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JPRS L/9281

2 September 1980

Japan Report

(FOUO 20/80)

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JAPAN REPORT

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POLITICAL AND SOCIOLOGICAL

IMPLICATIONS OF LDP'S DIET MAJORITY VIEWED

Tokyo MAINICHI DAILY NEWS in English 29 Jul 80 p 2

["Zooming-in" column by Hideo Matsuoka: "How Will Safe Majority Work?"]

[Text] At a party the other day, those known in the trade as "political commentators" were massed in one corner, engaged in idle shoptalk which was more accentuated with pessimism than optimism. The exchanges went somewhat like the following:

"This is going to be a funless world."

"You're right. When Liberal-Democrats have this much majority, there will not be much in national politics for us to write about. They are taking business away from us."

"When there is a government-opposition equilibrium in the Diet, we can write about a coalition potential or the need for Liberal-Democrats to retire their old pols to be replaced by young blood. But when Liberal-Democrats have this much edge on opposition forces, it is simply ridiculous to beat the drum for such possibilities. All we may do now is to watch for a while how a secure-majority Liberal-Democratic government goes about its business."

"For a while? It is going to last for 4 years. That means a greater security for the Liberal-Democratic regime and a greater insecurity in the living of political commentators."

"Voters did not have to give that much victory to the Liberal-Democratic Party. I thought the Japanese had an excellent sense of balance. They have disappointed me."

Fearing for the security of their job, the commentators were criticizing the political sense of the nation which gave an election victory to the LDP and the threat of job security to them. The conversation could hardly qualify as an intellectual discussion.

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But the noncerebral gab had some food for thoughts. The "job insecurity" is their way of self-derision. It indicates they were losing interest in politics because there were going to be fewer and fewer political developments that would arouse their professionalism.

Humiliation

Commentators want political instability, a situation of such a slim majority that the government party has to swallow opposition demand to revise the budget bill, that the Liberal-Democratic members of the Diet touched by scandals are called before the Diet committees to testify. Such humiliation of the majority party, which was political reality only a while ago, was due to the party's razor-thin majority in the legislature. Possibilities of a coalition were openly talked about. This was a situation that whetted the professional instinct of political commentators.

The "double election" ended all such expectations to the disappointment of political commentators who were, in the foregoing conversation, taking it out on the voters.

I do not think voters intended to give such a landslide victory to the LDP as they did. When the issue was a cleanup of political morals, voters could not be intentionally giving such a victory to the LDP which was responsible for a string of corruption. Only, the Japanese do not want political insecurity. They are the exact opposite of that particular breed called political commentators. The Japanese have a vague fear about any coalition that includes part of the opposition parties whose views are not too well defined. All that voters intended was to give a little more majority to the faltering LDP. Every voter intending to give a little added up to quite a bit more nationwide, leading to a landslide. Many who voted Liberal-Democratic must now be regretting the election outcome.

I say many must now be regretting, because the Japanese know from experience that a party with a safe majority in the Diet is bound to become arrogant and steamroll the legislature to suit partisan convenience. In his first press conference, Prime Minister Zenko Suzuki vowed to play the "politics of harmony." Said he: "The Diet is not an institution of contest to be won by numerical strength. The government party must have the tolerance to hear out the opposition where its assertion deserves attention."

This is baloney. If numerical strength does not decide, nothing can be decided by the Diet. It is a white lie to say the Diet is not a political forum of contest to be settled on the basis of numerical strength. Although Suzuki said the government party will listen to worthy assertions by the opposition, the LDP has abolished the House of Representatives Special Committee on Aircraft Import in a blatant thumbs-down on opposition dissent.

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We do not have to be told that the LDP cares more about its own convenience than about the convenience of the opposition parties. The "tolerance to hear out the opposition" is a matter of the number of days the LDP will allow the opposition to take the floor before bringing a bill to a vote. The opposition may be given the floor 3 days, or even 4 days, but on the fifth day a vote will decide the matter exactly the way the LDP wants it settled. The "tolerance" is a matter of the extent of delay in the passage of a bill. Moreover, what is a safe majority good for, if it does not work this way?

Compromises

In the recent past the LDP had to settle for humiliating compromises with the opposition parties because it lacked a secure majority. It even refrained from introducing certain bills in anticipation of strong resistance from the opposition. The inventory of such hoped-for (by the LDP) but not introduced bills has built up. Now seems to be the time for inventory clearance. Suzuki's "politics of harmony" sloganeering may be for party consumption, but not for those outside the party. There is a good likelihood his advertised "politics of harmony" may change into "politics of strength" for those on the outside.

The appointment of Susumu Nikaido may be for harmony inside the party, but is a typical show of muscle power riding roughshod over public opinion. Suzuki's intentions to lord it over is showing right through his sleeves despite his preachings of harmony. The power of a safe majority will make itself felt in such matters as a boost in the defense budget and a tax increase. The nation will be regretting having voted the LDP into such a secure majority.

The nation wants the party to demonstrate the power of a safe majority in a serious attempt at administrative reform that touches the central government offices.

I hope Prime Minister Suzuki will carry out a substantial reform to justify his appointment of such a big wheel as Yasuhiro Nakasone as head of the Administrative Management Agency.

Nakasone should not complain, as he did, about the post being not up to his prestige. If he does a thorough job of administrative reform that will go down in the annals of Japanese politics, he would be a surefire choice of the party for the next president, which means prime minister.

But his man Nakasone is notorious for his opportunism, and is not to be expected to risk his career for the good of the nation. Even more unreliable is Prime Minister Suzuki who keeps saying he will follow Ohira's policies in most every field including diplomacy and domestic politics.

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Lacks Self-Conviction

He appears to lack self-conviction as prime minister. He did not intend to be a prime minister, and the situation around him did not admit of his premiership--right up to the sudden compromise among party leaders that put him in the top job.

It is thus understandable that he was not fully prepared when he became prime minister.

Once he did become PM, however, he must relate to the nation on his will to do his job. He should know he is no longer allowed to be just a yo-yo arbitrator, however high in political craft, which he used to be as long-time chairman of the party Executive Council. He is prime minister of an economic superpower that is Japan. He is a prime minister of the people and for the people.

