

# PASTOR GENERAL'S REPORT

TO THE MINISTRY OF THE  
WORLDWIDE CHURCH OF GOD



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## FROM MINISTERIAL SERVICES

We of the Auditorium PM congregation had a very moving and meaningful Pass-over service with Mr. Herbert Armstrong leading, and Mr. Ellis La Ravia and me assisting him. Then, in the afternoon of the first day of Unleavened Bread, Mr. Armstrong gave a powerful and encouraging sermon in the Auditorium. Audiotapes of that message will be mailed out to be played in all churches. I'm sure the brethren will appreciate hearing from Mr. Armstrong once again.

It seems that our rapidly advancing technological age raises new questions on occasion. One question that many have been asking recently is whether it would be appropriate to videotape the wedding ceremony. In discussing this question with Mr. Armstrong, he gave the following principles:

1. The wedding ceremony should not be disturbed in any way. If videotaping is done, it must be done quietly and without distractions. The same applies to taking photographs. There should be no flash photography nor other distractions during the ceremony itself. Any photography must be done quietly and without the photographer moving around. Of course, flash photography before and after the ceremony would be fine.
2. Audiotaping the ceremony is also fine, as long as it too is done quietly and without bulky equipment, or equipment and cords located in conspicuous places. There should be no clicking of automatic shut-offs or ejecting and turning over of cassettes.
3. The prayer is an especially sacred part of any ceremony and, therefore, should not be audiotaped, videotaped or photographed at all.
4. Baptisms and funerals are not to be photographed or recorded at any time. However, photos before and after the baptismal ceremony or funeral are permissible.

I might add that any photography or taping that does not have the complete approval of the families of the bride and groom should be avoided. That seems rather obvious, but we recently had one situation in which a man not related to the couple getting married wanted to videotape the wedding, contrary to the families' wishes.

I hope these guidelines answer most questions, but if any further questions arise, please write in. As most of you realize, prior to this time the policy had been that neither photography nor taping were permitted during the entire wedding ceremony. Mr. Armstrong explained that the reason for this policy was that the bulky and noisy equipment most often used in the past was too distracting. If such problems can be avoided, he felt that the sanctity of the ceremony can still be preserved.

Copies of the 1985 FESTIVAL PLANNER are now being shipped to church pastors in the United States and Canada, and should arrive in time for distribution

on the Sabbath of April 20. Please make absolutely sure that you do not distribute any copies before that date. Last year some pastors actually did distribute the FESTIVAL PLANNER early. Under no circumstances should it be handed out before April 20!

Distribution should be one copy per household. If you will not be visiting one of your congregations on the Sabbath of April 20, be sure to give sufficient copies to the Festival Advisor for that congregation. Let's take special care to ensure that all the brethren receive the FESTIVAL PLANNER on the same day.

The Festival attendance lists will be mailed from Pasadena and Vancouver on April 29. Members will be able to sign up for the Feast site of their choice beginning Sabbath, May 4.

The following is a copy of the announcement that is included with the shipment of FESTIVAL PLANNERS pastors of churches in the U.S. and Canada will receive. It is to be read in all U.S. and Canadian churches April 20 and 27, in conjunction with the distribution of the FESTIVAL PLANNER:

#### TRANSFER AND HOUSING POLICY

If you plan to transfer for the Feast, you may make your reservations now at most transfer sites. Before making a reservation, please note these two important points:

First, you must make only one reservation; either at your assigned site or at the site which is your first choice for a transfer. Do not make more than one reservation.

Second, you must still wait until you receive transfer approval before you arrange your housing, if you plan to transfer to one of the following sites: Hawaii, Jekyll Island, Vail, Penticton and Victoria. This is because we expect to receive more requests at these sites than the auditorium or the housing will accommodate.

Likewise, it is vital that members reserve their housing only from the lists printed in the FESTIVAL PLANNER. Please read the article "The Necessity for Festival Housing Negotiations" on page one, and follow the guidelines given there. If you have questions, contact your Festival Advisor.

