

Economic Growth in the Governance of the Cold War Divide

Mikoyan's Encounter with Japan, Summer 1961

❖ Oscar Sanchez-Sibony

Noguchi Yoshio had written to him after all. Anastas Mikoyan had been retired for ten years. The year was 1975, and to mark Mikoyan's 80th birthday, Noguchi had sent the retired Soviet official a souvenir.¹ He was not the only one to remember Mikoyan in his retirement. Writing in 1972 on the occasion of his oil company's 60th anniversary, the redoubtable Idemitsu Sazo sent to Mikoyan—in the somewhat bewildered words of then-Soviet ambassador to Japan Oleg Troyanovskii—a “piece of cloth.”² Matsubara Yosamatsu, president of the industrial and shipbuilding conglomerate Hitachi Zosen, chose a more personal note. In his letter, he recounted to Mikoyan the first time they met in August 1961 during Mikoyan's tour of the corporation's shipyard in Sakurajima, as well as their encounter a year later when Matsubara headed a delegation of Japanese businessmen in Moscow. “Ten years have passed since then,” he wistfully wrote to the Old Bolshevik. “And in that time, economic relations between our two countries strengthen with every year as trade relations develop between our countries even more greatly.”³ Meanwhile, Prime Minister Sato Eisaku also recalled that fateful year, writing in his personal letter to Mikoyan: “I am sincerely glad that relations between Japan and the Soviet Union, especially after your visit to Japan in 1961, continue to develop

1. Mikoyan's thank-you note dates from 1 December 1975 and is stored in Russian State Archive of Sociopolitical History (RGASPI), Fond (F.) 84, Opis' (Op.) 3, Delo (D.) 108, List (L.) 43.

2. Cover note from Troyanovskii, in RGASPI, F. 84, Op. 3, D. 107, L. 33. Idemitsu's note is in RGASPI, F. 84, Op. 3, D. 107, L. 30. Mikoyan seems to have been similarly baffled, describing it simply (and almost surely inaccurately) as a “product of your company” in his thank-you note to Idemitsu, in RGASPI, F. 84, Op. 3, D. 108, L. 40.

3. The letter is in RGASPI, F. 84, Op. 3, D. 107, Ll. 39–40. He further reminds Mikoyan that his company and the Soviet Union had enjoyed friendly relations for 23 years as of 1972.

Journal of Cold War Studies

Vol. 20, No. 2, Spring 2018, pp. 129–154, doi:10.1162/jcws_a_00741

© 2018 by the President and Fellows of Harvard College and the Massachusetts Institute of Technology

steadily. Your Excellency's services in the development of friendly, neighborly relations are very highly regarded in our country."⁴

Cold War historians have tended to give insufficient attention to the key role of economics in the Soviet-Japanese relationship. And yet Noguchi forged a successful life from it, Sato invested a fair amount of political capital to sustain it, and Mikoyan's most important political achievement and legacy derived from the cultivation of such relationships. In 1967, two years into Mikoyan's retirement, another of Noguchi's cordial letters to the former Soviet official laid out the nature and import of their association. This letter commemorated another occasion: the tenth anniversary of the 1957 Treaty of Commerce that officially resumed commercial relations between Japan and the Soviet Union. Noting the anniversary, Noguchi, who by 1967 was president of Japan Sea Trading Company, stressed that during the ten years of official economic relations, he had carried out exclusive trade with the Soviet Union. He said he would continue in this "pioneering spirit, striving to widen the assortment of goods from both sides." His next boast somewhat belied this last point: His firm, he said, was number one in Japan for the purchase of Siberian timber.⁵ Nonetheless, Mikoyan must have felt gratified by the note. Noguchi, after all, was merely confirming his commitment to Mikoyan's vision for Soviet-Japanese relations.

Many Cold War narratives on Soviet-Japanese relations are shaped by a geopolitical and power-based idea of the Cold War. In a recent issue of the *Journal of Cold War Studies* concerning the Soviet-Japanese relationship, two of the articles relied predominantly on this high-stakes geopolitical approach, essentially depicting the history of Soviet-Japanese relations as a series of false starts and missed opportunities to reach some sort of accommodation concerning the dispute over the Northern Territories (Southern Kuriles). In these narratives, Japan—which by the 1960s had become the second largest economy in the world—is represented by the metaphorical image of a "card" to be "played" in a superpower game of strategic one-upmanship.⁶ The broad development of Soviet-Japanese relations is thus largely stymied. Akira Iriye argued

4. *Ibid.*, Ll. 7–8. The letter, dating from May 1967, was an appeal to Mikoyan to make sure an envoy of his received a good reception in Moscow.

5. *Ibid.*, Ll. 1–2. Timber was ultimately the fulcrum of the extraordinary rise and relative stagnation of the Soviet-Japanese economic relationship.

6. This can be seen, for example, in Vladislav Zubok, "Lost in a Triangle: U.S.-Soviet Back-Channel Documents on the Japan Factor in Tripartite Diplomacy, 1969–1972," *Journal of Cold War Studies*, Vol. 15, No. 2 (Spring 2013), pp. 51–71. The issue of the disputed territories has often been a starting point for historians, with Soviet-Japanese relations said to be in deep freeze until such a time as the historical narrative begins. Zubok focuses on the early 1970s, whereas Sergey Radchenko and Lisbeth Tarlow deal with the same issue at the end of the 1980s in "Gorbachev, Ozawa, and the Failed

in a subsequent critique that the journal's special issue mostly confirmed what we knew about Japan's marginal role in the geopolitical drama and that "such a power-political approach offers few novel insights."⁷ Iriye seemed most disappointed in seeing new, interesting data used in the service of an account of Cold War history "as yet another chapter in the long history of 'the rise and fall of the great powers.'"⁸

This article takes up Iriye's implicit challenge to examine Soviet-Japanese relations during the Cold War in such a way as to recast both what we know about that relationship as well as how we tell the story of the Cold War. The focus is on the fateful ten-day trip Mikoyan undertook to Japan in August 1961, at the height of his influence in the Soviet leadership. As Nikita Khrushchev's closest aide, Mikoyan was the main face of the Soviet Union in the international arena—the go-to leader on all matters of international trade and the Kremlin's foreign crisis manager.⁹ In January 1961, the ruling Presidium of the Soviet Communist Party (CPSU) decided that Mikoyan would be the first high-ranking Soviet official to visit Japan.¹⁰ Mikoyan would take the opportunity to spread a vision to all interested corners of the country that would reshape the Soviet and Japanese experience of the Cold War.

Partners in Growth: Commercial Take Off, 1956–1960

A year before the decision to send Mikoyan to Japan, the Soviet Union and Japan had experienced a sudden chill in their thawing relationship. In January 1960, the Japanese had renewed their security treaty with the United States, a socially contentious process that sparked the largest street demonstrations in Japan since the end of World War II.¹¹ The fact that the treaty was signed

Back-Channel Negotiations of 1989–1990," *Journal of Cold War Studies*, Vol. 15, No. 2 (Spring 2013), pp. 104–130.

7. Akira Iriye, H-Diplo Forum on "Special Issue on Soviet-Japanese Relations during the Cold War," *Journal of Cold War Studies*, Vol. 15, No. 2 (Spring 2013), pp. 4–130, available on the H-Diplo website.

8. *Ibid.*

9. See, for example, career diplomat Oleg Troyanovskii's assessment of Mikoyan in Oleg Troyanovskii, *Cherez gody i rasstoyaniya: Istoriya odnoi semi* (Moscow: Vagrius, 1997), p. 215.

