

5. PRIME MINISTER OHIRA'S SUMMIT, TOKYO, 1979

One problem facing Japanese diplomacy in general, and with respect to summitry up to 1982 in particular, was the relatively short duration of the prime ministership and important summit-related portfolios in Japan. Though the situation was much better than that of Italy, the informal rotation of the Japanese prime ministership among the major factions within the ruling LDP and a frequent reshuffling of the Cabinet contributed to the loss of valuable experience and expertise accumulated by Japanese summit participants. The problem was even more pronounced as the summit became institutionalized in the 1977-1978 period. What was agreed to at the summit could be threatened with a change in the head of the government, particularly when the prime minister-elect emerged from a bitter power struggle, preaching against a policy widely viewed as an international commitment. Prime Minister Ohira's arrival was a case in point.

By the time Ohira succeeded Fukuda, it was apparent that the Japanese GNP was unlikely to grow by 7%.¹²⁴ Thus, when Ohira stated that "driving madly toward" the set goals of economic growth was "not realistic", he inadvertently gave the impression that the Japanese government was backing away from Fukuda's commitment at Bonn. In mid-December, the EPA officially projected JFY 1978 economic growth to be 6% instead of 7%. These moves provoked Carter to dispatch an accusatory letter reminding Ohira of the fact that the growth target was part of a multilaterally-negotiated package to which Japan was morally bound. The letter showed Carter's displeasure in seeing the target annulled. The letter itself was resented by the Japanese and created a temporary deterioration of the US-Japanese relationship at the governmental level. To the relief of those concerned, the rupture did not last long. An interagency group of US government economists on a visit to Japan found out that the Japanese economy had experienced remarkable adjustments. Domestic-led growth and the decreasing current account surplus impressed the team members. Japan was being assisted by its current account surplus figures for the early months of 1979: they ran \$1 billion to \$2 billion below those of the corresponding months of 1978. The intergovernmental tension between Washington and Tokyo eased.

Despite the somewhat relaxed atmosphere, bilateral problems were not completely resolved.¹²⁵ The 1978 Japanese current account surplus had turned out to be a record in dollar terms despite the summit pledge to reduce it, as the bilateral trade imbalance hit a post-war high of \$ 8.1 billion. The American Congress was increasingly impatient with these figures and its growing concern about Japan raised the possibility that Sen. Bentsen's anti-Japan import surcharge would pass. The unattained growth target led to the spread of skepticism about Japan among many Americans and Europeans. The trouble with Japan, especially regarding its diplomacy at London and Bonn, lay in its "end-oriented" approach. Instead of promising the "means" to achieve the "desired end" like a tax cut for the purpose of stimulating consumer spending, Japan had mistakenly committed itself to "outcome-specific ends" at the two summits. This approach was more costly since attaining a specific growth figure would be determined by many factors, only a few of which the government could control. The result was a widely-shared perception of the "unfair Japanese" who contributed little in shouldering international responsibility. The Japanese sherpa for the Carter-Ohira summit seemed to be aware of this and objected to incorporating numerical targets into bilateral objectives. He also resisted the use of the word "monitor", which he felt implied punitive American surveillance employed to ascertain how much progress both countries

made in fulfilling their policy goals. The breakdown of telecommunications negotiations just before Ohira's visit to Washington made the prospect for the bilateral meeting between the President and Prime Minister dim.

Nevertheless, Ohira did clear a hurdle for a successful Tokyo summit in the Carter-Ohira talks.¹²⁶ Both leaders made policy commitments that were basically congruent with the Bonn summit declaration. The joint communiqué contained no numerical targets, but it acknowledged that "the current account surplus of Japan and the 1978 current account deficit of the United States were not appropriate in existing international circumstances". Steps toward "continued reduction" in bilateral payment imbalances would be taken. Japan, on one hand, would foster growth led by domestic demand and open its markets to foreign goods, especially manufacturers. The US, on the other hand, would control inflation, curtail oil imports and facilitate exports. Tension was further softened by Japan's fiscal program. The JFY 1979 budget was reflationary, requiring the issuance of \$80 billion in government bonds (equivalent to some 6.6% of GNP). This volume (and ratio) were the highest of all countries in the West. After the meeting, the problems with Japanese trade and balance of payments blew over as Japan ran a sizable trade deficit in the wake of the 1979 oil price increases. They did not become the centre of the international agenda. The summit was held when US-Japanese commercial relations were fundamentally harmonious.