These policies are for your convenience and benefit, and will work only if everyone follows the points outlined above. We appreciate your cooperation.

#### Clarification for Jerusalem Feast Applicants (From the Festival Office)

Brethren interested in attending the Feast of Tabernacles in Jerusalem, Israel for the second or third time may wish to sign up for an alternate tour, for repeat visitors only. Such a tour is new this year, and was called a "second-timer's tour" on the application coupon which appeared in the March 18 WORLDWIDE NEWS. This will be a revised tour and will include areas that have not been seen by previous Festival tours. Some of these are: Beersheba, the Rockefeller Museum, the Israel Museum, and a very extensive walking tour of the Old City of Jerusalem.

If anyone in your congregation is interested in such an alternate tour, he or she should indicate that on the application form. If the application has already been sent in, the member should contact JMT Travel at the address given in the March 18 WORLDWIDE NEWS.

NOTICE TO ALL MINISTERS

(Not to be Announced)

Due to inquiries received regarding Mr. Jim Lichtenstein, we feel it is necessary to advise the ministry that Mr. Lichtenstein has been removed from the ministry. However, Mr. Lichtenstein remains a member of the Church.

Also due to inquiries received regarding Mr. and Mrs. Dan White, we feel it is necessary to advise the ministry that Mr. White, former pastor of the Helena, Butte and Great Falls, Montana Churches, has resigned from the ministry and the Church. Mr. and Mrs. White are considered disfellowshipped. This notice is not, and should not be considered a marking of Mr. and Mrs. White.

Comments From Monthly Church Reports

From the United States

FORT WORTH (PM), TX--BOB SMITH: The Wainwright and the Ray Wright tapes are helping us stay on the "wright-track"! Both were extremely instructive and encouraging.

JOPLIN, MO--VINCE SZYMKOWIAK: I appreciate the sermon tapes, such as Dr. Wainwright's and Mr. Wright's, which are sent to be played in the local areas. They give both the field ministry and local congregation the opportunity to hear what is being taught at Headquarters.

SAN LUIS OBISPO, CA--CARLTON SMITH: The brethren have responded well to the two tapes by Dr. David Wainwright and Mr. Ray Wright. In fact, after Mr. Wright's sermon on the extent of the work, 20 members came forward to volunteer for the PT newsstand program.

JACKSON-GREENWOOD, MS--MARC SEGALL: After hearing Mr. Ray Wright's tape, a few reticent members stepped forward to volunteer to find more new locations for the PT newsstand program. One member decided to contact the manager of the Jackson airport. The manager was very cold about putting the PT in "his airport." But, after the member recited some of the facts from Mr. Wright's tape concerning the worldwide circulation of the PT, the manager's attitude changed completely and he said we could choose the location in the airport to place the stand.

OLYMPIA, WA--MEL DAHLGREN: We had a YES skating party where we asked the rink owner to play the "Young Ambassadors" tapes. At



the end of the session he was so impressed with the music and conduct of our people that he ordered a set of tapes for himself! He felt our music was better to skate to than "gospel rock" and would be a welcome addition to his collection.

FLORENCE, AL--LAWSON J. TUCK: One of our members recently met with the manager of a Quick Mart store in the Tennessee area after trying to do so four other times. To his amazement, he discovered that he and the manager had been childhood neighbors.

After looking at the PT, the manager was surprised it was free of charge. He recommended we use the three-pouch racks. Another interesting fact came to light. He manages not just one Quick Mart, but nineteen in the surrounding area! He asked his secretary to type a letter of authorization to put the PT in all the stores under his management. This member related he learned through experience the value of persistence, prayer and relying on God to open the doors for The PLAIN TRUTH.