10. CPSU Resolution, 20 January 1961, in RGASPI, F. 84, Op. 3, D. 36, Ll. 12–13.

11. The tensions and demonstrations the treaty negotiations generated are recounted in Walter LaFeber, *The Clash: U.S.-Japanese Relations throughout History* (New York: W. W. Norton, 1997), pp. 314–324.

despite such intense social opposition could not have reassured Soviet officials, who were certain that the “Japanese could only do what the Americans secretly advised.”¹² The security treaty completely undid the diffident diplomatic rapprochement between the two countries that had brought then-Prime Minister Hatoyama Ichiro to Moscow to sign a declaration on the normalization of relations in October 1956, which went into effect in December. In what amounted to the most significant concession on the issue ever made, Soviet leaders promised that they would return the two southernmost of the Kuril Islands to Japan upon the signing of a peace treaty. With the new security treaty in place, however, the Soviet authorities quickly informed the Japanese that no islands would be returned as long as U.S. troops remained on Japanese soil.¹³

Even without a full, legal restoration of relations, normalization still took away much of the urgency for a complete diplomatic settlement.¹⁴ Relations developed much as they would have developed had the treaty been signed, Khrushchev later estimated. “[W]e established an embassy in Tokyo and obtained equal rights with other countries who were officially at peace with the Japanese government. Thus a normal situation was restored, various contacts began to develop well—even very well, I would say.”¹⁵ To hear Khrushchev tell it, that is all the Soviet Union ever wanted.¹⁶

The historical record shows this to be the case. A commercial covenant was at the core of the renewed relationship, whatever the fate of the more

12. Nikita Khrushchev, *Memoirs of Nikita Khrushchev*, Vol. 1, *Commissar, 1918–1945*, ed. by Sergei Khrushchev, trans. by George Shriver (University Park, PA: Pennsylvania State University Press, 2005), p. 689.

13. Kimie Hara, *Japan-Soviet/Russian Relations since 1945: A Difficult Peace* (London: Routledge, 1998), pp. 97–98. According to Khrushchev, the motivation for the concession had been to strengthen the more independent-minded Hatoyama while he was in power. Such help was “bound to develop in the direction of strengthening friendly ties with the Soviet Union.” See Khrushchev, *Memoirs*, Vol. 1, p. 691.

14. This contrasts with the view that disagreements about a peace treaty and the disputed territories froze Soviet-Japanese relations. Other works by some of the authors of the essays are similarly trapped. See Tsuyoshi Hasegawa, *The Northern Territories Dispute and Russo-Japanese Relations* (Berkeley: University of California, 1998); and the sections on Japan in Sergey Radchenko, *Unwanted Visionaries: The Soviet Failure in Asia at the End of the Cold War* (Oxford, UK: Oxford University Press, 2014).

15. Khrushchev, *Memoirs*, Vol. 1, p. 689.

16. Khrushchev in his memoirs bemoans the lack of an official peace treaty with Japan and sees it as a diplomatic mistake on the part of the Soviet Union. He sees the issue not in geopolitical terms but in terms of the Soviet Union’s image. Khrushchev tells of how the Chinese leader Mao Zedong was able to stir anti-Soviet feelings among the members of a Japanese delegation to China by reminding them of the island situation. See *ibid.*, pp. 691–692.

geopolitical concerns involving islands and security treaties.¹⁷ The relationship that developed in the wake of Prime Minister Hatoyama's visit to Moscow was very much the kind Mikoyan had pursued with Japan since he started working as foreign trade commissar in 1925. Even then, Japan had been an avid participant in the Soviet Union's 1920s concessionary system, managing eleven concessions in eastern Siberia that included oil and coal in Sakhalin, fishing outposts around Kamchatka, and timber concerns up and down the coast. As Mikoyan reported to the Communist Party's Central Committee in 1929, 70 percent of Soviet exports to Japan consisted of timber, and much of the rest was fish and coal. In exchange, the Soviets received ships and textiles.¹⁸ In later decades, iron, oil, and gas pipes took the place of fish. Otherwise, in both the assortment and proportion of commodities, there was a remarkable continuity. Only the volume of trade changed, disappearing during the Great Depression, reappearing in the late 1950s, and expanding rapidly through the 1970s.

The foundation of this peculiar constancy in trade was the Soviet regime's commitment to develop economic relations that were not subject to some overriding agenda involving the extension of Soviet political influence—at least not through the ideological vectors (Communist parties, local sympathizers) that are usually adduced.¹⁹ In keeping with the economic “growthism” at the core of Soviet ideational practice, leaders in Moscow sought mostly to benefit from Japan's productivity-enhancing technological advances as a way of growing Soviet production itself. The political payoff of a strategy of rapprochement through ever-closer economic exchange, Khrushchev and Mikoyan made clear time and again, would itself be greater economic exchange, perhaps one day free from U.S. interference.

For a moment under Hatoyama's leadership, Japan seemed ready to move for the first time toward this goal. The Great Depression and the global autarky that followed had scuttled Mikoyan's 1920s plans to increase both trade with Japan and Japanese participation in the Soviet Union's concessionary system. War and the subsequent U.S. occupation of Japan had then ensured that

17. See the resolution signed by Nikolai Bulganin and Dmitrii Shepilov on the Soviet side and Hatoyama and two others on the Japanese side in Gosudarstvennyi Arkhiv Rossiiskoi Federatsii (GARF), F. 5446, Op. 1, D. 659, Ll. 319–322. One of the most important aspects of this document is the inclusion of a commercial regime under a mutual “most favored nation” status.

18. Report from Mikoyan to the VKP(b) Central Committee, in RGASPI, F. 84, Op, 2, D. 10, Ll. 81–87.

19. This is the main argument in Oscar Sanchez-Sibony, *Red Globalization: The Political Economy of Soviet Foreign Relations from Stalin to Khrushchev* (Cambridge, UK: Cambridge University Press, 2014). It applies as much to Japan as to most other Soviet economic relations.

Mikoyan's 1920s objectives in Japan would not be revived. Despite the end of the U.S. occupation in 1952, no attempt was made at a diplomatic reconciliation during the rule of conservative Prime Minister Yoshida Shigeru. Evidence shows that Iosif Stalin would have welcomed the reactivation of trade with Japan, but not until the Hatoyama government, which took office a year after Stalin's death, was Japan willing to take the necessary steps to make this happen.²⁰ Wider political support on the left, lobbying from the fishing industry, and a more neutral attitude from the United States all played their part in shaping Prime Minister Hatoyama's pursuit of diplomatic normalization with the Soviet Union.²¹ But the timing of this initiative had most to do with West German Chancellor Konrad Adenauer's success in repatriating the remaining German prisoners of war (POWs) after his visit to Moscow in 1955.²² Negotiations between Tokyo and Japan came to follow what became known as the "Adenauer formula." In exchange for a resumption of diplomatic relations, the Japanese sought the repatriation of Japanese POWs, support for Japan's entry into the United Nations, and permission to fish in northern waters. Territorial disputes were to be tabled for later settlement as part of a formal peace treaty.²³ U.S. Secretary of State John Foster Dulles may have seen in all this a Soviet bid to "extend espionage [,] subversion and propagandist network [in] Japan," but as with the Soviet-West German normalization, greater commerce was the main goal and consequence of Hatoyama's 1956 diplomatic initiative.²⁴

Then came the three-year-long renegotiation of the security treaty with the United States, the riots in Japan attendant to it, and the desire of Japanese politicians to refocus voters on economic growth. Ikeda Hayato, a protégé of

20. On Stalin's interest in reviving trade with Japan, see, for example, the suggestion made in October 1951, in RGASPI, F. 84, Op. 1, D. 73, L. 46; and another one made in August 1952 in the wake of the end of the U.S. occupation, in the Russian State Archive of the Economy (RGAE), F. 413, Op. 13, D. 6818, Ll. 45–46. Although a year apart, the two documents concur on the kind of trade that should be restarted, suggesting policy continuity from the 1920s through the years of High Stalinism and after.

21. Before negotiations even started, the U.S. State Department had resolved "to avoid direct involvement or criticism for interference." See Memorandum from the Deputy Assistant Secretary of State for Far Eastern Affairs (Sebald) to the Deputy Under Secretary of State for Political Affairs (Murphy), 20 April 1955, in U.S. Department of State, *Foreign Relations of the United States, 1955–1957*, Vol. XXIII, pt. 1, p. 65 (hereinafter referred to as *FRUS*, with appropriate year and volume numbers).