The late Ohira loved the words of a statesman of ancient China who said: "Making one gain is best achieved by eliminating one harm." These words were the guiding principle of Ohira's passive politics. He seemed to take these words to mean that removing a present wrong serves the nation better than undertaking some project that will hit the headlines. So he avoided such headline projects as administrative reform. Does Prime Minister Suzuki intend to copy his predecessor in the handling of administrative reform?

During the Edo Period, however, Heihachiro Oshio, inspired by the same words of the same ancient Chinese statesman, led a revolt in Osaka to save the oppressed public. He interpreted the words as saying that the way of governing a country is to eliminate what is doing harm. His rebellion was aimed at removing profiteering merchants and corrupt administrators. For Oshio, politics meant removing harmful presence. Putting aside the right or wrong of resorting to force, Oshio had self-conviction about politics and was eager to live up to it.

Prime Minister Suzuki, now backed by such a comfortable parliamentary majority as to threaten political commentators with unemployment, should be ashamed of being rumored as a stand-in for Kakuei Tanaka, and should resolve, I hope, to vindicate himself by positively eliminating the existing wrongs such as political and bureaucratic corruption. Then only will we see Suzuki as a politician with the self-conviction that he means to live up to.

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POLITICAL AND SOCIOLOGICAL

KOMOTO'S GAME WITH TANAKA EXAMINED

Tokyo THE DAILY YOMIURI in English 16 Aug 80 p 3

["Political Beat" column by Raisuke Honda]

[Text] Economic Planning Agency Director-General Toshio Komoto, an aspirant for the premiership to succeed the just launched Suzuki administration, has caused a ripple in the Liberal-Democratic Party (LDP) for his recent "betterment of relations" with former prime minister Kakuei Tanaka.

While things in the political world are quiet with many politicians away on summer vacation, Komoto and Tanaka played golf in Karuizawa, Nagano-ken, Monday.

Walking on the golf course, the two reportedly had a good chat about various political topics.

Rumor has it that they continued their talks over a leisurely dinner after the golf game.

Asked later about the "golf conference," Komoto declined to disclose what he discussed with Tanaka.

According to LDP sources close to Tanaka, his tete-a-tete with Komoto was arranged by Hajime Ishii, an LDP member of the House of Representatives and member of the Tanaka faction, who was reelected from the same prefecture of Hyogo-ken as Komoto.

Komoto, who is keen to take power in a post-Suzuki government, had asked Ishii to arrange the meeting with Tanaka, who still retains a strong influence over the LDP, the sources said.

The former premier readily accepted the overture, saying it was rather unnatural that he and Komoto had had virtually no opportunity to have personal talks despite their political careers of some 30 years, according to the sources.

The Tanaka-Komoto talks at the golf course therefore marked their first per-

sonal contact, so that the tete-a-tete has created delicate vibrations within the LDP.

In particular, Administrative Management Agency Director-General Yasuhiro Nakasone, Komoto's arch-rival in his struggle for power, appears nervous about Komoto's quick approach to Tanaka.

Even before the inauguration of the Suzuki cabinet, Komoto had often expressed his desire to meet with Tanaka.

In his abortive attempt to become successor to the late premier Masayoshi Ohira, Komoto had successfully persuaded former premier Takeo Miki to disband the

Miki faction, of which Komoto was a senior member.

It was obvious that Komoto did so in the belief that his continued affiliation with the Miki faction, which antagonized the Tanaka faction since Tanaka was arrested in the Lockheed scandal under the Miki government, would make it impossible for Komoto to obtain enough support among LDP Dietmen.

The disbandment of the Miki faction, however, proved ineffective in mustering pro-Komoto support within the party.

Under the circumstances, Komoto might well have thought it necessary to have direct contacts with Tanaka to win his backing.

Komoto's major rival Nakasone, however, had already made advances to seek Tanaka's strong influence and realize his dream of succeeding the late Ohira as LDP president and premier.

At one time during the LDP presidential race, Tanaka in fact moved to give his support to Nakasone as Ohira's successor, so that Nakasone had been regarded as the most likely candidate for the top party post.

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But Nakasone, and for that matter Komoto, too, were unable to do anything when "darkhorse" Suzuki captured the post as new party president thanks to a quickly formed consensus within the LDP.

To make matters worse for Komoto, the LDP presidential primary elections originally scheduled for this autumn were suspended, thus ending his hopes of winning the top party post on the strength of his 1,000,000 supporters recruited at huge expense.

Despite such developments, Komoto seems determined to run in the next LDP presidential election scheduled for 1982 with his political life at stake, by maintaining the current strength of his supporters among rank-and-file LDP members.

Although Komoto is considerably ahead of Nakasone in number of supporters among rank-and-file LDP members, he still falls behind Nakasone in striving to increase supporters among LDP Dietmen.

Attention is thus being focused on whether Komoto's approach to Tanaka may influence future developments in his long contest against Nakasone for power.

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POLITICAL AND SOCIOLOGICAL

NAKASONE'S CHANCES FOR NEXT PREMIERSHIP ANALYZED

OW010104 Tokyo THE JAPAN TIMES in English 31 Jul 80 p 12

["Politics Today--and Tomorrow" Column by Minoru Shimizu: "Nakasone Tested for Next Premier Race"]

[Text] Yasuhiro Nakasone, an influential leader of the Liberal-Democratic Party (LDP), emphatically declares his intension to work as an "ordinary soldier" under the new prime minister, Zenko Suzuki.

True to his word, he is about to address himself seriously to the task of administrative reform, an important political issue for the Suzuki cabinet, in his position as director general of the administrative management agency.

On the surface, Nakasone's attitude would make it appear that his relationship with Suzuki is extremely good. But this is perhaps a too hasty conclusion when one recalls the delicate position in which Nakasone was placed during the recent government upheaval.

Around the beginning of June when the then Prime Minister Masayoshi Ohira was admitted to hospital with a heart ailment, Nakasone was regarded as one of the most likely men to succeed him, and Nakasone himself went all out to whip up support for his candidacy within the party.

Leaders of Major Factions

One reason why Nakasone was regarded as an odds-on favorite was that, except for Nakasone, all the leaders of the five major factions within the Liberal-Democratic Party (LDP) had become prime ministers during the past eight years.