RAPID CITY, SD--STEVE BUCHANAN: Nearly 100% of motel owners contacted in housing negotiations mentioned how much they like our members. The members should be made aware of how important their example is during the Feast. Their conduct is perhaps the biggest single reason the Church is able to negotiate for low rates. In this way everyone in the Church is a part of the "festival team."

--Joseph Tkach, Ministerial Services

#### AMBASSADOR COLLEGE UPDATE

(Pasadena Campus)

Both Ambassador College campuses are now in the midst of the spring break. The usual beehive of activity on the Pasadena campus is scheduled to resume next Wednesday, April 17th--when the College will again be back in session.

We have now completed the process of reviewing the applications of the upcoming two-year (A.A. and A.S.) graduates of Big Sandy and Pasadena who wish to continue in the four-year Bachelor of Arts program. Before making the final selections, college officials of the two campuses got together in order to make certain that we were making selections based on the same standards. We finally accepted a total of 166 students from both campuses into the Bachelor of Arts program at Pasadena.

Those AC students who have been chosen to go on into the four-year program were informed just before the spring break. We let it be known, however, that we hope to be able to accept others from among the two-year graduates, perhaps a year or two later.

I hope all of you ministers and your families had a blessed and happy Feast of Unleavened Bread. My wife and I were privileged to spend the Passover and the first day of Unleavened Bread with God's people in the Shreveport, Louisiana area. We very much enjoyed the fellowship with the ministers and brethren there. As usual, it was good to see God's people looking toward Headquarters, and it is always good to see those who lead in prayer include Mr. Armstrong in their prayers--that God will continue to guide, strengthen, protect and bless him as he faithfully leads God's Church forward toward the Kingdom of God.

God continues to bless His College in so many ways. A number of the coming May graduates have already been informed that they will be hired by the Church after graduation. Over 70 students were hired in 1983, and then another 70-plus in 1984. We don't yet know how many AC graduates will be hired after this coming graduation, but we hope God will see fit to use many of these very fine, dedicated young Ambassadors directly in the work of His Church.

I appreciate receiving many reports from you ministers--as well as from department heads, work supervisors and others--concerning the very fine example AC graduates are setting. Please continue to remember God's College in your prayers--that we would always go well beyond the "call of duty" in helping to train these fine young people to become excellent Ambassadors representing God's way of life in a sick and dying world!

--Raymond F. McNair, Deputy Chancellor

#### UPDATE FROM MAIL PROCESSING

#### Easter Telecast Produces Another Record Response!

"The Plain Truth About Easter," which aired the weekend of April 6-7, brought in an all-time record 17,585 calls. New York station WOR aired the program 20 minutes late due to a hockey game. We believe this reduced the response by several hundred calls.

The combined response for the telecasts on Easter and the resurrection, including calls during the week, has reached 37,226.

Callers were quite surprised to learn the truth about Christ's resurrection. They appreciated Mr. Armstrong's clear and logical explanation. Many indicated they would be reexamining their beliefs and making some changes. A sampling of their comments follows:

Mr. Armstrong is so crystal clear and thorough in his presentation. He researches well and explains it so anyone can understand. I was shocked and surprised that Christ didn't rise on Sunday! But he showed exactly what the Bible says on the matter. Other preachers hardly quote the Bible. Mr. Armstrong left me without a doubt on the information he gave. If I had to do all that research to find the truth, it would take me months. I appreciate his doing it and presenting so much within a half hour.

J.H. (El Cajon, CA)

I was shocked! All my life I've been going to church on Sunday. Mr. Armstrong is a wise man and I have to listen to him. I haven't been a follower of his but I will be now.

W.O. (Pasadena, CA)

Your program was very thought-provoking. I was raised a strict Catholic, and this is the opposite of what I've been taught. I want to look into this subject of Easter and study it. I may have to make some decisions about what I believe.

M.W. (Fort Campbell, KY)

I've had Bible history in college and I've thought about this before, but I've never heard anyone explain it. I could never figure out how three days could fit between Friday and Sunday.

