security relationship, and he was helped by events – the end of the Cold War and the Gulf War – in nudging ties in a constructive direction. Such issues also played to his personal strengths, which included a stint as ambassador to the Philippines and as Undersecretary of State for Political Affairs. An ambassador whose perspective on Asia is dominated by his duties as head of the “Bar None Ranch” would probably have been less effective. During the Gulf War, Armacost helped get the Japanese government to recognize the need for a major response. In other ways, too, he continued nudging Japan to adjust its stance on defense matters, reflecting his awareness of the wider context of security issues.

This breadth of perspective also stands out in economic ties. One of his goals was a strengthening of the commercial and economic staffs of the embassy, and while this may have been part of a larger trend, the language and country skills of the Embassy’s personnel in these areas and the support they receive, has certainly improved. Armacost felt that competent reporting was important, and was able to make his voice heard on occasion, even if the Embassy’s advice was not always followed. In other words, he was attuned to the role of staff work and institutional structures and worked to strengthen both. His successor, Walter Mondale, continued these efforts, for example, by reviving the special assistant position (filled by Ed Lincoln) specifically to strengthen Tokyo’s ability to report credibly on economic and commercial issues. Nevertheless, the agenda still was set in Washington. This included the Framework Talks, for the goals of these were mapped out without asking if there was a “clear path to success” in sight to make them workable (p. 181).

In fact, the transition to the Clinton administration saw a heightening of tensions. Not only was the agenda

fraught with difficulties from the start, but it was managed in an atmosphere of mutual distrust by a number of individuals who “bore the scars of previous business negotiations with Japan” (p. 176). We thus saw in Clinton’s first term a combination of (i) institutionalized trade talks, which demanded that issues be chosen on a regular basis regardless of preparation or sensibility, (ii) driven more by the domestic political agenda than by preparation or sensibility, and (iii) run by individuals with a predisposition to fight, regardless of preparation or sensibility. (This phrasing is mine, not Armacost’s.) This was a recipe for poor policy if not outright disaster, and Armacost does not mince words. It is refreshing to have his frank insider’s description of the embarrassment of the January 1992 Bush visit. But he also comments on more recent events, noting that the 1995 automotive agreement was “...not necessarily a bad deal, but neither was it a big deal” (p. 187).

Given this recent experience, he ruminates on the spillover of bad trade relations into other, important areas. Much of his thinking is sensible, but it is not clear that such wish lists are terribly useful. American decision makers are typically after a quick agreement to pad their resumes and address short-term domestic political difficulties, and then fail to follow up their agreements (indeed, the US government does not have any systematic record of past agreements). In contrast, the Japanese players must think of their careers as bureaucrats, which are not enhanced by making waves. Hence, they attempt to take “as long as possible to do as little as necessary,” (p. 25) which feeds into a vicious circle of recrimination and mistrust. It is not clear there is any way out of this, since the US and Japan will continue to have periodic mismatches in their business cycles (as at present) leading to bilateral trade deficits that, when they fall in a presidential re-election cycle, generate pressure for visible action. Foreign exchange interventions are futile, as Armacost notes; it is but one price reflecting the interface of two very large economies and sways domestic behavior little. Macroeconomic coordination is easy to wish for, but remains a will o’ the wisp, despite the many efforts attested to in this book.

There is no magic bullet to make trade problems go away, nor is there any obvious way to overcome such underlying frictions except to keep them from becoming politicized. Sound reporting from Tokyo is not likely to make much of an impact when trade figures are asking to be blared out in a re-election campaign—Armacost’s advice to downplay the latest month’s figures is sound, but impractical. Nor is there any obvious way to overcome the working-level friction inherent in the differing

Japanese and American bureaucratic systems. There may be substantive difficulties in the relationship, but I differ strongly with Armacost that there are no procedural difficulties. Devoid of strong leadership from the highest levels, however, it is wishful thinking that the two sides will shift the way in which trade issues are administered. I thus see no greater likelihood for an overhaul of our procedural framework than I do for trade issues being isolated from election campaigns.

Armacost is on firmer ground discussing security issues. He notes that minesweepers were sent by Japan to the Gulf after the end of the war, despite the failure of "PKO" legislation in the Diet authorizing participation in UN Peace Keeping Operations. The obvious conclusion is that the widely proclaimed legal difficulties in sending Japanese troops abroad has less to do with constitutional issues than with a lack of political will (p. 124). In terms of the US losing its defense technology base, he points out that no attempt was made to use the purported dependence of the US Department of Defense on Japanese semiconductors and other hardware in the run-up to the Gulf War, despite Japan's sharp differences on policy toward Iraq (p. 215). In contrast, Japan remains heavily dependent on the US. In 1993, contracts were frozen when a Japanese defense contractor was caught violating export controls, and "the Japanese Self-Defense Forces became increasingly frantic as airplanes, missile guidance systems, and other key defense systems came close to being grounded as parts supplies dried up" (p. 94). The book is peppered with similar useful insights.

Even here, I am not comfortable with his conclusion that "we can safely leave the initiative ... to Tokyo. It is, after all, Japan's security that is potentially at risk" (p. 248). Compared to five years ago, the discussion of security issues is more open, and semi-formal groups do meet. However, security issues do not have the political saliency required to move quickly in impacting the rethinking actual policy, while at the same time having taken many small steps that add up to considerable

progress since the lead-up to the Gulf War. Armacost openly acknowledges that a Japanese response in the event of a Korean contingency is likely to be (politically) inadequate. Thus, it poses a major threat for the bilateral relationship (pp. 78 f, p. 228). If this is really the case, then the Embassy is too passive by half. With Washington focused on realigning NATO in the new Europe, it is not surprising that the Far East was overlooked at that end. But despite the real progress during his tenure, could not the Embassy have done more?

Here as elsewhere, Armacost's memoirs show an Embassy peripheral to the action. Having a strong political presence (such as a Mondale) may facilitate a larger Embassy voice. It could potentially help the US to avoid disasters such as the Bush summit of 1992. But these memoirs probably reflect quite accurately the large role of summits in the life of the Embassy, and the intrinsic difficulty in influencing policy when it becomes politicized in Washington (or in Tokyo!). It also suggests that the Embassy cannot fight a policy infrastructure that is still focused primarily on Europe. Perhaps an Ambassador with a real vision for the US role in Asia and sufficient clout back in Washington could make a difference, but the career of a Tom Foley or even a Walter Mondale positions them poorly for such a task, and being in Tokyo negates much of their political expertise. Nevertheless, there is a positive aspect: maintaining "engagement" at the top is certainly desirable, and Tom Foley as the next ambassador will certainly be better suited to that task than a career diplomat in Tokyo, or the career diplomats that Japan posts to Washington.

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