22. For an analysis that imbricates Adenauer's political goals with his trade policy, see Robert Mark Spaulding, *Osthandel and Ostpolitik: German Foreign Trade Policies in Eastern Europe from Bismarck to Adenauer* (Providence, RI: Berghahn Books, 1997).

23. Memorandum of Conversation, Secretary Dulles' Residence, Washington, DC, 19 May 1956, in *FRUS, 1955–1957*, Vol. XXIII, pt. 1, pp. 175–178.

24. Telegram, Department of State to the Embassy in Japan, 26 January 1955, in *FRUS, 1955–1957*, Vol. XXIII, pt. 1, pp. 11–12.

Yoshida, shed his previous incarnation as a conservative hawk and opponent of “socialistic” economic planning, proclaiming the Income Doubling Plan as his main political program upon becoming prime minister in 1960.²⁵ An ideology of economic growth as a domestic vision of postwar national purpose solidified among the political, technocratic, and business elite by the late 1950s.²⁶ With the support of the Japanese business community, Ikeda became first minister of finance, then minister of international trade and industry (MITI), and finally prime minister. By December 1960, his government had committed to an average economic growth rate of 7.2 percent a year for the next ten years. This technocratic vision had an important corollary: Rapid economic expansion would require new markets and new sources of raw materials, and Ikeda hoped to find both of these in the Communist world.

This, then, was the Japan Mikoyan resolved to visit. Before the summer of 1961, he had spent several years welcoming Japanese business delegations and beginning the long, laborious task of setting up a network of commercial relationships. The work began to pay off in 1960, when bilateral trade grew 150 percent. The next year, trade volume exceeded by 50 percent the already ambitious volume set down in the long-term trade agreement the two countries signed in March 1960.²⁷ The Japanese business community had responded enthusiastically to Hatoyama’s opening to the Soviet Union, and now Mikoyan wanted to enlist their enthusiasm to help open the financial tab in Japan that could transform the relationship between two of the fastest-growing economies in the world. Japanese business executives, Mikoyan told a visiting Japanese delegation a month before his departure, had what he called a more “realistic” way of dealing with the Soviet Union: It was the Japanese government that created obstacles.²⁸ He hoped the business executives would eventually steer their government toward a more realistic and friendlier policy vis-à-vis the Soviet Union. What all this came down to, he made clear to the business delegates, was credit. “You are the banker,” Mikoyan told them. “Consequently, it all depends on you.”²⁹ Putting the as-yet uncharted but immense resources of Siberia—including its oil—to work for the Japanese

25. Mark Metzler, *Capital as Will and Imagination: Schumpeter’s Guide to the Postwar Japanese Miracle* (Ithaca, NY: Cornell University Press, 2013), p. 201.

26. This is the subject of Scott O’Byran, *The Growth Idea: Purpose and Prosperity in Postwar Japan* (Honolulu: University of Hawai’i Press, 2009).

27. See the target listed in the trade agreement, in GARE, F. 5446, Op. 120, D. 1626, L. 102.

28. *Ibid.*, Ll. 34–40.

29. *Ibid.*

economy depended on access to Japanese financial resources. Finance, then under the full control of the Japanese government, had been the main stumbling block in the budding relationship.

The Japanese had good reason to be hesitant about extending credit to the Soviet Union or intensifying their demand for Soviet oil. If these were generally the two developments the Soviet authorities most desired, they were also the two developments the U.S. government most strongly opposed.³⁰ The point was made on 28 July 1960 to Prime Minister Ikeda merely a week after he took office, and it could not have been made more symbolically. Ikeda had scheduled a lunch to inform U.S. officials about his invitation to Mikoyan to pay a visit. He brought former Prime Minister Shigeru for moral support. On the other side of the table sat U.S. Ambassador Douglas MacArthur II, together with the U.S. commander-in-chief of the Pacific, the commander of U.S. Forces in Japan, and the U.S. high commissioner of the Ryukyu Islands. The message the ambassador brought was not new and had been made the day before to the Japanese foreign minister:

I concluded by saying while we fully understood Ikeda's policy of seeking better relations with ChiComs and Soviets, any overt moves on part of GOJ such as negotiating technical agreements with ChiComs or extending long-term credits on very favorable terms to Soviets at same time Japan is seeking capital in American money markets, could be subject to serious misinterpretation. I also mentioned problems which could arise if Japan started large-scale purchases of Soviet oil in replacement of free world oil.³¹

Despite the tensions of the Cold War, Mikoyan wanted a refracted access to a financial system that was ultimately controlled by the United States. In the task of procuring the resources available abroad to implement the Soviet Union's own growth objectives, he sought the help of ideological fellow travelers. Only it turned out that Mikoyan's "accomplices" were not the traditional agents of the Japanese Left but the business executives who were reshaping Japan and helping Prime Minister Ikeda realize the economic growthism that structured all the prime minister's ambitions for the country.

30. For examples of Soviet pressure on Japanese businessmen to develop ways of absorbing greater quantities of Soviet oil and gas in 1959 alone, see the materials in RGAE, F. 413, Op. 13, D. 8562, Ll. 58–61, 63–64, 116–117, 150–152.

31. Telegram, Embassy in Japan to the Department of State, 28 July 1960, in *FRUS*, 1958–1960, Vol. XVIII, pp. 392–394.

An Old Bolshevik in New Japan, 1961

The portrait of Vladimir Lenin was too big. The size of Lenin's portrait in the Soviet industrial exhibit Mikoyan was supposed to inaugurate was causing much anger among the anti-Communists there—a group that was not easily ignored. A right-wing zealot had stabbed to death the leader of Japan's Socialist Party on national television only ten months before. But if the Japanese government was most preoccupied with security, the Soviet authorities were most concerned with respect. Mikoyan found the request to downsize Lenin disrespectful of the Soviet Union, and when the Japanese insisted, he branded the request “interference in [the USSR's] domestic affairs.”³² The discussion ended only when Mikoyan threatened to cancel his visit altogether. Such were the dilemmas of protocol on the eve of Mikoyan's historic trip.

Having resolved these issues in his favor, Mikoyan boarded an airplane at Vnukovo Airport on Saturday, 12 August 1961. His first stop was Irkutsk, with a quick fishing trip at Lake Baikal before flying on to Khabarovsk, where he arrived Sunday night. At the airport in Moscow, a journalist had suggested that Mikoyan visit a cemetery of Japanese POWs—still an emotional, driving issue in Japan.³³ On 14 August, before flying to Tokyo at 9:45 AM, Mikoyan made sure to lay flowers at the cemetery as a diplomatic gesture.³⁴ Upon his arrival in Japan a few hours later, tens of thousands of Japanese wearing hammer-and-sickle bands and other Communist paraphernalia lined the streets on the way from the airport to the Soviet embassy, where Mikoyan was to stay as a security precaution. As *Asahi Evening News* pointed out, Mikoyan was received as a visiting head of state even though his trip was unofficial.³⁵

Yet the trip started on an awkward note at the first stop in Japan, the Foreign Ministry. Japanese Foreign Minister Kosaka Zentaro, having seen a Soviet airplane for the first time in Tokyo airport, expressed hope that one day a Japanese aircraft would find itself in an airport in Moscow. Perhaps feeling a bit tired and uncharacteristically apprehensive, Mikoyan took this to be

32. Notes from Mikoyan's preparatory discussions, 10 August 1961, in RGASPI, F. 84, Op. 3, D. 36, Ll. 23–24.

33. This is the topic of Yokote Shinji's article in the *Journal of Cold War Studies* special issue in Spring 2013. Yokote relates it to domestic political maneuvering against the left and ultimately the signing of the first security treaty with the United States. See Yokote Shinji, “Soviet Repatriation Policy, U.S. Occupation Authorities, and Japan's Entry into the Cold War,” *Journal of Cold War Studies*, Vol. 15, No. 2 (Spring 2013), pp. 30–50.