M.M. (Greeley, CO)

I was really looking for Jimmy Swaggert but when I got Mr. Armstrong, I couldn't turn him off! I never knew we could worship Jesus in vain--but it makes sense. Everybody can't be right when they're doing it different ways! I'd like to learn more.

N.J. (New York, NY)

I'm thirteen years old and I thought your program was very nice. Mr. Armstrong has a lot of good information to back up what he says. This is my first time watching and I got out my Bible and studied it with the program. I'm looking forward to reading that booklet about Easter.

K.W. (Viola, KS)

Very interesting--I've always wondered about how the Easter bunny and all that got mixed in with Christ. The two never seemed to go together.

S.H. (Brigham City, UT)

#### Summary of WATS Calls in 1985

We thought you would be interested in a recap of WATS responses to "The WORLD TOMORROW" telecasts since January 1. They are listed as follows:

<u>Airing Date</u>	<u>Title/Topic</u>	<u>Weekend Response</u>
1/06/85	The United States & Britain in Prophecy	15,836
1/13/85	Ascent to Greatness	15,852
1/20/85	Children--Key to the Future? (China)	8,303
1/27/85	What Is the Cause of Man's Problems? (China)	9,665
2/03/85	World Peace--Mankind's Ultimate Dilemma (Nepal)	15,992
2/10/85	What Are the Seven Laws of Success?	17,229
2/17/85	This Is the Worldwide Church of God	13,813
2/24/85	What Is the Key to World Peace? (Sri Lanka)	10,683
3/03/85	The Elusiveness of Peace (Sri Lanka)	9,373
3/10/85	Is This the End of the World?	12,257
3/17/85	Festival Entertainment	9,179
3/24/85	Ending Your Financial Worries	10,558
3/31/85	Was the Resurrection on Sunday?	17,008
4/07/85	The Plain Truth About Easter	17,585
Year-to-date Weekend Average		13,100

For comparison, the 1984 weekend average was 9,124.

--Richard Rice, Mail Processing Center



ON THE WORLD SCENE

TRADE WAR!--THE END OF A 40-YEAR HONEYMOON On April 9, the Japanese government, under U.S. Congressional pressure to reduce a \$37 billion trade deficit with the United States, proposed a program to open the nation's markets to foreign trade. And in an unprecedented nationwide televised "fireside chat," Prime Minister Yasuhiro Nakasone pleaded with Japan's shoppers to buy foreign goods. "I ask all of you to be on the lookout for foreign products when you visit the supermarket or department store," Mr. Nakasone said, backing up his appeal with charts and graphs illustrating the growing U.S.-Japan trade and payments gap. "This is a life and death affair (that could lead to) a terrible depression," Nakasone said in reference to protectionist measures pending in Washington. "We won't be able to sell our cars, our videos or our machines in the United States if Japan doesn't reduce its massive American trade surplus," he continued. He bluntly told his countrymen--using colloquial Japanese rather than the usual formal language customary to his office--that they must help avoid repeating "the tragedy of World War II."

At the same time, a 10-man advisory committee in Japan issued a long-awaited report recommending that Japan open up its markets in stages over the next three years. Mr. Nakasone pledged that the government will prepare the action plan "as soon as possible and seek its implementation without delay." White House Chief of Staff Donald T. Regan said President Reagan "was pleasantly surprised" by Nakasone's "unprecedented appeal to the Japanese people to embark on the path to free trade." Critics, however, said Nakasone's three-year plan to boost sales of U.S. products was totally inadequate and would do little to halt growing sentiment for a U.S. trade war against Japanese goods.

The Reagan Administration, while also stressing the need for results, took a more conciliatory note. Vice President George Bush said the speech "took a good deal of courage...." Bush warned that calls in Congress for import tariffs and other retaliation to force increased U.S. exports would end up hurting America. "Whatever walls we dream of building, it's not walls we'd get if we started to live out a nightmare like that," Bush said. "It's a cliff, and we'd find ourselves falling straight down into chaos."