Other issues were prominent on the summit agenda.¹²⁷ The Japanese resented the fact that they had not been included in the four-power Guadeloupe political summit in January 1979: They felt that the discussions at Guadeloupe on China and the Gulf were of great concern to them. Consequently they declined to contribute financial aid to Turkey, as had been decided at that meeting. The Japanese exclusion from the political summit prompted some members of the government, notably Foreign Minister Sonoda, to advocate a strategy of including political topics on the Tokyo summits' agenda, thereby fortifying Japan's political influence. The move led to a behind-the-scenes drafting of a Middle East peace settlement, which was eventually aborted. Discussions were also devoted to the energy issue but Japan had little political influence here.

Criticism of Japanese markets' "closedness" did not totally subside. At the second sherpa's meeting in mid-May, EC representative Tickell presented a paper that described the trade problem as arising partly from "a Japanese market not fully opened to imports and with deep Japanese penetration in the export field of a number of politically sensitive areas in other countries". The Tickell paper proposed as a solution the "need to concentrate on the full opening up of the Japanese market and structural changes which would bring the ratio of manufacturers in Japanese imports into line with those of the other major industrialized countries." A similar argument was made in the "Schultz paper" drafted by the US sherpa, George Schultz. After haggling, the Japanese sherpa, Miyazaki, managed to obtain promises not to have these critical phrases mentioned at the actual discussions at the summit.

More troublesome for Japan were the effects of the second oil crisis.¹²⁸ Ignited by the Iranian revolution and the subsequent interruption of Iranian oil exports, the total shortfall of supplies accounted for 5% of the IEA countries' needs and upset the whole supply-and-demand balance of the petroleum markets. Reversing the falling trend of oil prices in late 1978, spot prices rose from \$12.50 per barrel in October 1978 to \$36 per barrel in mid-June 1979. The response of oil consuming countries was initially not well-organized. An attempt was made at a March IEA meeting to dampen members' demand for oil on the world market by 5%. The May IEA meeting reconfirmed this pledge to a

5% reduction and agreed to similar action in 1980. But the energy situation soon spun out of control, due to the lack of forceful collective action. The US granted a \$5 a barrel subsidy to US fuel oil importers just after the May decision while Japan expanded direct purchases of crude from producers to compensate for lost supplies. There were some positive developments. Carter finally honored his pledge made at Bonn by decontrolling domestic oil prices. And Japan made a small reduction in its oil consumption. The EC members cut their oil imports by nearly 10% between 1973 and 1978. Nonetheless, the situation at the beginning of June was in a turmoil. The last sherpas' meeting disbanded without a clear-cut recommendation for the summit.

The second oil crisis presented Japan with a real dilemma.¹²⁹ Japan's 99% dependency on oil imports for 78% of its energy consumption substantially limited Japan's options and underlined its weak economic position. In mid-June it was reported that the WPI of May had risen 2% over the same month of the previous year. Oilprice-induced inflation threatened Japan. Not surprisingly, strong resistance to long-term oil import restraints emerged from the bureaucrats, who believed they would stifle Japanese economic growth. Although Japan was reluctant to set oil import targets in general, and the 1980 target in particular, it shifted its stance to accept the target for 1979 and 1980. Japan was, however, dead set against making oil import ceilings as far ahead as 1985, even as the EC came out in favour of the long-term (1980 - 1985) objective of cutting oil imports as a result of the European Council meeting in Strasbourg held just one week prior to the Tokyo summit.

The clash between Japan and the EC over oil import policies loomed large prior to the summit.¹³⁰ Ohira attempted to iron out differences on the energy issues before the gathering. In a meeting with Carter, Ohira agreed on a scheme of setting up a crude import target for each country for 1979 and 1980 in contrast to the EC strategy of creating an oil import target as far as 1985 on a group basis. By accepting the American-favored national import quota instead of the EC's group import ceiling, Japan thought that it gained a tacit agreement from the US to evade a long-term import restraint measure at the summit. The Japanese seemed to believe that the joint strategy with the US would allow Japan to avoid the stricter conservation demands of the EC, led by France. They assumed that there was a split between the hardline conservationists like the France and the less conservation-oriented Germans and British. It was thought that West Germany in particular was not going to consent to the stringent French plan, since Schmidt had asked Ohira prior to the summit not to push for the setting of individual national targets for curbing oil imports. The Japanese position was basically supported by Canada, which also opposed setting long-term import targets.