34. See the record of the visit in RGASPI, F. 84, Op. 3, D. 36, Ll. 31–32.

35. *Ibid.*, L. 36.

an attempt to sound out the Soviet authorities on one of the thorniest, most enduring issues since the beginning of Soviet-Japanese diplomatic relations: the establishment of a direct air route from Tokyo to Moscow. Although the conversation with Kosaka was merely protocol, Mikoyan replied that he was ready to talk business. “Japanese official circles are known to distrust the Soviet Union, without, needless to say, any particular basis,” he noted. “In fact, if we take into account Japan’s military pact with the United States, and the presence on its territory of U.S. military bases and weapons arrayed against the Soviet Union, it is clear that the Soviet Union has every reason to treat the policies of Japan with distrust and suspicion.”³⁶ He suggested that this distrust could perhaps be gradually overcome by first establishing air connections between nearby cities. The conversation degenerated somewhat from there, with Mikoyan accusing Japan (correctly, but not diplomatically) of not being a sovereign country and of being similar in that regard to Pakistan.³⁷ The shadow of the security pact still cast a pall.

Mikoyan’s meeting that same day with Minister of International Trade and Industry (and future Prime Minister) Sato Eisaku went much better. Sato had the good grace to note Mikoyan’s tired demeanor and blamed it on Japan’s weather. Furthermore, the message Mikoyan was bringing to Japan had little to do with nuclear weapons and the other security issues with which he awkwardly entangled himself in the earlier meeting with the foreign minister. With Sato, Mikoyan came to the point immediately:

We want to maintain peaceful, neighborly relations with Japan. The fact that in your country there is a capitalist system, and we have a socialist system cannot serve as an obstacle to the establishment of friendly relations. In the West the most absurd fictions circulate about the policy of the Soviet Union. They say, for example, that we aspire to trade only with the socialist countries, or that we want to use trade to establish a Communist system in the capitalist countries. All this is unfounded nonsense.³⁸

He suggested Finland and Afghanistan as examples of countries with different systems—different from the Soviet Union and from each other, but united in their distrust of the Soviet Union. And yet on the back of growing commercial relations, trust and mutual understanding had flourished. “We have to

36. *Ibid.*, L. 37. Soviet officials worried that a direct route from Moscow to Tokyo would be used to spy on their territory, hence Mikoyan’s stress on trust.

37. *Ibid.*, L. 38.

38. *Ibid.*, L. 44.

develop friendly relations, broad trade, and business connections,” Mikoyan concluded.³⁹

The sentiment was very much shared by the Japanese. The rub was in the way this commercial expansion was to be financed. The financial hegemony of the U.S. dollar was an omnipresent concern for the Soviet Union and every potential partner. Mikoyan had barely arrived in Japan, but he could already detect the limits of Japanese sovereignty: Sato contended that perhaps the Soviet Union could use cash to settle commercial deals, rather than the long credit arrangements then in fashion.⁴⁰ These arrangements had left Japan with a deficit vis-à-vis the Soviet Union, and Sato hoped the USSR would buy more in Japan. Perhaps it would help if the Japanese were allowed to take part in the exploitation of the vast resources of the Soviet Far East, if only Japanese businessmen were let in on the details of the planned development of the region.

By 1961, Mikoyan had been dealing with foreign officials on and off for some 36 years. He had come to Japan well prepared. He told Sato that more than \$45 million of planned Soviet purchases in Japan had been lost because prices proved to be 10–30 percent higher there than in Western Europe. Japanese businesses, he added, had declined to supply another \$42 million worth of goods that were being produced under foreign (likely U.S.) licenses. As for Siberian resources, Mikoyan continued, the Japanese had but to commit to some kind of medium- to long-term plan, and the Soviet Union would work that demand into its development plans for the region. Then came a cruel offer—cruel inasmuch as Ikeda had been urged by the U.S. embassy to reject it outright despite its obvious advantages. Mikoyan offered to provide oil directly to Japan’s doorstep. All Japan had to do was commit to buying 10–12 million tons per year. The Soviet Union was building an oil pipeline to Irkutsk, Mikoyan explained, but the Far East was already well supplied with oil, and there was therefore no need to extend the pipe to the Pacific coast. Unless, that is, the Japanese justified such a project with a commitment to purchase the oil and provide the necessary oil pipes, which the Soviet Union could then repay in oil.⁴¹ This was a commitment of capital the Japanese were simply not allowed to make.

Protocol took most of Mikoyan’s day on 15 August, a Tuesday. Only a visit to Hatoyama Kaoru, widow of the former prime minister and an active

39. *Ibid.*, L. 47.

40. *Ibid.*

41. *Ibid.*, Ll. 48–49.

participant in the Japan-USSR Society, punctuated Mikoyan's duties for the morning's opening ceremony of the Soviet trade and industrial exhibition as well as an evening reception organized by the Soviet embassy. A look around Tokyo the next morning took him to two fine specimens of postwar Japanese modernity: Mitsukoshi Department Store and the recently finished Tokyo Tower. His first meeting with Prime Minister Ikeda was in the afternoon, but Mikoyan made sure he first met with the one person capable of introducing Soviet oil into Japan in the quantities Mikoyan had in mind: Idemitsu Sazo.

Idemitsu was Japan's answer to the iconoclastic Italian oil mogul Enrico Mattei. Before the war, the Idemitsu Kosan company had risen and fallen with Japan's imperial ventures. A joke among Japanese soldiers in China was that the first Japanese civilians to arrive at a newly conquered Chinese town were the comfort girls—and an Idemitsu man.⁴² Defeat and occupation had largely deprived him of his company, and yet by the time of Mikoyan's arrival in 1961 he was Japan's second-largest producer of oil. Idemitsu had carved a space in Japan's postwar oil industry through intermittent insubordination. Shunned by the politically connected oil majors of Japan when the industry experienced a resurgence during the Korean War, Idemitsu became an early believer in oil tankers and supertankers, his "floating pipelines," with which he searched the world for sources of oil.⁴³ In 1953, he became a momentary national hero when he defied British and U.S. oil majors by sending one of his tankers to Iran to procure some of the oil Mohammed Mossadegh had recently nationalized.⁴⁴ In 1959, he again brought cheap oil into Japan by buying it from another pariah state, the Soviet Union.

On 16 August 1961, during a luncheon at the Soviet embassy, Mikoyan offered Idemitsu a real pipeline rather than a floating one. Idemitsu was bullish; he promised Mikoyan he would make the Soviet Union the third-largest provider of oil to Japan. Prime Minister Ikeda "not only does not hinder us," he assured Mikoyan, "but to the contrary insists doggedly on expanding trade with the Soviet Union."⁴⁵ Mikoyan soon found out that Idemitsu was both right and wildly optimistic about that political support. Perhaps Idemitsu had sensed Mikoyan's skepticism about the receptiveness of

42. "Again the Rising Sun," *Time*, 13 July 1962, p. 89.

43. "Oilman with Dreams of Great Soviet Trade Deal," *The Times* (London), 18 September 1967, p. 20.

44. "Again the Rising Sun," p. 89.

45. Transcript of Mikoyan-Idemitsu conversations, 16 August 1961, in RGASPI, F. 84, Op. 3, D. 36, L. 68.

the Japanese political elite to a closer commercial relationship and had tried to overcompensate.⁴⁶

The truth is that when Mikoyan finally met the prime minister for the first time later that afternoon, he reverted to the scolding tone he had adopted on his first day in Japan with the foreign minister. The line had been clearly rehearsed back in Moscow. Mikoyan was to convey the Soviet Union's unhappiness over Japan's security treaty with the United States in as direct, undiplomatic, and threatening a manner as he could manage. Ikeda, unruffled, disarmed Mikoyan: "We want to develop friendly relations with the USSR through commercial relations between our governments," he answered simply. "I held that line earlier when I was minister, and I hold it now as prime minister."⁴⁷ With that, everything changed. Ikeda and Mikoyan were partaking of the same discursive trough, sharing a language that had little use for ideological posturing. This became especially apparent in Ikeda's speech during a luncheon the next day in which he declared his admiration and indeed awe for Soviet plans to achieve more than 100 percent increase in per capita income in ten years. "I will be studying your plan with great interest," avowed the man who owed his own position to a parallel promise.