The latest--and by far most serious--trans-Pacific trade dispute started shortly after President Reagan released the Japanese from another year of "voluntary limits" on the export of Japanese autos to the U.S. The Japanese instead kept a limit, but raised it about 25%--roughly 2.3 million vehicles instead of 1.8 million. In response, a wave of protectionist fervor swept through Congress demanding that Japan almost instantaneously (in 60-90 days) greatly reduce import barriers on U.S. goods, specifically in the telecommunications, pharmaceutical and wood products industries. The Congressional mood was, frankly, ugly and extremely dangerous, with no small amount of "Jap-bashing." Emotions threatened to overwhelm caution. Senator Max Baucus of Montana charged: "I would like to leave this body with one word, 'Bo-eki-sen.' Just so everyone knows what that means, that is Japanese for 'trade war.'"

Otherwise normally sound-minded officials seemed to be swept up in the anti-Japanese rhetoric. "They are sucking the world dry" complained Republican Senator from Missouri, John Danforth, one of the leading exponents of trade retaliation against the Japanese. "In category after category they

are slicing us neatly and thinly off like a piece of sashimi, which they so elegantly do," added Senator John Heinz, Republican of Pennsylvania. Heinz also said at a March 8 Senate hearing that when the "Japanese get their little fork into us--or chopsticks--they really do stick it to us."

Japanese-Americans in government and business have been deeply concerned over the racial overtones of these and other remarks. Senator Spark Matsunaga, D-Hawaii, one of four Americans of Japanese descent serving in Congress, says that there is "so much emotionalism" in the trade debate that the rhetoric sometimes reminds him of the pre-Pearl Harbor atmosphere in the United States.

At the same time, more knowledgeable trade experts stressed that about 75% of the current problem lay with the United States, specifically with the overvalued dollar, which makes U.S. exports more expensive, and imports cheaper. But Congress seems more intent to pursue the ruinous course of import quotas and tariffs than to come to grips with the U.S. budget deficit, which, by necessitating heavy federal borrowing, keeps interest rates high. This also sucks in investment funds from overseas, further elevating the dollar's value. Several articles in THE WALL STREET JOURNAL have given much needed factual background to this highly charged issue. First of all, there was the lead article in the April 4 issue:

If Japan is worried by the sudden outbreak of protectionist bombast in Washington, welcome to the club. We too have been more than a little shaken by the King Kong roars from the House and Senate chambers this past week. They threaten to touch off jungle emotions no one could control. And nothing would halt the U.S. economic recovery or send U.S. living standards tumbling faster than a trade war with Japan....

As we have said here before, Japan is not blameless for this outburst of jingoism.... Its tariffs are lower than those of the U.S., but its non-tariff barriers are the rub.... The U.S. would be even more foolish, however, if it took steps to limit its trade with Japan. As George Gilder observed so astutely [quoted later in this report]..., U.S.-Japanese trade is synergistic. Both sides benefit enormously.... High-quality Japanese components are vital to high-tech U.S. products. Japanese competition keeps U.S. manufacturers on their toes. Most important, inexpensive Japanese goods help Americans raise their living standards, reducing wage demands on U.S. manufacturers.

Some U.S. companies complain about Japanese competition but then some companies complain about any kind of competition. There is no evidence that Japanese competition has damaged the U.S. economy as a whole. Employment and capital investment have risen sharply. Factory shipments, presumably most vulnerable to import competition, were up nearly 30 per cent in December from two years previously.

But what about all those dollars the Japanese are accumulating, asked one of the pundits on a Sunday TV panel. The answer is that Americans should give thanks that the Japanese will accept flimsy paper dollars in exchange for shiny Toyotas, Panasonics and the like. They accept them happily because the dollar is a good cur-



rency. The Japanese can use them to buy in Australia or Brazil, which in turn use them to buy in the U.S. Or maybe the Japanese invest them in U.S. bonds or in building plants in the U.S.... Dollars will continue to be well accepted so long as the U.S. follows sound, free-trade economic policies....

