

## IS TOKYO FULFILLING LENIN'S PREDICTION?

Toshiba's sale of sophisticated submarine technology to the Soviet Union spotlights what many see as Japan's growing disregard for the rules established by the West for trading with the Soviet bloc. These rules are set and administered by the Coordinating Committee for Multilateral Export Controls (COCOM), a seventeen member oversight group comprising the United States, fifteen NATO allies, and Japan.

The serious security implications of the Toshiba sale and the multi-billion dollar price tag for the U.S. to revamp detection systems against more quiet Soviet submarines understandably have prompted the U.S. House of Representatives to approve a ban on sales of Toshiba products at military bases and the Senate to consider an amendment that will halt all Toshiba imports for two years.

**Undermining U.S. Security.** The Toshiba scandal forms part of an increasingly distressing pattern of Japanese commercial activities that undermine Western, particularly U.S., security. Japan's trade activities seem to confirm the prediction attributed to Lenin that, by supplying materials and technical equipment to the communists, Western firms would sell the rope by which they will be hanged. In financial terms, many of Japan's trade ties with some communist states may be relatively modest. But together, they seriously undermine the strategic interests of the U.S. and its allies, including Japan, in ways no less devastating than the ability to make quiet submarine propellers, which Toshiba sold Moscow.

**Item:** Since Washington in May 1985 imposed a trade embargo on Nicaragua, Tokyo has become Managua's best trading partner outside the Soviet Union. Said Nicaraguan Foreign Commerce Minister Alejandro Martinez Cuenca: "We've become dependent on Japanese technology the way we used to depend on American technology."

**Item:** Taking advantage of U.S. economic sanctions against Castro's Cuba, Tokyo has become Havana's largest noncommunist trading partner. Cuba-Japan trade last year totalled \$428 million, over twice the 1983 level. Cuban exports to Japan rose from \$92.1 million in 1983 to \$132 million last year. In providing Cuba with a window to the Western market, Japan helps keep afloat an economy that has sponsored terrorist organizations and armed communist movements in Angola, Ethiopia, Nicaragua, and Colombia.

**Item:** Taking advantage of the aid embargo on Vietnam imposed by most Southeast Asian nations and the U.S., Tokyo has become Hanoi's largest noncommunist trading partner, with bilateral exchanges last year totalling \$280 million. This May, the six members of the Association of Southeast Asian Nations, or ASEAN--Thailand, Singapore, Malaysia, Indonesia, the Philippines, and Brunei--protested that Japanese trade is undermining the economic isolation imposed on Hanoi after Vietnam's 1978 invasion of neighboring Cambodia. The Japanese government responded by saying it would neither discourage nor promote private trade with Vietnam. In the couple of months since then, Honda Motors of Japan signed a contract to build an assembly plant in Ho Chi Minh City, formerly Saigon, with exports expected to go to Vietnamese-controlled Cambodia and Laos. On June 25, the Bank for Foreign Trade of Vietnam announced that it had agreed in principle with Tokyo's Sogo Bank to establish the first joint venture between the two countries. Operations are expected to include assistance in technology transfers.

Japanese firms clearly are eyeing Vietnam's potentially lucrative market of 62 million people. At the same time, Tokyo is ignoring Hanoi's statements that it has no intention of lessening its dependence on the Soviet Union or of curtailing Moscow's growing military presence at Cam Ranh Bay. From this important military toehold in Southeast Asia, Soviet warships and warplanes directly threaten the shipping lanes through which oil passes to Taiwan, Japan, and South Korea.

**Time to Act Responsible.** In its zeal to capture new Third World markets, Japan shirks its global responsibilities as a leading democracy. And while the U.S. protects Japan at great material and financial cost to American taxpayers, Japan is making the job more difficult in Southeast Asia and in the Western Hemisphere. Small trade gains in markets like Nicaragua--whose population of only 3 million offers little potential for substantial growth--are being pursued at the expense of long-term security setbacks for the Free World.

It is time for Japan to reconsider the policy that has made it a top trading partner with Vietnam, Cuba, and Nicaragua. While restricting international trade of course makes no sense economically, on occasion it is justifiable on security grounds. Tokyo, moreover, surely must recognize that at a time when anti-Japanese sentiment is mounting in the U.S. (and Western Europe), it may be very shortsighted to pursue trade policies that counter U.S. security interests.

With its huge trade surplus, its advanced technology, its booming economy and its growing sophistication, it is time for Japan to start acting as a responsible member of the democratic family of nations. It cannot any longer shrug off Toshiba scandals and blossoming commercial relations with Havana, Hanoi, and Nicaragua.

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For further information:

Daryl Plunk, "The Odd Couple: How Japan Helps Cuba Undermine U.S. Policy," Heritage Foundation *Executive Memorandum* No. 146, January 21, 1987.

"Japan Gains From American Embargo Against Nicaragua," *The Wall Street Journal*, June 12, 1987, p. 10.