As you know, in our country there is no planned economy. Here free enterprise reigns. We cannot give instructions to our industry, but we try to elicit collaboration on the implementation of our plans for the whole nation. Nevertheless I study your plans with great interest and consider it useful. Firstly I should tell you that the economic growth of our country will only be possible if there will be growth in the world economy, if external conditions will facilitate it. Economic relations with the Soviet Union constitute one of those conditions for our development. I think that relations with Japan could also facilitate the development of the Soviet economy. . . . I come to you with an appeal: Let's help each other with the economic growth of our countries, and we will set aside the debate of political questions for another time. Let's not give politics overriding significance. I liked the saying you mentioned in the speech at the airport: "Better to be close neighbors than distant relatives." I also like that you keep a definite separation of economic and political questions in the relations between governments.⁴⁸

Ikeda and Mikoyan had helped develop in their respective countries a vocabulary of economic growth as a salve to problems both domestic and

46. Mikoyan admitted as much to Ikeda, telling him that Idemitsu had convinced him of Ikeda's desire for greater economic exchange between the two countries. See transcript of Mikoyan-Ikeda conversations on the same day in RGASPI, F. 84, Op. 3, D. 36, L. 74.

47. *Ibid.*

48. *Ibid.*, L. 111.

foreign. Ikeda had come to it as part of a generation of Japanese that sought national redemption and regeneration in the form of growth. Growth in the economy, available since the Keynesian revolution as a real object amenable to state management and planning, crystallized discursively in Japan at around the time of Mikoyan's visit as the overriding political mission of the government and the country.⁴⁹ Rapid growth would also renew the country's status internationally without reactivating the militaristic and imperial ethos and language that had led Japan down the road to perdition a decade-and-a-half earlier.

In the Soviet Union, the second half of the 1950s also witnessed a conceptual evolution toward economic growth as governance.⁵⁰ Stalin had conceived of economic growth as a time-bound construction of an industrial base that would allow the Soviet Union to withstand the West's impending imperialistic wars. This was a logic he repeated in the wake of World War II, after which he again sought to rebuild his industrial fortress.⁵¹ Stalin acquired from Karl Marx and classical economists a pessimistic view on the future of capitalism based on a traditional conception of economy characterized by cycles, resource exhaustion, and an eventual stagnation as capitalist expansion reached vaguely defined limits.⁵² In the background, however, a new understanding of the economy slowly took shape in the work of Soviet academics under the leadership of economist Eugen Varga and his Institute of World Economy and World Politics, which enjoyed Stalin's personal patronage and had functioned since the 1930s as his think tank. As in the West, Varga's institute had been influenced early on by the statistical econometrics of Wesley C. Mitchell, one of the economists most responsible for creating a concept of economy as a real, integrated object abstracted from society and subject to representation through a mathematical accounting of its national dimensions.⁵³ By the time

49. O'Bryan, *The Growth Idea*.

50. The trend was widespread, with U.S. President John F. Kennedy making 5 percent growth a key premise of his 1960 campaign and both major parties in the British 1962 general election converging on the promise of 4 percent growth. See Barry Eichengreen, *Globalizing Capital: A History of the International Monetary System* (Princeton, NJ: Princeton University Press, 2008), p. 121.

51. Vladimir O. Pechatnov, "The Big Three after World War II: New Documents on Soviet Thinking about Post War Relations with the United States and Great Britain," CWIHP Working Paper No. 13, Washington, DC: Cold War International History Project, July 1995, pp. 18–19.

52. For a critique of the idea of capitalism as economic growth and the relatively recent appearance of the concept of economic growth itself, see Timothy Shenk, "Apostles of Growth," *The Nation*, 24 November 2014, pp. 17–28.

53. On Mitchell's influence on Varga's institute, see Kyung Deok Roh, *Stalin's Economic Advisors: The Varga Institute and the Making of Soviet Foreign Policy* (New York: I.B. Tauris, 2018), ch. 3. On Mitchell's conceptual innovations, see Daniel Breslau, "Economics Invents the Economy:

Khrushchev and Mikoyan consolidated their positions in the CPSU Presidium in the second half of the 1950s, all talk in the Soviet Union of an apocalyptic capitalist crisis had ceased. The triumph of Communism was no longer thought to be attainable as a byproduct of a calamitous war among imperialists. Instead, it was now exclusively to be glimpsed in the economists' graphs showing a higher rate of steady growth for the Soviet economy than for that of any other economy. These abstract, aggregated charts now proliferated to include all manner of socioeconomic and cultural production, all showing—à la one of the most highly publicized efforts of the Khrushchev era—that the Soviet economy would overtake an equally abstracted U.S. economy by precisely 1980.⁵⁴ This overtaking of the U.S. economy was to signal the final coming of Communism. That vision of the future is what now governed the USSR's—and Mikoyan's—present.⁵⁵ Economic growth and international economic engagement formed the core of Moscow's objective of galvanizing international acceptance of the Soviet Union. Mutually beneficial trade in the service of economic expansion was an essential component of Mikoyan's answer—and Khrushchev's, too, as well as that of the bureaucracy under them—to the U.S. construction of an ideological Cold War.

The Cold War, then, harbored within its ambit ideological impulses and discursive tropes that Timothy Mitchell has termed “economentality.”⁵⁶ These were animated and given new impetus in the proximity of the limits of the immediate postwar U.S. hegemony.⁵⁷ “We need to increase the volume of trade between our countries, and it will be increased. We are in need of various kinds of raw materials,” Ikeda explained.⁵⁸ Resources secured by the United

Mathematics, Statistics, and Models in the Work of Irving Fisher and Wesley Mitchell,” *Theory and Society*, Vol. 32, No. 3 (June 2003), pp. 379–411. Mitchell's main influence was on Simon Kuznets and other Keynesians who, in parallel with Varga's cohort in the Soviet Union, worked to introduce methods for national accounting as explained in Timothy Mitchell, “Fixing the Economy,” *Cultural Studies*, Vol. 12, No. 1 (1998), pp. 82–101. For an interesting study of the intellectual dialogue between Soviet and Western economists leading to the rise of neoliberal, free-market thinking, see Johanna Bockman, *Markets in the Name of Socialism: The Left-Wing Origins of Neoliberalism* (Stanford, CA: Stanford University Press, 2011).

54. The immense intellectual production carried out by a wide array of Soviet institutions in the late 1950s and early 1960s that sought to account for Communism by 1980 has yet to find its historian, but much of it can be found in the archives of the short-lived State Council of the Economy of the USSR (Gosekonomsovet SSSR) in RGAE, F. 7.

55. This was the Soviet parallel to what Timothy Mitchell describes in “Economentality: How the Future Entered Government,” *Critical Inquiry*, Vol. 40, No. 4 (Summer 2014), pp. 479–507.

56. *Ibid.*

57. For a more detailed look into this period, see Oscar Sanchez-Sibony, “Capitalism's Fellow Traveler: The Soviet Union, Bretton Woods, and the Cold War,” *Comparative Studies in Society and History*, Vol. 56, No. 2 (April 2014), pp. 290–319.

58. Transcript of Mikoyan-Ikeda conversations (see note 45 *supra*), L. 75.

States alone would no longer do. In the dogmatic need for growth for its own sake, each power was finding a way to govern its relations with the other—just as each was doing within its respective polity.