The Tokyo summit was the first international conference at which Japan hosted the leaders of the major democracies. Expectations for the summit were inevitably quite high, as was the challenge of consensus-building for the Prime Minister. The opposition parties and labour unions made various requests to Ohira in advance of the summit. The media's coverage of the pre-summit preparation was extensive. A pre-summit public opinion poll taken by the Asahi Shimbun concerning the summit showed that 75% of the Japanese had heard of the Tokyo summit through the media; 23% thought that the summit would be useful for solving the problems between Japan and other participating countries, and 27% believed that it would elevate Japan's international status.¹³¹ Against these positive views on the meeting held by 50% of the respondents, 23% felt the event had "nothing to do with the Japanese peoples' life", and 15% just cast it off as a "waste of taxpayers' money". Reflecting the urgent energy crisis and imminent

economic woes, an overwhelming 56% of Japan's population was concerned about the oil issue and energy development that would be discussed at the summit. 27% wanted the summit to control inflation and expand economic growth. Trade, currency and the North-South dialogue only attracted single-digit percentage points of popular attention in the poll.

Ohira completed his preparation for the summit by clarifying his basic objectives.¹³² He reaffirmed his wish to achieve 6.3% GNP growth in accordance with the demand made by the OECD ministerial meeting and an expansionary policy led by beefed-up domestic demand rather than contraction of aggregate demand. Like Fukuda's pledges on economic growth prior to London and Bonn, the figure was interpreted as an accommodation by Japanese policy to external pressure. Ohira then proceeded to visit the Opposition leaders to delineate the government's position on the energy issue. Japan would try to attain a 5% reduction of oil consumption, consult with other nations about setting up the import ceiling, and implement the decision. Japan would also regulate highly-priced oil purchases and discuss measures to transfer high-priced oil to developing countries. Efforts at research and development of alternative energy and dialogue between oil producers and consumers would be emphasized as well. The Opposition urged Ohira to advocate the North-South issues and the establishment of an R & D fund for alternative energy. Only the DSP and Komeito wished him success while the JSP and JCP cast doubt on the summit outcome.

The success of the Tokyo summit was a necessity for the host country. Success depended upon the conclusion of concrete agreements. Ohira himself noted in pre-summit talks with Carter that unless the discussions were fruitful, the summit would invariably be labelled a "failure". Like his predecessors, he hoped to fortify his political position at home, but he did not forget to caution against inflated expectations on the part of the Japanese populace. As chair of the meeting, Ohira's mediation to secure for a consensus, especially on energy, was to determine the ultimate assessment of Tokyo.

As had been expected by the Japanese media, the energy issue dominated the summit discussions.¹³³ OPEC's announcement of a rise in crude oil prices by 25% increased the urgency of the oil shock and the leaders concentrated on haggling over oil import targets. Japan reiterated its position that it could not accept a long-term target, and stressed its need for special consideration to secure petroleum. Japan did not care much about which year should be the standard for the import ceiling because the volume of Japanese oil imports over the past few years did not vary much. France insisted that Japan accept a lowering of 1980 oil imports below the level of 1979, and advocated a country-specific import ceiling to 1985. This proposal had been offered at the Strasbourg EC meeting, but rejected by the Germans and British. Carter suggested the individual target approach. Schmidt rebuked it, and pressed Carter to bring about a long-term import target plan. Thatcher, helping the Germans, stated that Bonn could not boost its economy without oil imports. Ohira failed to bring about a settlement of the oil import issue on the first day. Hard negotiations at lower levels ensued. Agreements were reached on an acknowledgement of the importance and necessity of developing alternative energy strategies like nuclear and oil conservation, the need to assist the developing countries suffering from the price hike of energy and support for anti-inflation measures without deflation. The only delight for Ohira was a consensus on a declaration on the Indochinese refugee problems based on a British plan.

Japan's strategy had meant relying on US and Canadian support in its objections to long-term oil import targets and exploiting the division within the EC members. This

strategy backfired on the second day.¹³⁴ It was later revealed that a behind-the-scenes huddle took place between the French and Americans on the first night. A deal was struck between them, under whose terms the US would accept the long-term import oil target until 1985 in return for EC approval of America's imposition of an import quota at the highest import level of 1977 (8.5 million barrels a day). They also agreed to mark the target for each country's imports to 1985. The French-American rapprochement was examined at an informal, four-power (the US, France, West Germany and the UK) meeting on the morning of the second day. Here the "long-term, country-by-country" approach was approved. Japan's MITI gained some information on the French-American trade-off and informed MFA and Ohira. The former judged that the French proposal would be killed and Ohira did not take it seriously. The Japanese government was notified of the four-power gathering, but was virtually kept in the dark about what happened there. Later, this four-power mini-summit would be scornfully termed "the Tokyo Guadeloupe summit" within the Japanese bureaucracy.