Part of the reason for this week's outburst, we suspect, is that a disorganized Congress finds positive tasks too demanding. So members relieve their frustrations and their reelection fears with primal screams toward the Pacific. That worries us.... Americans, unfortunately, will be the main victims if Congress gets itself into a self-destructive mood.

THE WALL STREET JOURNAL, on January 4, 1985 ran an article entitled "The Political Dimension of Japan's Trade Balance," written by Robert Keatly, editor of the ASIAN WALL STREET JOURNAL:

Some Japanese are becoming extremely peeved by all this. What the West wants, they contend, is for efficient Japan to adopt European sloth and American inefficiency. They say foreigners should work harder to meet Japanese competition and to penetrate the admittedly complex Japanese market, and stop complaining. They insist Japan won't sink to standards of the West by importing its lackadaisical labor methods, whimsical strikes and meddling management.

As a recent book phrased it, the Japanese believe Europeans in particular "have lost the habit of work." Thus, tourists find Europe only a nice place to visit, with "cultural monuments, good shopping and exotic sex--all at reasonable prices and all set in elegant stagnation." Others call Europe a boutique, America a farm: beyond fashions and food, the West has little to offer that meets Japan's high standards--and that's not something for which Japan deserves blame.

Interestingly enough, the Common Market, by admitting two additional "poor cousins" (Spain and Portugal) may be in even less of a position to meet Japanese competition. The Europeans have employed all sorts of elaborate gimmicks to restrict Japanese imports--far more than the Americans have used. This has served only to deflect more Japanese sales to the U.S.

Murray Weidenbaum, a former chairman of President Reagan's Council of Economic Advisers, also wrote in THE WALL STREET JOURNAL, April 2, 1985, in an article titled "U.S. Export Curbs Contribute to the Trade Deficit":

A more constructive approach to reducing the trade deficit can proceed from a little-known fact: The U.S. has erected many barriers to its own exports. These are self-inflicted wounds that are easily treated. For example, the Trans-Alaskan Pipeline Authorization Act prohibits the export of oil from North Slope fields. Under free-trade conditions, Alaska would be Japan's least-cost supplier of energy....

Another burden to U.S. trade is the Foreign Corrupt Practices Act, which requires strict record-keeping standards to guard against bribery of foreign officials. It is difficult to discuss

that law without being criticized for ethical callousness. However...the language of the act is so sweeping and ambiguous that American firms turn down foreign business when they merely suspect that they could be charged for actions technically classifiable as bribery. In a survey of 250 American companies, the General Accounting Office found that 30 percent of the respondents engaged in foreign trade had lost business as a result of the Foreign Corrupt Practices Act.

One of the most prominent economists today is George Gilder, author of such books as WEALTH AND POVERTY and THE SPIRIT OF ENTERPRISE. In the April 27 WALL STREET JOURNAL, Mr. Gilder wrote an article entitled "Imports Are Not a Problem but a Cure." In it he stressed the incredibly interwoven economies of Japan and America, and how disastrous it would be to disrupt this relationship. Most of all, asks Gilder, why the sudden hew and cry over imports when the U.S. economy is humming along with millions of jobs having been created during the current boom?

Many economists persist in predicting dire damage from deficits in the U.S. budget and balance of payments despite the lack of any significant evidence of serious malfunction. After a two-year period when the nation's businesses created some seven million jobs...these economists nod sadly and speak of two million jobs lost through the trade deficit.

After a record 33.2 percent rise in real capital outlays over a two-year period--making U.S. plant and equipment newer on average than Japan's...leading pundits and politicians speak in despair of U.S. competitiveness and urge drastic new protectionist laws [which]...threaten to poison the most important source of U.S. and world recovery: The rising exchanges of goods, people and ideas between the U.S. and Asia, particularly Japan.