For one reason or another, however, the fulfillment of his long-held ambition to take over the reins of power was ultimately denied him. One of the most important factors was the factional power politics arising from the reunification of the so-called conservative mainstream (Hoshu-hon-ryu-ha) group.

Nakasone's aides were chagrined at losing this golden opportunity. Nakasone himself answered a newsman's question on this point as follows:

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"Human beings move in accordance with a mysterious divine providence. In a destiny where light turns to darkness and darkness to light, one finds meaning in doing one's best. In terms of age, I am just over 60 (actually 62). I think it is heaven's decree that I should work a long time for the nation and not withdraw from the front line."

Original Strategy

Nakasone had given Ohira his cooperation with the presidential election two years hence in view, and according to observers, he and his aides have come round to thinking he should revert to this original strategy even though a new situation has arisen with Ohira's death and the birth of the Suzuki administration.

After the beginning of this year, Nakasone started making overtures to the mainstream faction through former Prime Minister Kakuei Tanaka. In so doing he had in mind his accession to power with the next change of administration.

Thus, in the vote of non-confidence against the Ohira cabinet last May, Nakasone attended the plenary session of the lower house and cast his vote against the motion, although he belonged to the antimainstream faction at that time. Former Prime Ministers Takeo Fukuda and Takeo Miki, who also belonged to the antimainstream faction, absented themselves from the session out of "political considerations." Due to the absence of about 70 members of the antimainstream faction, the Japan Socialist Party's motion was passed and Prime Minister Ohira dissolved the Diet in accordance with the provisions of the constitution.

Ohira's Death

Nakasone's strategy fell through with Ohira's unexpected death. But he and his aides have now decided to revert to their original policy, merely substituting Suzuki for Ohira.

However, his friendly approaches to the mainstream faction are not working out as expected. As long as Fukuda stayed in the antimainstream group, Nakasone could expect to wield considerable influence in the party. But under the Suzuki administration, the Fukuda faction has joined the Suzuki and Tanaka factions to form a new mainstream group, with the inevitable result that the Nakasone faction has lost much of its influence. It can thus be said that a miscalculation has already appeared in Nakasone's strategy for winning the next premiership.

It can also be said that Nakasone miscalculated about his position in the cabinet. Having shown a cooperative attitude, he had expected Prime Minister Suzuki to reward him with an important position, such as that of party secretary general or minister of finance, especially in view of the fact that he himself was at one time considered a likely candidate for the prime minister's job. He particularly wanted the finance portfolio.

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What Suzuki actually offered him, however, was the position of director general of the administrative management agency which, though responsible for administrative reform--one of the big tasks facing the government--has been usually occupied by a politician of little influence, being regarded as one of the more minor posts in the cabinet.

A member of the Nakasone faction expressed strong dissatisfaction with this cabinet appointment. "I just can't go along with the idea of the boss taking over a post which was previously occupied by one of his followers." The agency's previous director general was Sosuke Uno of the Nakasone faction.

[OW010135] Nakasone was at first reluctant to accept the post. Prime Minister Suzuki managed to flatter him into accepting it by pointing out that administrative reform was an important "pillar" of his administration's policy and for this reason he wanted to entrust the job to a man with political acumen, like Nakasone. At the same time he promised to accord Nakasone the treatment of deputy prime minister. Thus, in the plenary sessions of both houses of the Diet, Nakasone now occupies a seat allotted to a man of the rank of deputy prime minister.

Various Speculations

However, there are various speculations circulating in the Nagata-cho [term for area of concentrated political power] area concerning the motives behind the appointment of Nakasone to this post.

One is that Prime Minister Suzuki and other leaders of the mainstream faction are aiming to nip in the bud any chances Nakasone may have of becoming the next prime minister.

Administrative reform is a tough nut to crack. Though every cabinet in the past has tried to tackle it, their efforts have never borne any fruit because of strong opposition from the bureaucracy and from persons concerned in both the ruling and opposition parties. It calls for an ability to make political decisions on the part of the prime minister and the cabinet minister in charge.

Nakasone has constantly publicized himself as a politician capable of getting things done, so people will naturally be waiting to see how much political acumen he will be able to demonstrate in his handling of the political reform issue. If the results should fall below expectations, his reputation as a capable politician will suffer accordingly and his position in the next premiership race will be weakened. Nakasone can therefore be expected to work hard to produce results directly opposite to those his opponents hope for.

With his sights focused on the LDP presidential election to be held two years hence, Nakasone is trying to step up his political activities and drum up support for himself within the LDP.

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Nakasone and his aides apparently regard the next presidential election as offering Nakasone a last chance of becoming prime minister. But whether he will be in a position to seize this opportunity, it is still far too early to predict.

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JAPANESE FOREIGN MINISTRY OUTLINES PURPOSE OF ITO'S ASIAN TOUR

OW181511 Tokyo JIJI in English 1429 GMT 18 Aug 80

[Text] Toyko, 18 Aug (JIJI PRESS)--The Foreign Office hopes Foreign Minister Masayoshi Ito's planned five-nation Asian tour will advance the frontiers of Japan's Asian diplomacy, so far oriented primarily toward the Association of Southeast Asian Nations (ASEAN).

Ito will visit Thailand, Burma, India, Pakistan and China from next Sunday September 4. This is a Japanese foreign minister's first trip to Burma and India in 3 years and to Pakistan in 10 years.

Ito is known to have strongly recommended the late Prime Minister Masayoshi Ohira to visit the ASEAN states --Indonesia, Malaysia, Singapore, Thailand and the Philippines--when he was chief cabinet secretary in the Ohira cabinet. Ohira died of a heart attack June 12.

This is obviously a key factor behind his choice of Asia as the destination of his first overseas trip since he assumed the foreign affairs portfolio last month.

The 12-day tour is also designed to underscore Japan's foreign policy attaching great importance to Asia.

Thailand is the only ASEAN country included in Ito's itinerary because Prime Minister Zenko Suzuki is expected to tour the ASEAN states, possibly early next year, during his first overseas trip since he took the helm of state July 17.