The failure to recognize these activities taking place beneath the surface of the summit put Ohira in a no-win situation on the following day.¹³⁵ The moment the session started, Giscard d'Estaing requested Japan, the US and Canada to specify the maximum ceiling of oil import volumes up to 1985. The US promptly declared a level of 8.5 million barrels a day and pressed Japan to follow suit. Prime Minister Clark of Canada, after stating that Canada would face a hard situation as its oil production was on the decline, pledged 600 thousand barrels a day. Italy endorsed the American position. The UK and West Germany kept mum, reversing their resistance against "country-by-country import quotas". The French pressured Japan to set a 1985 import target below the level of 1978 -- 5.4 million barrels a day. A cornered Ohira was only successful in deferring the Japanese decision. Tokyo now had to rework its strategy on the oil import target issue.

The Japanese government was divided on this issue. The Japanese sherpa Miyazaki suggested a push for 7 million barrels a day based on the government's 7-year social economic development plan. D'Estaing's 5.4 million barrel proposal was not approved by the MITI Minister and Chief Cabinet Secretary. They insisted on fighting to the bitter end, fearing a plunge of the Japanese economy caused by energy shortages, a subsequent dissolution of the Cabinet and electoral defeats. Ohira did not make a judgment: Instead, he directed MITI Chief Esaki to roll back the demand at a ministerial-level energy meeting. Over lunch the Japanese Prime Minister appealed to other summiters by describing the difficulties he was facing; zero-growth oil imports would result in a grave political problem, the Japanese people might panic, and his cabinet would be jeopardized. Schmidt told Ohira that Japan should indicate a figure and added that Germany would also pay a price. Ohira's figure -- 7 million barrels -- appeared a far cry from an acceptable level.

In the meantime, MITI's Esaki was being forced to acquiesce in the French suggestion.¹³⁶ Japan had begun to shift its position and concede to the principle of setting up a national target for 1985. Ohira and his Foreign Minister had admitted that Japan had to make a sacrifice to conclude the summit successfully. But when Esaki cited the need to import 7 million barrels a day, his German counterpart showed disapproval. The French minister offered a 10% rise to 5.4 million barrels. Calculating the correlation between Japan's energy demand and its economic growth, the US Secretary of Energy mentioned that 6.4 million would be enough for Japan to attain 5% GNP growth. Esaki steadfastly held on to the 7 million target. However, his plan was not approved. Japan was apparently isolated from other summit countries. A failed

summit and its consequences were threatening Ohira.

The American proposal just before the last session barely saved Ohira.¹³⁷ Ohira was offered a range of 6.3 to 6.9 million barrels a day by the US. Considering that there was no other way out, the Prime Minister presented the target and asked for approval. The French President asserted that Japan should aim at the lower figure. The Japanese counterargued by citing the increase in Canada's import level from 300 thousand barrels to 600 thousand, and emphasized the need to increase oil imports to attain Japan's new 7-year economic and social development plan. Finally, a compromise was reached between the Japanese and French by inserting the sentence that the Japanese would "do their utmost to reduce oil imports through conservation, rationalization of use and intensive development of alternative energy sources in order to move toward lower figures".

Thus, the heads of state and government agreed on an import level: However, some participants had second thoughts. There existed a view among them that they would face domestic criticism because only Japan was allowed nearly a 30% import rise while other countries' import volume would level off. Nevertheless, they were also aware of the adverse effects they would suffer if Japan slowed down its economic growth which had been dependent on domestic demand, and switched again to a fierce export offensive. Besides, Japan informally pledged 5.7% GNP growth and this was considered a trade-off for the special treatment accorded Japanese oil import restraint. It was in this context that the US Secretary of Treasury testified in Congress soon after the summit that an increase in Japanese oil imports had been granted to sustain the high economic growth necessary for correcting Japan's international payments imbalance. Economic interdependence among the summit nations thus produced intervulnerability and trade-offs at Tokyo. The Tokyo summit succeeded in managing one of the most essential economic elements for growth -- consumption of oil. Japan did not succeed in evading the imposition of long-term import levels. However, it managed to minimize the damage by garnering the best possible deal among the summiteers.