On the simplest and most immediate level, the surging growth of the U.S. economy stems in part from the availability of high-quality products, such as cars and VCRs, made in Japan and sold here at ever more attractive prices.... Many of the most highly motivational products in America today--the goods that most enhance the real value of after-tax income--come from Japan....

More important still,...far from inhibiting the expansion of U.S. high technology, Japanese imports, sold at ever lower prices, helped lower costs and expand markets for computers and related equipment that also dominated demand for U.S. parts. Without key inputs from one another, neither the U.S. economy nor Japan's could grow nearly as fast. Whether the more measurable parts of these exchanges happen to balance out during any one period is of no importance if both economies benefit.

Take, for example, the IBM personal computer, which rose from nothing to approach a \$7 billion business over the past three years and was perhaps the exemplary product of the recovery. Its success was made possible by about 5,000 software entrepreneurs, led by Lotus; its most essential parts were sophisticated microprocessors and controllers from Intel, Motorola and Western Digital. But more than 60 percent of the other parts came from abroad, mostly from Japan.

In fact, U.S. makers of parts and peripherals were utterly incapable of fulfilling the needs of the computer revolution that erupted with unexpected fury over the past few years. Without hardware imports from Japan, the software would not have been sold, the memory sockets could not have been filled in time, disk drives and cathode ray tubes would not have been available....

Even the U.S. semiconductor industry, often cited as a victim of Japanese imports, benefited greatly from such imports.... Japan's efficient output of huge volumes of commodity chips at ever lower costs lowered the prices of all electronic gear and thus enlarged the market for more specialized and higher-margin devices from U.S. companies.... Nothing could so rapidly cripple U.S. technical progress as to exclude trade with Japan.

These imports are in general a positive reflection of the good health of the U.S. economy and its superiority to Japan in crucial technologies. The \$30 billion deficit in our balance of trade with Japan in high-technology products mostly reflects our faster and more resourceful application of computers and related equipment....

The U.S. lead is not limited to applications, however. In a recent poll by the Organization for Economic Cooperation and Development, 200 leading European chief executive officers found the U.S. to be the world leader in five major fields of technology, even with Japan in two others (electronics and manufacturing) and number two only in robotics and metal alloys.... Europeans, behind in every area by their own appraisal, have not benefited in any discernible way from their aggressive industrial policies and exclusion of much Japanese technology.

Failing to comprehend the multifarious and delicate pattern of U.S.-Japanese interdependency, economists and politicians fixate on the two deficits [budget and foreign trade] and threaten to inflict real damage on an essentially healthy system.... When the U.S. and Japanese economies are intimately symbiotic, they urge disruptive protection that will hurt both....

Although the U.S. must continue to negotiate for easier access to Japanese markets, particularly in semiconductors and telecommunications, it must always recognize that America benefits from Japanese capitalism, even when--and perhaps particularly when--Japan floods U.S. markets with its goods. In particular, the most recent U.S. recovery was in considerably degree made in Japan.

Another leading American economist, Robert J. Samuelson, writing in the April 8, 1985 LOS ANGELES TIMES, worried that U.S.-Japan trade frictions could explode in the future. A major reason, he explained, is the cultural gap between the two powers.

Although today's dispute may subside, the United States and Japan have fundamentally different trading aims and political styles. It's hard to be optimistic that the differences won't one day explode into a protectionist spasm that harms everyone.



The trade dispute is heavily laden in mythology. Is Japan most responsible for America's widening trade deficit? No. Since 1982 the overall trade deficit has roughly tripled to \$107 billion in 1984. In the same period the trade deficit with Japan only doubled. Three-quarters of the increase came elsewhere. The main reasons have been the rapid economic growth in the United States, which increases imports, and the high value of the dollar, which make exports more expensive and imports cheaper....