In Thailand, he will hold talks with Prime Minister Prem Tinsulanon on the Cambodian situation and emphasize Tokyo's policy of supporting Cambodia's Pol Pot regime, which was driven out of Phnom Penh by Vietnam-backed forces early last year.

Ito will pledge Japan to cooperate in Bangkok's plan to build new villages to accommodate Thais who have been deprived of their living places by an influx of Cambodian refugees. He will express Tokyo's intent to extend some 5 million dollars worth of goods, including bulldozers, to that end.

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He will be the first foreign minister from abroad to visit the Sakeo Camp for Cambodian refugees as well as new model villages.

In Bangkok on August 27, he will call a meeting of ambassadors stationed in the ASEAN states, and Vietnam, Laos and Burma for an exchange of views on Thailand-Laos relations and ASEAN's attitude toward Cambodia.

In 1977, the then Prime Minister Takeo Fukuda, accompanied by the then Foreign Minister Ichiro Hatoyama, visited Burma. Ito will be the first Japanese foreign minister to visit that country alone in 25 years.

At his planned talks with President Ne Win, he will seek the nonaligned state's view on the Asian situation, and convey Japan's intent to provide Rangoon with a yen loan of some 30,000 million yen (about 129 million dollars) for the current fiscal year ending next March.

Japan has no major problems pending with India and Pakistan.

Therefore, Ito's talks with leaders of the Indian and Pakistani governments are expected to deal with the international situation, such as the Soviet Union's armed intervention in Afghanistan late last year and the Cambodian issue.

The Foreign Office attaches great importance to his meeting with Indian Prime Minister Indira Gandhi, which it hopes would be conducive to Japan's Asian diplomacy in the future.

At his talks with Gandhi, therefore, the foreign minister wants to get fully briefed on the foreign policy of India, which is now tilting toward Moscow by recognizing the pro-Vietnam Heng Samrin regime of Cambodia as the sole legitimate government of the Indochinese country.

India-China relations are also expected to be taken up at the meeting.

In Pakistan, Ito will visit Afghan refugee camps and stress Tokyo's readiness to assist Pakistan bordering Afghanistan.

The highlight of his Asian trip will be the September 2-4 visit to Beijing. A major reshuffle of China's leadership is expected at the Third Conference of the Fifth National People's Congress to be convened late this month.

If the NPC meeting ends before his arrival in Beijing, he would be able to meet not only Chairman and Premier Hua Guofeng, but also Vice Premier Zhao Ziyang, who is likely to be named successor to Premier Hua.

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AKAHATA EDITORIAL ON JAPANESE DIPLOMACY BLUE BOOK

OW201039 Tokyo JPS in English 0912 GMT 20 Aug 80

[Text] Tokyo Aug 20 JPS--The Suzuki cabinet on August 19 approved a white paper on Japanese diplomacy. AKAHATA on August 20 carried an editorial entitled "A Change Into Diplomacy in 'Military Uniform,'" giving a warning to a serious change in Japanese diplomacy which is now taking place.

"The white paper bases its argument on the sense of crisis that the present 'international order' centering on the capitalist camp is in a serious turmoil as a result of the relative decline in the position of the United States in all the economic, political and military fields, and an increased demand of developing countries for a 'new international economic order.' Thus the white paper draws the following conclusion: As 'a responsible member of the international community' Japan should 'redouble its positive and constructive efforts' in not only economic, but also political and diplomatic fields," said the editorial.

The Foreign Ministry's white paper on diplomacy regards the following tasks as fundamental for Japanese diplomacy: (1) The maintenance of the Japan-U.S. security treaty, and an independent effort to have an appropriate scale of self-defense force, (2) maintenance and promotion of friendship with countries in the Asian and Pacific basin, (3) an increased solidarity and cooperation with countries in the Free World, and a practice of "active diplomacy" from a global viewpoint beyond the framework of the Asian and Pacific basin, and (4) an improvement in the Official Development Aid (ODA) as an inseparable element of Japanese foreign policy for the security of the country.

What should be noted most is "the open argument for a military buildup," the editorial stressed. "It is quite extraordinary for the Foreign Ministry to stress the need for a military buildup in its official document on foreign policy. The natural attitude of the ministry is that even if it deals with the security issue it should first of all stress the need for a diplomatic effort," the AKAHATA editorial said.

As a reason why the Foreign Ministry changes its attitude, the editorial said, "The security and foreign policy line of the Liberal Democratic

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Party Government is being changed in substance, in face of an intensified demand of the United States for Japan's military buildup: beyond the limit of the 'peaceful constitution', or the regulation 'security of the country,' the government is now prepared to play a part in the global strategy of the United States." But "if Japan shares a military burden equivalent to that for the United States or Western Europe, the military costs will jump from the present 0.9 percent of the Gross National Product (GNP) to a huge 5-6 percent, leading Japan to a big military power."

"Within the Foreign Ministry, work is now going on so that the Japan-U.S. security treaty will be changed in substance in a way it can be used for the global strategy of the United States, beyond the regulation of 'defense of Japan' or 'security of the Far East.'" As an outcome from this work, the editorial said, the Foreign Ministry on July 27 issued a security policy stressing the "need to increase the self-defence force from a global point of view."

In conclusion, the editorial stressed that it has become still more urgent to abrogate the security treaty and build a nonaligned and neutral Japan.

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POLITICAL AND SOCIOLOGICAL

AKAHATA TERMS CONSTITUTION REVISION DRIVE 'DANGEROUS'

OW210941 Tokyo JPS in English 0855 GMT 21 Aug 80

[Text] Tokyo Aug 21 JPS--Secretary general of the ruling Liberal Democratic Party Yoshio Sakurauchi on August 19 and 20 repeatedly revealed his intention to revise the constitution. "When discussions are raised, article 9 will be the focal issue," he said.

In an editorial of August 21 entitled "Dangerous Drive to Revise the Constitution," AKAHATA said this "expressed LDP's preparedness to embark on literal 'revision' of the constitution, first by way of 'partial amendment'." This also suggests the intention to further escalate defacto revision of the constitution by interpretation, especially of article 9, which has so far been pushed forward."