Now that Ikeda and Mikoyan had united around a common language, the trip took definite shape. Both Soviet and Japanese officials visibly relaxed. Even Foreign Minister Kosaka, who had clashed with Mikoyan over geopolitical questions a few days earlier, focused a carefully prepared dinner speech on the hope that ever-widening trade would increase mutual trust and understanding. Mikoyan praised Kosaka's remarks: "I figured only Mr. Sato, Minister of Foreign Trade and Industry, was informed of these questions, but it's clear that Mr. Kosaka is knowledgeable in these issues."⁵⁹ To a group of Japanese businessmen the next day, Mikoyan offered the "unlimited" resources of Siberia in a calculation that followed what economists in the West know as the Heckscher-Ohlin model: "[T]his is the division of labor between our countries. You have a lot of manpower, but few resources. We have plenty of manpower, and production is growing, but our stock of resources is unlimited."⁶⁰

With all these denizens of Tokyo aligned with a discourse of growth and trade as midwives to a closer diplomatic relationship, Mikoyan was ready to visit the provinces. His first stop, on 18 August, was Osaka, where, as in Tokyo, thousands of Japanese bearing Communist slogans and emblems greeted Mikoyan at the airport and at his hotel. As in the capital, Mikoyan then proceeded to talk exclusively with business and political elites. At the main production plant of the Matsushita Electric Industrial Company (later known as Panasonic Corporation), they were privy to Mikoyan's main message:

There are questions before which ideological, religious, and other differences among people give way—such as the question of peace and friendship between our two countries. . . . It finds expression, in particular, in the way Japanese businessmen and Soviet managers found a common language and brought to fruition the development of Soviet-Japanese trade, to the benefit of both parties.⁶¹

Not everyone understood this message. The representative of Osaka's association for international trade averred that his "greatest wish is to finally settle the peace treaty with the Soviet Union, which would strongly help to develop

59. *Ibid.*, L. 87.

60. *Ibid.*, L. 125.

61. *Ibid.*, L. 130.

further the economic relations between our countries.”⁶² For Mikoyan, as for Ikeda, all that was needed was a common language and purpose, not a peace treaty.

The next day, on the way to the headquarters of Hitachi Zosen, a large industrial conglomerate that built ships for the Soviet Union, Mikoyan took a stroll in the “proletarian quarters” of Osaka, where he was proud to see many hammers and sickles once again. Lunch was with the chief executive of the company that had, since 1948, provided the Soviet Union with seven ships and was at work on three more orders.⁶³ That visit was followed by a 40-minute ride to Kyoto, with a similar agenda: the welcoming crowds of Communist sympathizers, the protocol meetings with political elites, the boozy business lunches.

Not until the last full day in Japan, back at the Soviet embassy in Tokyo, did Mikoyan finally meet with the leader of the Japanese Communist Party, Nosaka Sanzo. This brief meeting of comrades was relaxed and chatty, the kind of encounter in which ideas were vocalized to give them the finality of a conclusion—for example, regarding Prime Minister Ikeda’s statements in support of Soviet-Japanese trade:

Nosaka: Do you think that this reflects Ikeda’s true intentions?

Mikoyan: In my opinion, Ikeda is interested in the development of economic relations between Japan and the USSR, inasmuch as those relations are profitable for Japan. In our meetings, Ikeda stressed Japan’s interest in this, and even expressed the thought that good economic relations will promote the improvement of political relations between our two countries.

Nosaka: What are your impressions from the meetings with the leadership of the socialist party?

Mikoyan: Many socialists came, but there were no particularly important conversations with them . . .

Miyamoto [Kenji, General Secretary of the Japanese Communist Party/: In Japan, no guest ever received as warm a welcome as the one you received. All those who protested Eisenhower’s visit to Japan now went out into the street to greet you.

Nosaka: Did you feel any difference between the meetings with the business communities of Osaka and Tokyo?

62. *Ibid.*, L. 132.

63. *Ibid.*, Ll. 142–143.

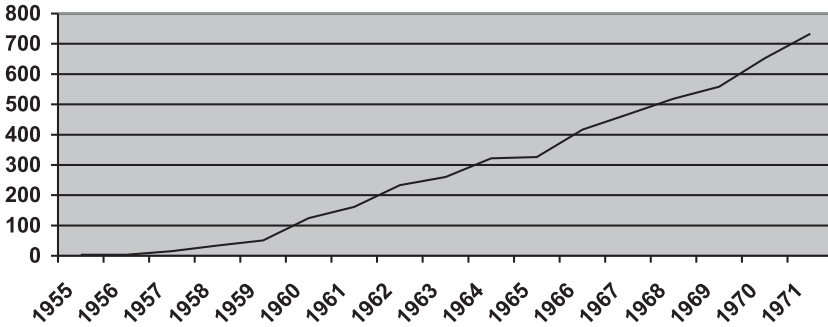


Figure 1: USSR Trade with Japan (in Millions of Current Rubles)

Source: Derived from the *Vneshnyaya torgovlya SSSR za . . . Statisticheskii obzor* series for those years.

Mikoyan: In Osaka I felt the businessmen had a better attitude to our arrival and to the question of the expansion of trade links between the two countries.

Nosaka: The Osaka business circles show a great interest in trade. In Tokyo many capitalists are more interested in politics, inasmuch as they have close relations with government circles. Besides, the relationship of Osaka capitalists with the United States is a bit weaker than in Tokyo.⁶⁴

Mikoyan also reported on Ikeda's and Kosaka's evasions when the issue of the security pact with the United States was broached. This had been the most important political question Mikoyan had brought to Japan. When not talking about trade, Mikoyan had spent his time reiterating that the security pact meant the Soviet Union could not budge on a range of issues involving the military security of the Soviet Union: the direct Tokyo-Moscow air route, the four disputed territories, and ultimately the peace treaty. Diplomatic relations were static, frozen, and made every bit as inconsequential by the Cold War as Iriye argued. And yet, Soviet-Japanese relations were vibrant and full of promise. Mikoyan had ascertained this much in 1961.

Aftermath: Mental and Material Legacies

In that first encounter three days into Mikoyan's trip to Japan, Ikeda had effectively located the organizing principle he shared with Soviet leaders. With

64. *Ibid.*, Ll. 177–179. A year earlier, President Dwight Eisenhower had been scheduled to visit Japan to celebrate the signing of the security treaty. He wisely sent his press secretary, James Hagerty, ahead to scout the feelings of the Japanese. After Hagerty was mobbed and his car almost toppled by thousands of Japanese protesters, Eisenhower canceled the visit. See LaFeber, *The Clash*, pp. 320–321.

that, the bilateral confrontational riptide turned into a current of common purpose. At the very moment Zubok finds the Soviet-Japanese relationship “lost in a triangle” in the early 1970s, Japan was becoming the Soviet Union’s most important trade partner among industrialized countries. This development necessitated a constant stream of meetings and deal-making at all levels of the bureaucracy, month after month for a decade.

The effects of the Soviet Union’s intimate economic relations with Japan were of great consequence and not merely contained within the “economic dimension” of the Cold War. The compartmentalization of the economic, the political, the ideological, and so on allows for the relational stasis that has often influenced writing on Soviet-Japanese relations. To be clear, the argument here is not that economics supersedes everything else or that commerce is part of a constellation of discreet factors that should be borne in mind. The point, instead, is that practices often deemed “economic” are in fact a form of doing politics. Like all politics, they are subject to ideological developments that dialectically interact, shape, and are shaped by preexisting political logics—of a Cold War nature, for example, but many others could be recovered. Only by shunting these social processes aside can narratives focused on unchanging geopolitical and ideological conditions be located and given expression as meaningful diplomatic history. This makes for artless storytelling.