But the Japanese use American myths to justify their own. They routinely argue that their markets are open and that the difficulties of Americans and others reflect either uncompetitive products or lazy salesmanship. In fact, Japan heavily protects many uncompetitive industries, like plywood and agriculture....

Much of Japan's protectionism also reflects tradition.... Commercial relationships are based more on trust and familiarity than on contracts: "If a new company in the United States wants to supply components to General Motors, if it can meet price and quality, it can make a deal," [William Tanaka, a Washington attorney who represents many Japanese firms] says. Not so in Japan; the company "not only has to beat the terms and conditions of the current supplier" but also has "to develop a relationship of trust."....

At bottom, Americans and Japanese view trade differently. Even when practicing protectionism, most Americans praise open trade.... There is little of this from Japan. Even rhetorically, the Japanese show scant interest in the abstract virtues of importing for its own sake. Their interests lie in assuring essential imports--foods, fuel and minerals--and maintaining their own export markets. So the Japanese preoccupation is in soothing "trade frictions." They will make concessions--grudgingly and often of little value--to do this, but not to realize the gains of larger two-way trade....

We are fast approaching the limits of our messy way of dealing with trade conflicts. The younger generation of Japanese lack their elders' sense of gratitude to Americans for fostering the country's postwar recovery. In the United States, anti-Japanese resentment is rising.... It is an ill wind that blows no good.

Mr. Nakasone's chief adviser on the trade crisis is Saburo Okita, a former foreign minister. Mr. Okita said rather glumly of the current situation: "I am seriously concerned that there is too much emotion and impatience in Congress, without due understanding of the situation. There is the concern (here) that if we are pressed too much by a foreign government, it may arouse nationalistic sentiment. This would really damage Japan. At the same time...if you have a nationalistic, unfriendly Japan in this part of Asia, the whole U.S. policy would be upset."

Nothing could bring the U.S. economic recovery to a screeching halt faster than a retaliatory trade war. It is estimated that one in every five jobs in U.S. manufacturing is dependent on exports. Fully one-third of U.S. farm produce is shipped overseas. The notorious Smoot-Hawley Act of 1930, imposing stiff tariffs on imports, played a major role in turning the chaos

resulting from the stock-market collapse into a full-fledged international depression. It seems that many of today's younger politicians in Washington have not learned the brutal lesson of Smoot-Hawley. (I heard a funny definition of Washington, D.C. yesterday--"an island surrounded by reality.")

And, as Mr. Okita, quoted above, alluded to, the prospects of an aggrieved Japan, aroused to dangerous nationalistic sentiment, is something nobody should desire. In this light, it is interesting to note an observation made in an editorial which appeared in the Spanish-language newsweekly, VISION, in its October 22, 1984 issue. Most of the editorial, entitled, "Facing the Giant," dealt with the ever-sensitive U.S.-Latin American relationship. But note this reference to U.S.-Japan ties.

Perhaps the most outstanding example in the contrast between a formal alliance and actual rivalry is Japan. When MacArthur occupied it at the end of the Second World War, he prepared himself for a guerrilla war. What did he find instead? Respect and smiles. The pre-war militaristic Japan gave way to commercialistic Japan. Has the competition between Tokyo and Washington ceased because of this? Or shouldn't it rather be said that Japan, having been crushed at Hiroshima and Nagasaki, is biding its time for revenge some time after the year 2000?

A rather shocking assessment. The fruition of any such vengeful feelings would await future leaders, not men like Prime Minister Nakasone, who are doing all in their limited power to preserve the shaky U.S.-Japan relationship. But what if a full-blown trade war should erupt, bringing modern Japan to its knees? It is no coincidence that the real test in U.S.-Japan ties should come at this time, forty years after the end of the war. In 1945 Japan turned abruptly from hostility to America, toward a position of confidence--confidence in U.S. military protection, and reliance on trade links to Washington. This forty year period, too, is nearing its end.

--Gene H. Hogberg, News Bureau