"The Japanese Government has come to the point that it can no longer meet the U.S. demand with a [word indistinct] extension of the interpretational amendment made so far to the constitution--the demand that Japan, as an 'ally' should share equal military responsibility with the U.S. West European countries. It said:

"The participation by the Japanese self-defense forces in the rim of the Pacific exercise in March this year has betrayed the long maintained mal-interpretation of the constitution by the government that 'the constitution prohibits exercise was that the Japanese warships took the role of escorting U.S. warships under the unified command by the U.S. forces. [as received]

"The outline of the security policy, which was hammered out by the security policy planning committee of the Foreign Ministry at the end of July, set out the policy paving a road to overseas despatch of the self-defense forces. Whatever interpretation so far made to the constitution cannot rationalize this.

"In addition, maneuvers to ideologically mobilize the people to the course of arms expansion, including the maneuver to make the Yasukuni shrine a 'state-run shrine' have been accelerated, but this obviously contradicts

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democratic principles of the constitution providing freedom of creed and the separation of administration and religion."

The editorial also pointed out:

"In a study meeting of the League of Liberal Democratic Diet-members on defense held in February, a point was raised that 'it is of actual significance to lead the public opinion bit a bit, so that an atmosphere in favor of the revision of the constitution may be created and prevalent'. We must recall this. The Sakurauchi remarks can be safely called one step toward executing that plan. This is very cunning way of creating conditions for the 'revision' of the constitution first on the pretext of 'partial amendment' on such items as seems not to receive so strong opposition from the people or as is possible to entice right-leaning opposition parties, and realizing the plan of the revision step by step.

"Initiation of the revision of the constitution needs an approval by more than two thirds of the Diet-members. The plan of the Liberal-Democratic Party to introduce a small constituency system must be taken seriously in this regard too.

"The struggle to prevent the mal revision of the constitution relies on the unity of the protest and criticism of the broadest people," the editorial concluded.

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POLITICAL AND SOCIOLOGICAL

ASAHI WELCOMES GOVERNMENT STAND AGAINST CONSCRIPTION

OW191025 Tokyo ASAHI EVENING NEWS in English 18 Aug 80 p 5

[ASAHI SHIMBUN 16 August Editorial: "Constitutional Concerns"]

[Text] The government's confirmation on the anniversary of the end of the Pacific war that the introduction of a conscription system would be unconstitutional is particularly welcome at a time when calls for the strengthening of Japan's defenses in peacetime need to be kept in mind.

The government's view was given in reply to a written question submitted by Seiichi Inaba, a lower house member of the Japan Socialist Party. In answering questions in the Diet, many governments in the past have expressed the view that the introduction of conscription would be a violation of the constitution, a point of view in which legal scholars concur. It can, as a consequence, be said that a nationwide consensus already exists in this connection. This time, however, the Cabinet has approved an official view which gives definite reasons why conscription would violate the constitution. This is very different to the sporadic and ambiguous replies made in the Diet in the past, and is of great significance.

It must, of course, be said that the government's motives in publishing this confirmation on the anniversary of the end of the war were not altogether disinterested. It is obviously anxious to mollify popular criticism of the calls for the improvement of the nation's defenses. Nevertheless, in the light of Article 13 (dealing with the respect for the individual and public welfare) and Article 18 (freedom from bondage and involuntary servitude), the government was unable to conclude that the introduction of a conscription system, whether in peacetime or in the event of an emergency, would be anything other than a violation of the constitution.

This clear statement that conscription cannot be introduced constitutes a pledge to the people, and one which they should take care to keep in mind. This is particularly so in view of the fact that, over the years, the government has been interpreting the constitution in an ever more liberal way and has been building up the nation's armaments.

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It is important to note that the government has merely confirmed that the introduction of conscription is impossible under the present constitution. It has not said that the present constitution will be kept intact.

The Liberal-Democratic Party has always been eager to revise the constitution so that the anomalous position in which Japan finds itself with respect to arms can be resolved. In fact, the revision of the present constitution is mentioned in an LDP document.

We should not overlook the fact that the calls for the revision of the constitution and for the improvement of Japan's defenses are connected with the government's statement about conscription. Since it has now been made clear that Japan cannot maintain a war potential which would include the introduction of conscription in an emergency under the existing constitution, it is extremely likely that lobbying in favor of the revision of the constitution will become more conspicuous than ever before.

In his keynote address to a seminar on "Japan in the 1980s" at the beginning of this year, Hosai Hyuga, president of the Kansai Federation of Economic Organizations, asserted that the questions of substantially raising the ratio of defense costs in the gross national product and introducing conscription needed to be brought out into the open. Another recent development has been the passing of resolutions in favor of a revision of the constitution by a number of local assemblies which had previously passed resolutions in favor of the gengo (era name) law. It would seem that they are working closely together with conservative political circles nearer the center of power.

These are dangerous signs which show that constitutional revision may very well be linked in the future with the revival of conscription.

The reason the obvious inference that conscription is unconstitutional under the peace constitution has become such big news is that Japan's rearmament has, as a consequence of a liberal interpretation of the war-renouncing Article 9, made enormous progress. There must be more discussion of how the spirit of peace, which the constitution enshrines, can be kept alive and of how peace can be won throughout the world. In this way, the government's view of conscription can be kept alive both in name and fact.

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POLITICAL AND SOCIOLOGICAL

'MAINICHI' EDITORIAL MARKS ANNIVERSARY OF END OF WORLD WAR II

OW181329 Tokyo MAINICHI DAILY NEWS in English 16 Aug 80 p 2

[Editorial: "Reminiscence"]

[Excerpts] August 15, 1945 was an intolerably hot and long day. The Japanese people met the day on Southern Pacific islands, the Asian continent, in evacuation sites or air-raid-ravaged cities.

We cannot apply the measures of these days to the present days. Japan has overcome postwar difficulties and attained a high economic growth which was described as a miracle. At present, we do not see significant discontent among the people.

We must hastily add, however, that we are not in a completely satisfactory condition. The 1980's are said to be a period of disturbance. Especially, the international situation contains many elements which may unfavorably affect Japan's future. We have witnessed the deteriorating energy and resource problems, crisis of a possible nuclear war, and Soviet threat in the free world following the invasion of Afghanistan.