In governing the country according to the emergent parameters of an ideology of growth, Japan came often to Khrushchev’s mind. This much is evinced by a monologue to fellow CPSU Presidium members at the end of 1963 in which, recalling how the Japanese had offered to develop the Soviet Far East, he urged them to “expand our brains and take into account the commercial side.” The Soviet leader told his colleagues that “on [Japanese] credit we can build a chemical industry in Sakhalin. . . . In a word, it is necessary to talk with the Japanese.”⁶⁵

Khrushchev need not have worried. The Japanese had been in continuous conversation with his immediate subordinates in the Soviet bureaucracy. Yamamoto Kumaichi, who had formally invited Mikoyan to the Soviet industrial exhibit in his private capacity as president of the Association for the Promotion of International Trade, was quick to follow up on the success of Mikoyan’s trip by securing—with MITI Minister Sato’s blessing—a visit from leading Japanese business executives to the Soviet Union in early 1962. The

65. For the stenographic report of a CPSU Presidium meeting held on 23 December 1963, see A. A. Fursenko, ed., *Prezidium TsK KPSS 1954–1965: Chernoye protokol’nye zapiski zasedanii* (Moscow: ROSSPEN, 2003), Vol. 1, p. 786.

reason for the urgency, he told Mikoyan in November 1961, was once again economic growth—or rather, its slowdown in the second half of that year. Echoing Ikeda's message to Mikoyan back in August, Yamamoto attributed the slowdown to Japan's economic dependence on the United States and to a decelerating world economy, which was undermining the government's target of 9 percent growth for the year.⁶⁶

As successive delegations of Japanese business executives traveled to Moscow, Soviet oil came to be the object of an ever-growing Japanese obsession. Even the president of the All-Japanese Fishing Association had petroleum on his mind when pressing for another business delegation visit in the spring of 1962.⁶⁷ Immense new reserves of oil and gas had been found in western Siberia in the early 1960s, and the news was reverberating around the world. But even as the Soviet Union was figuring out how to get the vast reserves of recently discovered Siberian oil to foreign markets, trade volume between the two countries doubled again in the three years from 1961 to 1964, mostly as a result of trade in timber and iron.⁶⁸

In the meantime, Soviet domestic investment plans included no allowance for financing a costly and domestically useless oil pipeline all the way to the Far East, and Mikoyan was waiting for the Japanese to come up with the funds. He had been earnest in 1961 when he suggested to Japanese business circles that they help in the provision of capital for the development of Siberia and its cornucopia of resources. By 1964, a shade of pleading had crept into his overtures. He resolved to visit Japan again in May 1964. A memorandum of his plans for the trip makes his purpose clear: Mikoyan was to indicate "the willingness of the Soviet side to take special measures to ensure production in the Far East and Siberia of those products Japan needs if Japanese companies agree to supply us on credit the technical means and other materials necessary for the construction of the corresponding enterprises."⁶⁹

In 1961, Ikeda and Mikoyan had arrived at a common language for thinking about Soviet-Japanese relations. In 1964, Mikoyan wanted to revitalize the relationship by ushering it into the era of capital. With the United States

66. Notes from Mikoyan-Yamamoto conversation, 25 November 1961, in GARE, F. 5446, Op. 120, D. 1626, Ll. 87–89.

67. Notes from Mikoyan's meeting with the Japanese business delegation, 24 April 1962, in GARE, F. 5446, Op. 120, D. 1626, Ll. 9–17.

68. Exports of oil remained flat during that period at about 2 million tons a year. The Japanese in turn ramped up their sale of ships as well as assorted machinery and equipment, including machinery for the Soviet timber industry. See the annual *Vneshnyaya torgovlya SSSR za . . . Statisticheskii obzor* series for 1961–1964.

69. Memorandum to Mikoyan, 8 May 1964, in GARE, F. 5446, Op. 120, D. 1867, L. 76.

blocking West European sales of piping to the Soviet Union, a temporary window of opportunity had opened for the Japanese to fund a dedicated pipeline bringing Siberian oil directly to their door. But the Japanese remained circumspect, evidently under the same pressures emanating from the U.S. embassy that the West Germans were experiencing. On his second trip in May 1964, Mikoyan brought a single message to both government officials and business executives: improve the credit terms to remain competitive with Western Europe, and on that basis Siberia's riches will open to Japanese capital. Upon first meeting Mikoyan on 15 May, Prime Minister Ikeda's response was tellingly evasive: Those questions were better left to specialists, he said.⁷⁰ The rhetoric Mikoyan used during that trip, based on an appeal that brought Japanese finance into direct competition with that of Western Europe, became the discursive framework used by both the Soviet Ministry of Foreign Trade and Soviet State Planning Committee in their insistent requests for Japan's capital resources.⁷¹

This pattern of thought was mechanistically repeated in the face of Japanese representatives no matter the occasion or purpose. During Khrushchev's fateful vacation in Pitsunda in October 1964, a week before he was recalled to Moscow to be dethroned (and a few months after Mikoyan's second visit to Japan), the Soviet leader hosted a delegation of Japanese politicians traveling through the country. After the Japanese noted their admiration for the constant construction they saw everywhere, Khrushchev patiently endured a conversation that touched on the usual subjects—the fate of Japanese POWs, the disputed islands, and world peace—before redirecting the discussion to the object of his desires: Japanese credits to the Soviet Union. Unsurprisingly, Khrushchev, too, shared in the discourse of economic growth as social palliative and catalyst of international peace: “You are just now talking about peace. That's right. We also want peace, and so we build our policy. You went and saw how much our people build, they build deliriously, large

70. Notes from the 15 May 1964 meeting between the two are in GARF, F. 5446, Op. 120, D. 1871, Ll. 7–27. For an extended treatment of the trip and of Soviet-Japanese commercial relations in the mid-1960s, see Sanchez-Sibony, *Red Globalization*, pp. 193–201.

71. Examples of these requests can be found in RGAE, F. 413, Op. 31, D. 640, Ll. 90–94; and RGAE, F. 413, Op. 31, D. 123, L. 155, taking place a year apart, in July 1964 and July 1965, but essentially conveying the same message: Better financing conditions in terms of credit length and interest rates will lead to bigger imports of Soviet resources. The fact that Foreign Trade Minister Nikolai Patolichev addresses both MITI Minister (and future Prime Minister) Miki Takeo and General Secretary of the Socialist Party of Japan Narita Tomomi in the same terms underscores the extent to which Soviet officials understood this to be a political question in Japan.

construction pathos.”⁷² From peace to economic growth in four short, lyrical sentences, Khrushchev continued on to the subject of possibly purchasing Japanese equipment for the Soviet chemical industry—but only if the Japanese offered good credit terms. Mikoyan had set a relationship in place that Khrushchev could only echo.⁷³

The Japanese parliamentarians who met with Mikoyan and Khrushchev were traveling privately rather than on official business. Nonetheless, their travel plans were strategic. They were traveling through Siberia because the region had entered the Japanese political imagination as the next great frontier of the country’s investment strategies—a frontier that would help to underwrite Japan’s future growth. With the great oil and gas discoveries made in western Siberia, the possibilities of this frozen Amazon, vast as they had appeared before, now seemed endless. The credits for which Mikoyan and Khrushchev lobbied the Japanese were most immediately intended for the building of an oil pipeline that would take what the Japanese referred to as “Tyumen oil” to the Pacific coast and thence to Japan. But the Japanese were also happy to underwrite prospecting endeavors closer to home—for gas in Sakhalin or coal in Kamchatka, for example. Although big investments were made in timber, coal, and other resources, the great oil pipeline project never materialized for reasons hidden still in the Japanese archives.

The commercial covenant at the center of the normalization of relations with Japan in 1956, the economentality that offered a common language for discussion during Mikoyan’s trip in 1961, and the illusions of capital investment that drove Mikoyan back in 1964 all are reflected in a 1965 report from the Soviet State Security Committee (KGB) to the USSR Council of Ministers. The report spelled out Soviet aspirations for bilateral ties with Japan and laid out the opportunities and challenges that Mikoyan’s successors subsequently met along the road to what briefly became the Soviet Union’s most important commercial relationship in the capitalist world.⁷⁴ The KGB noted that Japan’s economic growth had strengthened its position vis-à-vis the United States, allowing Japanese industrialists to seek better relations with the socialist bloc. Soviet oil in exchange for pipe and complete pumping stations could become the vehicle for a closer relationship between the two countries,

72. The stenogram of this meeting, which took place on 3 October 1964, can be found in Aleksandr Yakovlev et al., eds., *Nikita Khrushchev, 1964: Stenogrammy plenuma TsK KPSS i drugie dokumenty* (Moscow: Materik, 2007), p. 169.

73. Khrushchev repeatedly joked with his Japanese guests that Mikoyan was “your Japanese” (*vash yaponets*), as his guests were Mikoyan’s “own Japanese.” See *ibid.*, p. 172, for example.