While most other issues were sidelined by the preoccupation with energy, some Japanese positions were included in the communiqué.¹³⁸ Ohira's position on trade was largely reflected in the communiqué statement which renewed the summit countries' "determination to fight protectionism" and called for "strengthening the GATT...as an instrument for future policy in maintaining the open world trading system". The role of the IMF described in the communiqué was consistent with Ohira's ideas. The communiqué urged the "COMECON countries to play their part" in aiding the poor. More importantly for Ohira, his interest in encouraging the poor nations to "develop human resources", emphasized at the UNCTAD Manila conference, was adopted. Japan's macroeconomic role as an economic "engine" was not particularly underscored but was seen to be, more or less, reconfirmed at the summit. Here the communiqué admitted the continuation of "the policies for our economies agreed at Bonn, adjusted to reflect current circumstances". In light of the deteriorating Japanese trade surplus, however, Japan's trade policy was not placed on the agenda, and no special emphasis was put on the need for "a reduction of payment imbalances".

Domestic response to the Tokyo summit, while mixed, was far more favorable than Ohira and others had predicted in the midst of the import target controversy.¹³⁹ The LDP, by and large, endorsed Ohira's efforts to reach a consensus on strenuous issues. Miki applauded Ohira for the concrete results reached with regard to oil imports, but added that more time should have been spent discussing East-West, North-South, and Middle

East problems. Fukuda assessed positively Ohira's chairmanship and sounded less critical than Miki. Opposition comments were more detailed than before. The special declaration on the refugee problem was largely supported by the JSP, DSP and Komeito while the JCP insisted that it ignored the responsibilities of US imperialism and China. The overall performance of the summit was welcomed by the DSP and NLC, but the JSP acidly termed it "the most fruitless summit of all the four that disappointed the Japanese people." Lack of concrete solutions for North-South issues attracted criticism from the DSP and Komeito. Interestingly, Ohira's main preoccupation - the oil import restraint commitment - was hailed by the Komeito, DSP and NLC. No parties exhibited outright objection to the Japanese oil import ceiling for 1985. Thus Ohira's fear of the politicization of the issue as a consequence of the summit proved to be exaggerated.

The same was true of the Zaikai's response to the oil issue.¹⁴⁰ Some voices were raised about the adverse effects the oil import measures would have on the Japanese economy. But their concerns were overshadowed by much stronger praise for the agreement. The Chairman of the Nissho applauded the great success of the Tokyo meeting, regarded the oil quota imposed in Japan as "sufficient for endurance" and indicated an optimistic view that the Japanese economy would ride out the oil shock if the public and private sector collaborated on energy-saving. The President of the Keidanren also thought highly of the agreement on oil imports, and urged the government to spell out its energy policies. Sasaki of the Keizai Dooyukai (Japan Committee for Economic Development) favored the Tokyo declaration while Otsuki of the Nikkeiren (Japan Federation of Employers' Association) called holding of the summit amid the oil shock "a good thing". The latter, however, did not hide his apprehension about a decline in GNP thanks to the reduction of the oil imports. In sum, the overall Zaikai backing for Ohira's decision at the summit did not hurt his political status. Though its process was strenuous for Ohira, the summit was worth hosting.

The journalists who covered the Tokyo summit were somewhat critical of Ohira's weak leadership in the chair. But the editorials of the four major dailies were overwhelmingly supportive of the view that the summit was worth hosting.¹⁴¹ The imposition of oil import targets for the Seven was not opposed by any of the papers and all called on the Japanese government to implement its pledge. But the evaluation of the "6.3 - 6.9 million barrels a day" commitment varied from the highly commendable tone expressed by the Asahi and Mainichi, to the acknowledgement of "severity" issued by the Nihon Keizai. The Asahi and Nihon Keizai regretted the concentration of the discussions on a single issue - energy. The conclusion of the North-South section was, on the whole, affirmed by the Mainichi, while the Yomiuri and Nihon Keizai wanted to see a more constructive approach. The Asahi specifically gave credit to the special statement on Indochinese refugee problems. But it was critical of an absence of genuine agreements on macroeconomic policies and political discussions. In another editorial it requested the government to discuss the political issues as a non-white country without military power. As usual, the four dailies called for the solid implementation of all the pledges at Tokyo, and admitted that the future course for Japan would not be very smooth in view of the deepening oil crisis. Ohira, at least, escaped a bitter editorial blitz on his conduct at the Tokyo summit.