Reflecting upon such international tension, voices have gained strength in Japan calling for the expansion of Japan's military capability or further discussion of Japan's security. Why have many people started talking about the possible invasion of Japan by other countries or the necessity of enhancing the public consciousness on Japan's security? In educational circles, some people have emphasized the importance of education national defense.

We do not oppose a spontaneous public sentiment to love their own country and sacrifice themselves for the defense of the nation. But we now read some theses demanding Japan's right to manufacture and possess nuclear weapons while denouncing the anti-nuclear bomb movement as mere sentimentalism.

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The international and domestic situation indicates that August 15, 1980 has a different meaning from the same date in previous years. We must remember that today's peace and freedom were won by the sacrifice of seven million Japanese who lost their lives or were wounded. We must hand down our experience as a precious legacy to the succeeding generations.

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POLITICAL AND SOCIOLOGICAL

'ASAHI' URGES JAPAN TO LEARN FROM WORLD WAR II

OWI81337 Tokyo ASAHI EVENING NEWS in English 16 Aug 80 p 5

[ASAHI SHIMBUN editorial: "The Road to War"]

[Text] 15 Aug--The words "rest in peace, because we shall not make the same mistake again" are carved on the atom bomb memorial in Hiroshima city. They represent the feelings of the great majority of the people who survived the Pacific war. Every year, the days from the "day of the atomic bombing" (August 6) to the day the war ended (August 15) have been a time for renewing this pledge. It must be the same again this year.

But can we keep this pledge in the future? Isn't there the danger of our taking a step in the direction of making the same mistake again? There have been a number of developments recently which arouse great concern in this connection and we have been forced to greet this day with serious misgivings.

Power Struggle

The principal cause for concern is that Japan is getting drawn into the struggle for power between the United States and the Soviet Union. After the Soviet invasion of Afghanistan at the end of 1979, there was much talk of the Soviet threat, and the government is now seriously considering the strengthening of Japan's defenses. These tendencies have been aggravated by the emergence of a government with an absolute majority.

In its report on security policy, which was announced at the end of July, the Foreign Ministry stated that, as a consequence of various developments throughout the world, Japan needed to improve its defenses. The Defence Agency, too, in its white paper on defense, said that, as a member of the Western Alliance, Japan had to make more efforts for its defense. Partly because of a U.S. request, it was hastily decided to give special treatment to the defense budget and to increase it in fiscal 1981. But to become involved in the struggle between the two great powers is to become embroiled in a limitless arms race.

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If only the balance of power between East and West is taken into account, virtually no progress toward solving the world's problems can be achieved. North-South relations have to be taken into consideration. There are no problems which can be solved by military power alone, as has been made clear in the cases of Iran, Afghanistan and Cambodia. To argue that Japan, as a member of the Western camp, has the duty of becoming involved in the East-West arms race is to adopt a policy of despair.

As a consequence of the Vietnam war, the U.S. realized that security rests on economic development and political stability. Has this lesson already been forgotten? Japan, which is in Asia and possesses no resources, has to have close relations with the developing countries and, in dealing with the problem of its security, it should think in terms of North-South relations. It should not follow the great powers which think only in terms of East and West.

Japan's Duties

Its "responsibility as one of the most important nations in the world" is cited as one of the reasons for Japan's suddenly deciding to strengthen its defenses. Japan accounts for about 10 percent of the world's gross national product and we must recognize that we have the responsibility to work for the welfare of mankind. We cannot be concerned only with our own interests.

Nevertheless, the acceptance of international responsibility does not entail acting in the same way as the other major nations. To continue the past custom of following the lead of the U.S. would be very undesirable.

Japan's economic growth and its becoming one of the most important nations of the world resulted from the policy of playing down the importance of military power. Now that we have built a peaceful state, it would be absurd to change direction.

In terms of geographical situation and domestic conditions, the differences between Japan, the U.S. and the nations of Western Europe are enormous. Consequently, it must be able to develop relation with other nations without any hindrance. It is also the only country against which nuclear weapons have been used, and the fact that it has definitely decided not to possess nuclear weapons is one aspect of its very different character. It is only right that its defense policy should also be different.

The nature of the contributions to the world that Japan makes should be considerably different from that of the contributions of the U.S. and Western Europe. Japan's contributions should be of a nonmilitary nature; they should be in the economic, technological and cultural fields.

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The Peace Constitution

We should like to emphasize once again that the peace constitution is the natural consequence of Japan's history and geographical conditions. A small country like ours, whose population is concentrated in the cities, is very vulnerable. We have to cooperate in the economic field with other countries, for dependence on military power would be self-defeating.

Demands that Japan should arm itself with nuclear weapons and revise the constitution have been increasing of late. The people making them probably feel that the peace constitution is unrealistic. They should recognize, however, that the proposals for legislation concerning the action to be taken in the event of an emergency and for Japan's security to be ensured by increasing its military power are even more unrealistic.

If a situation should arise in which any part of Japan comes under the threat of invasion, it is almost certain that the whole of Japan will previously have been bombed and many civilians and private assets will have been destroyed. The targets of attacks in a modern war are not restricted to troops and military facilities. Measures to deal with an emergency which do not take these facts into account cannot be called realistic.

The struggle for power leads to the spiraling growth of armaments. Increasing the defense budget by any great extent will mean that expenditure in other fields will have to be reduced, or that the taxpayers' burden will have to be increased. The result will be far removed from the goals of ensuring the security of the state and the welfare of its people.

In the U.S., too, there are opinions, such as those voiced in the Glenn report, that restraint in the area of military spending on the part of Japan will contribute to stability in Northeast Asia. The emergence of a militarily strong Japan is undesirable both for the U.S. and Asia in the medium term and in the long term. Adherence to the peace constitution will benefit, not only Japan, but also the world. Japan should do its best to make this clear to the governments of other countries.

Dangerous Signs

The government and the Liberal-Democratic Party are talking much about patriotism, security and improving Japan's defenses, and certain quarters in industry are joining in the chorus. There has been a flurry of new developments in the last few months. Some years ago, national foundation day was established as a holiday, then the law concerning the "Gengo" (era name) was passed and now there is talk of putting the Yasukuni shrine under state jurisdiction. All these are ominous portents for the future.