74. The KGB report can be found in RGANI, F. 5, Op. 30, D. 482, Ll. 99–104.

the KGB suggested. In 1961, Mikoyan had offered to build the pipeline if the Japanese committed to buying 10 million tons of crude a year. Although the United States had warned the Japanese against such a deal even before Mikoyan stepped on Japanese soil, “10 million” became the magic number that kept cropping up on both sides whenever oil was discussed. The KGB claimed that that the U.S. embassy had said it would no longer try to block the deal.⁷⁵ Finally, other types of exports could be promoted as well: Nonferrous metals, iron ore, and timber could all be exported in exchange for the kind of machinery that could help the Soviet Union process these resources at home in the future.

By 1966, that temporary window on an oil deal was narrowing as West Germany, Austria, and Italy decided to move ahead on the matter and start funding pipelines that pumped Siberian gas and oil westward.⁷⁶ The Soviet Union spent the rest of the decade trying and failing to convince Japanese officials to match the kind of funds and interest rates the West Europeans were offering. But although the oil deal never materialized, the other venues of commerce the KGB mentioned became the basis for the commercial growth that allowed Japan to surpass Great Britain and West Germany as the most important non-Communist trade partner for the USSR in 1970 and 1971. Only after the West German-financed energy system was completed and Soviet oil and gas started pouring into Western Europe did trade with Japan—still growing fast—take a back seat to a relationship of interdependence with Western Europe.

Japan, however, continued to be the most salient point of reference when Soviet leaders turned their minds to economic growth as a purpose of governance. In the context of the slowing rate of productivity the Soviet Union began to experience toward the end of the 1960s, Soviet perceptions of Japan changed as the Asian neighbor offered an image of economic pluck that reflected badly on Soviet problems. The disillusioning effect of Japan’s stunning economic success was felt at the very top in Moscow. Dictating his memoirs in the late 1960s and early 1970s, Khrushchev gave voice to these frustrations:

In general, Japan is a very interesting country with strongly developed industry. And I repeat this now with a kind of bitter taste in my mouth. After all, if we

75. This seems somewhat optimistic. Even the limited credits the Japanese managed to extend to the Soviet Union continued to be a source of tension between the United States and Japan. See, for example, Telegram, Embassy in Japan to the Department of State, Tokyo, 20 August 1964, in *FRUS*, 1964–1968, Vol. XXIX, pt. 2, pp. 29–32.

76. The story is told in detail in Per Högselius, *Red Gas: Russia and the Origins of European Energy Dependence* (Basingstoke, UK: Palgrave Macmillan, 2013).

keep in mind that Japan was defeated in the war, does not have any raw materials, and has a much smaller population than ours, how is one to assess the fact that it has taken so many strides forward not only in the production of manufactured goods but also in technology and the production of extremely sophisticated and refined instruments? . . . There is much evidence testifying how far technology and technical thinking have advanced in Japan. What about transistor radios? The Japanese ones are considered the best. It is said that their only rivals are the West German radios. But that too was a ruined country after the war! All this makes us think about our own forms of organization, about the functioning of our research institutes, and many other things. It is evident that some sort of major defect exists. In our country, the number of engineers and scientists, if you approach the question purely arithmetically, is apparently no less than in West Germany or Japan. Statistics even proclaim that we produce several times more engineers and technicians than they do. And look how many holders of doctoral degrees and candidate degrees we have in science. Nevertheless you have to go outside our country to find the kind of technical and scientific thinking on whose basis the most advanced machinery, equipment, and devices are produced. And this situation persists. This forces us to think, and not only to think but to really analyze the situation well in order to correct the situation.⁷⁷

The answer devised by Leonid Brezhnev was a redoubling of efforts in the extensive development strategy that had served the country well in earlier years. He was no longer willing to wait for Japan to unleash its capital in Siberia. In the early 1970s, Brezhnev took the disastrous decision to rely on the USSR's own capital resources. The Japanese could join on the go, if they so wished. The underpinning of this initiative were no longer an oil pipeline but the Baikal-Amur Mainline (BAM), a great railway north of the Trans-Siberian railway that came to be partly financed with credits from Japan.⁷⁸ The idea, which entranced Japanese politicians and business leaders for the next decade, was for the railway to unlock the great mineral deposits along the track, in turn opening up great new venues of investment for Japanese capital.

The promise of a link with the rising East inspired a host of immensely wasteful investments—the BAM very much included—from which the Soviet Union never recovered.⁷⁹ Fittingly, when Soviet youth groups working on the

77. Khrushchev, *Memoirs*, Vol. 1, pp. 694–695.

78. Christopher J. Ward, *Brezhnev's Folly: The Building of BAM and Late Soviet Socialism* (Pittsburgh: University of Pittsburgh Press, 2009), pp. 132–133.

79. As argued in Robert C. Allen, *Farm to Factory: A Reinterpretation of the Soviet Industrial Revolution* (Princeton, NJ: Princeton University Press, 2003), pp. 189–211. Allen controversially asserts that these bad decisions, rather than some congenital systemic problem, are to blame for the collapse of the Soviet economy.

BAM visited Japan, ostensibly to meet young Japanese socialists to discuss geopolitical and ideological issues, they simply failed—did not even try—to stay on program. Instead, they spent their time and access to Japan browsing and purchasing electronic equipment and meeting keiretsu representatives to negotiate exchanges of timber for construction equipment. This was not the result of an inner *homo economicus* in every Soviet soul looking to trade and barter but the logical conclusion to a decades-long effort at forging a specific kind of relationship with Japan, and the economentality that undergirded it.⁸⁰

The nature of that relationship remains uncaptured if we focus only on systemic and geopolitical competition. This framework—what Iriye rightly criticized as the well-trodden yarn of the “the rise and fall of the great powers”—remains common. The story of the Soviet Union and Japan, however, more fruitfully tells of continuity, legacy, and subtle interconnections. The one this article has evoked is that of a transnational history of the ascendancy of economics and econometric techniques and the technocratic ideal of growth as a prescription for postwar peace and governance. This was the vision that animated the relationship. Japanese Communists were not the only ones who shared an ideological partnership with the Soviet Union; so, too, it turned out, did Japanese business executives and political elites.

Even from retirement, Mikoyan continued to applaud the relationship with Japan he had done so much to establish and nurture. Writing to Matsubara of Hitachi Zosen, Mikoyan was thankful for the kind remembrance of his 1961 trip:

and I am pleased to note the contribution that you and the company you represent make to the development of mutually beneficial economic relations between our countries. I hope that in the future your company will be able to be useful in the wide prospects for economic cooperation between the USSR and Japan that are currently opening up.⁸¹

To Idemitsu, Mikoyan wished that his firm “will develop and prosper for the benefit of Japanese industry and contribute to the broadening and strengthening of Japan’s economic ties with other countries, including the Soviet Union.”⁸² To Sato, his erstwhile political partner in both countries’ endeavor for growth, he sent his memoirs as a Bolshevik in the Baku commune. Both aged leaders were retired by then and looking to their past even as their countries careened toward unsustainable, credit-fueled inflations that severely

80. Ward, *Brezhnev’s Folly*, p. 133.

81. Mikoyan to Idemitsu, in RGASPI, F. 84, Op. 3, D. 108, L. 39.

82. *Ibid.*, L. 40.

weakened one and destroyed the other. The wages of the growth imperative were paid in due course at the end of the 1980s, but neither Mikoyan nor Sato lived to see it. Sato promised that he would read Mikoyan's memoir "unhurriedly and attentively" and that he would keep it "in his cabinet long and carefully."⁸³ He wished Mikoyan good health now that the Old Bolshevik had reached what they call in Japan the age of joy.

Acknowledgments

A version of this article was first presented at the University of Hong Kong seminar series in May 2014. I would like to thank the seminar's participants, and especially Charles Schencking for sharing his expertise on Japan, as well as the article's anonymous reviewers for their constructive critiques and commentary.

83. Sato to Mikoyan, 14 September 1975, in RGASPI, F. 84, Op. 3, D. 107, Ll. 49–50.