The crisis situation created by the second oil shock transformed Tokyo into an "energy summit". Hard bargaining on oil import restraint measures took precedence over other vital subjects. Ohira's desire to conclude this media event with concrete results, especially on the energy issue, undermined his bargaining position. His lack of Western-style negotiating skill for wheeling and dealing, his optimistic strategy centered on the

power of the US-Japan-Canada alliance to divide the EC and prevail, and his stance of chairmanship bent more on consensus-building than on protection of national interests, went against his desired goal. The EC nations, notably France, ostensibly outmaneuvered Japan. As a result, Japan was literally isolated on the oil import issue. The nightmare of a "failed summit" compelled Ohira to acquiesce in accepting a long-term oil import ceiling as far as 1985, though Ohira managed to score favorable terms in the agreement. The Tokyo summit was more of a forum to reconcile national interests on energy than a place to eulogize the cooperative spirit of the seven, as at Rambouillet. The energy issue was inextricably linked to the economic situation. Thus, a Japanese commentator named the Tokyo summit "an economic disarmament conference between Japan and the West", mimicking the 1930's World Disarmament Conference.¹⁴²

In addition to Japan's isolation, the larger gap between Japan and the West were apparent at the summit.¹⁴³ Being the host gave Ohira more burdens than benefits. The Japanese wish to refrain from putting a decisively critical clause against OPEC was overruled by the majority: The US argued strongly for forming a common hard line stance against OPEC; France and the UK supported the US, while the other three were ultimately won over to the US view. The Japanese apolitical and non-provocative position, deriving from its inherent vulnerability as a resource-poor, non-military power, was ignored. The gap between a less aggressive Japan favoring friendly relations with all nations and the more assertive six Western powers opting for a definite stand on critical issues was underlined by this episode. Another gap was Ohira's naivete in believing the US and West Germany on oil import quotas. Repercussions of this gap emerged in the post-summit situation. West Germany's about face, after having asked Japan not to push ahead with the "country-by-country import targets" was especially resented by some MFA officials. Their critical comments on the German betrayal were leaked to the press and nearly created a temporary Japan-West German diplomatic strain. The Japanese exclusion from the "Tokyo Guadaloupe summit" also did more harm than good.

The value of the Tokyo summit was, however, not negligible for Japan.¹⁴⁴ Holding the summit helped educate the Japanese. Ohira and other Japanese summit participants encountered the harsh reality of international politics. They learned that the consensus-seeking Japanese manner of negotiation would not necessarily work in every multilateral occasion. One high official in the MFA confided that the summit gave Japanese diplomacy a very valuable document. The Japanese populace learned something from the summit as well. The media's role in publicizing the event was momentous. A government-conducted survey on the Tokyo summit in early August indicated an overwhelming majority (89%) of Japanese polled knew of the summit (a 14% jump from the pre-summit poll). Furthermore, 73% replied that the summit would contribute to the stable growth of the world economy. Compared with the 50% positive opinion held by respondents prior to the summit, Tokyo did bring forth a more sympathetic perspective on summitry among the average person in Japan.

In retrospect, Ohira's main concern over the imposition of quantified oil import limits up to 1985 did not curb Japanese economic activities nor hurt his regime badly.¹⁴⁵ Reflecting the pre-summit opinion poll, in which 78% of the people thought that Japan was overconsuming electricity and oil, no vocal public outcry against Japan's summit pledge followed. In line with the summit commitment, Japan refrained from massive purchases of petroleum on the Rotterdam spot market. It adjusted its import target for 1985 to the lowest level (6.3 million barrels) at a September IEA meeting and further lowered it to 5.7 million barrels in April 1981. Japan consumed 5.37 million barrels of

imported oil a day in 1979 and 4.85 million barrels in 1980 - less than the 1978 level of 5.4 million barrels. Though Japan could not attain the 5% reduction as pledged at the IEA meeting and reconfirmed at Tokyo in 1979, conservation measures and slackened oil demand reduced Japan's oil imports far below the announced targets from 1980 onwards. Besides, a small reduction of Japan's oil dependency was attained: Japan decreased the oil-dependency ratio from 78% in 1979 to 75% prior to the 1980 Venice summit. To the relief of Ohira, the nightmarish scenario of Japanese economic stagnation did not occur: GNP grew by 6.1% in real terms in 1979, a figure almost as good as Ohira's informal international pledge of 6.3% goal.