The people of a nation are like passengers in a ship. If the nation become strong, they can live a very comfortable life aboard the ship, even though they may not be conscious of the direction in which the ship is sailing. But

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they should take care: the ship may be heading at full speed in an unexpected direction.

The Japanese people paid a high price in the last world war. We should not forget the lessons we learned.

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MILITARY

STANDARDIZATION SOUGHT IN WEAPONS PRODUCTION

Tokyo MAINICHI DAILY NEWS in English 16 Aug 80 p 5

[Text] The Defense Production Committee of the Federation of Economic Organizations (Keidanren) will ask Defense Agency Director General Joji Omura to extend the agency's good office for the creation of a place in which American and Japanese weapons manufacturers will be able to hold comprehensive technological interchanges on the military high technology when the Defense Production Committee Chairman Fumihiko Kono calls on the director general toward the end of this month.

The Defense Production Committee's move stems from the panel's recognition that the upgrading of the Japanese defense capability warrants improvement in its military electronics and accumulation of expertise in such systems engineering as comprehensive air defense system through broad cooperation from the American weapon manufacturers.

The Japanese government and the U.S. government have reached an agreement to hold the governmental consultative meeting on military technology regularly. The accord was reached in late May.

Military technology cooperation has been conducted on a specific weapon under licensing and technical assistance agreements with the American licensor, such as production of the F15 jetfighters in Japan.

Quite often, however, the licensor has been withholding certain expertise from the Japanese licensee by claiming the pertinent section as being confidential. The pertinent section is supplied by the licensor to the licensee as the "black box." To the frustration of the Japanese licensee, the number of such black boxes is increasing.

The Keidanren Defense Production Committee is aiming this time at overcoming such frustration through technological cooperation on such high technology systems engineering as the electronics of the BADGE system, semi-automation Basic Air Defense Ground Environment, and standardization of electronic components employed in the defense equipment of the two countries.

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ECONOMIC

'ASAHI' VIEWS EC'S TRADE POLICY TOWARD JAPAN

OW160718 Tokyo ASAHI EVENING NEWS in English 15 Aug 80 p 5

[ASAHI SHIMBUN 14 August editorial: "EC and Free Trade"]

[Text] As the global economy deteriorates, mounting trade protectionism is becoming a cause for concern. With the approach of autumn, it is feared that the trade issues which exist between Japan and the European countries may catch fire from the trade friction between Japan and the United States.

The European communities plan to enter into new, comprehensive trade negotiations with Japan this fall. Among the members of the EC, however, there are serious differences over the question of free trade, and the EC Commission is sandwiched between the two. The EC Council of Ministers objected to the new strategy for trade with Japan which was worked out by the commission in late July on the grounds that it was unrealistic.

The Council of Ministers represents the national interests of the various member states and, in comparison with the EC Commission, which is attempting to improve economic relations between Japan and Europe in a reasonably way, its attitudes are anachronistic.

Since it is in favor of free trade, the new strategy for trade with Japan mapped out by the EC Commission is worthy of praise. It seems that the strategy calls on Japan to open up its market and lower tariffs on processed agricultural items in return for the abolition of those of the EC's remaining import restrictions which discriminate against Japan. The proposal, however, is conditional. So that those EC industries, such as the automobile and color television manufacturing industries, which may suffer as a result of the EC's abolition of the remaining import restrictions, can be put on a stronger basis, the strategy calls on Japan to exercise restraint in exporting certain items for from 2 to 4 years.

It is not only the rapid swelling since the beginning of this year of the EC's deficits in trade with Japan and the necessity of taking countermeasures that have stimulated the EC Commission to map out this strategy.

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In the area of international politics, the military balance between East and West has shifted, and the members of the EC have to ensure that their economic foundations are sound. In this process, however, each of these nations is being tempted to protect industries whose international competitiveness has dropped. The strong call within the EC for controlled trade, i.e. to hold the market occupancy rate of certain imported items to given levels, is a manifestation of this.

From the standpoint of security, however, such a policy would not lead to the long-term strengthening of the economic constitution of these nations. Consequently, measures to improve the industrial structure must be taken which do not go against the principle of free trade. Since the treaty of Rome upholds the principle of free trade, the EC Commission is duty bound to block any attempt on the part of the member states to adopt protective trade policies.

Japan can sympathize with the EC Commission in its quandary. The nine members of the EC have quantitative restrictions which discriminate against Japan for 55 items. In its new strategy for trade with Japan, the commission calls these restrictions the "vestiges of the 1950's" and says that they have to be done away with. We are in complete agreement, because Japan has been troubled by the EC member countries' discriminatory actions ever since its joining the general agreement on tariffs and trade in 1955.

We believe that the underlying reason for the failure on the part of the EC Council of Ministers to support the strategy is its deep-rooted distrust of Japan's export policies. In many cases, Japan's policies have irritated the EC. The launching of a concentrated export offensive on European markets after the U.S. imposed restrictions on imports from Japan is an example.

Japan should support the EC Commission in its attempts to coordinate the interests of the nine member nations and to hold to the principle of free trade. For this, Japan should show its sincerity by discussing the opening of its market and voluntary controls on exports. Japan should also contribute to the industrial improvements being made by the EC by encouraging Japanese companies to build factories and plants in Europe.

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JAPAN'S ECONOMY TO GROW 5-6 PERCENT IN 80'S

OWO71327 Tokyo JIJI in English 1315 GMT 7 Aug 80

[Text] Tokyo, 7 Aug (JIJI PRESS)--The Japanese economy will grow by an average 5 to 6 percent in real terms in the 1980s with both exports and private capital spending leading the way, according to a long-term economic forecast announced by the Private Research Institute of national economy.

The study says that the Japanese economy will attain an average growth of 5.3 percent in the first half of the 1980s and 5.8 percent in the latter half.

Though crude oil prices will soar from the present \$33 a barrel to \$60 in 1985 and \$85 in 1990, it states, this would not act as a drag on economic growth because of the falling elasticity of energy consumption to Gross National Product (GNP).

It foresees neither runaway inflation nor great depression unless a gross blunder is committed in the nation's economic policy. Japan's inflation is expected to slow down to an average of 5 percent as against 8 percent for the United States and 7 percent for the nine-nation European Community (EC).

Japan's industrial structure will undergo a major change due to technological innovation, the report says. The status of the machinery industry will rise further. Especially, Japan would become a supply base of machine parts for the world.

Comparatively superior Japanese industries will continue to strengthen their international competitiveness, causing Japan's trading partners to frequently take measures to restrict imports from this country.

As a result, direct investment abroad will be stepped up to replace exports of manufactured products so as to secure overseas market, and Japanese private enterprises will thus become more and more multinational.

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In the 1980s, many industries will show a phenomenon in which Japanese firms will be competing with each other in the world market.

As a consequence, the problem of adjusting Japan's international relations owing to the "strength" of the Japanese economy would become the biggest policy issue, according to the study.

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ECONOMIC

HASTY GOVERNMENT POLICY CHANGES CRITICIZED

Tokyo MAINICHI DAILY NEWS in English 15 Aug 80 p 2

[Editorial: "Hasty Government Policy"]

[Text]

Taking special note of the ominous clouds now threatening to darken business activities, the government is reportedly contemplating certain temporary measures designed to shore up business. It is feared, however, that such a "hasty" alarmist attitude will do more harm than good for the nation's economic climate.

It is often pointed out that the cabinet of Prime Minister Zenko Suzuki is characterized by two extreme ways of making policy decisions. For one thing the Suzuki government, as witnessed by the background of its emergence, has indulged itself in behind-the-scenes conclaves once again as though the curtain has been lowered and the show is over. Decisions are announced as if no one is allowed to question them. In other words, there appears no room for open discussions once a decision is made.

Another is the way the strongmen have had their say, paying little heed to the weak. Anyone raising a strong voice seems to prevail upon the rank and file members of the government and the Liberal-Democratic Party. Quite recently, Prime Minister Suzuki, Minister of International Trade and Industry Tanaka and Director-General Komoto of the Economic Planning Agency allegedly conferred among themselves on ways and means to cope with the nation's economic affairs. Their views were somewhat coupled with the persistent demand of the business world for government measures to revitalize the economic performance. It appeared that they were in accord in recognizing the need to carry out a

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policy change as soon as possible, giving special importance to a change aimed at encouraging business rather than one designed to stabilize commodity prices. A U-turn in policy is evidently in the offing.

The Suzuki government from its outset publicized its slogan "Politics of Cooperation and Adjustment," but this does not mean unquestionable acceptance of demands from the strong. We hope that they will have the wisdom and courage to listen to the small and gentle voices while keeping the strong under control if such is judged to be in the best interests of the nation.

If they should change a policy and give top priority to business reinforcement, we would call it a hasty adjustment without vision.

It is true that dark clouds are looming, and judging from individual spending, exports, housing construction and bankruptcy trends, there are some ominous signs pointing to a decline in business. Individual spending, for instance, is at a standstill. But, this is only a passing phenomenon, resulting largely from the cool summer and the small increase in bonuses. If the rise in commodity prices is kept under control, we believe business is certain to recover in a steady manner.

There is nothing definite about the future trends of individual spending. However, if commodity prices that have appeared stabilized for some time should go up again this fall, any propensity for spending will be dampened completely. The rise in commodity prices usually slows down consumer spending. In this sense, we must make efforts to prevent an occurrence of such a situation.

In other words, the basic policy to stabilize commodity prices must be maintained by all means in order to minimize a decline in business performance.

Wholesale prices reached their peak in July, while commodity prices are expected to gradually stabilize in August and September. The situation, however, does not warrant optimism judging from the movement of the yen-dollar exchange rate and international commodity markets as well as oil prices. If the government changes its policy and gives priority to business activities rather than the stabilization of commodity prices, then prices are certain to go up.

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The people's income in real terms, which has been on the skids, will then be further decreased and the individual spending trend will be completely frozen. Since individual spending occupies more than half the total demand in the nation, the national economy and business will be dealt a severe blow if the people become hesitant to spend their money.

We are not against the proposed lowering of the discount rate on a small scale or the updating of public works, but business adjustment must be conducted within the basic policy of restraining a rise in commodity prices.

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ECONOMIC

MITI MAPS 10-YR PLAN TO DEVELOP KNOW-HOW

Tokyo THE DAILY YOMIURI in English 18 Aug 80 p 2

[Text] "Fine ceramics" are glass, china and procelain which have been strengthened for use in the nuclear energy, space exploration, ocean development and geothermal power generation fields, in the manufacture of automobile and aircraft engines and in other industries.

These ceramics, which have a high resistance to heat and corrosion and can be insulated more easily, can be used in place of metals in various industries and fields.

Since ceramics are normally fragile, scientists are trying to find ways to strengthen these qualities.

The agency will launch its 10-year plan at the beginning of fiscal 1981 in April next year and complete it in the spring of 1991.

The agency gave the following two reasons for its decision to carry out the plan:

- The race among advanced countries to develop new industrial techniques is expected to be intensified further in the years ahead and this makes it necessary for Japan to develop its own techniques instead of importing techniques from foreign countries.
- By possessing new industrial techniques of its own Japan can increase its bargaining power toward developing countries with vast natural resources and this will serve to ensure the economic security of Japan.

MITI's Industrial Structure Council pointed out in its report last spring that in view of the stringent in-

ternational situation marked by a shortage of oil supplies, Japan should develop and possess its own industrial techniques.

The amount of money spent in Japan in the development of industrial techniques is smaller than that in any other advanced country.

The government provides only about one-fourth of the money spent for the development of industrial techniques in Japan, while the governments of other advanced countries furnish about half of the money used for the same purpose in those countries.

MITI intends to accelerate the government's participation in the development of industrial techniques through the 10-year program.

Besides the development of fine ceramics, the plan entails the development of techniques to use biotechnology in various industries.

If the techniques to use microscopic organisms by manipulating genes are developed, it will become possible to improve the efficiency of agents used in the fermenting and chemical industries and in cleaning the natural environment.

It will also make it possible to mass-produce antibiotic substances, which at present can be produced only in the bodies of living creatures.

This, in turn, will help in the production of cheap but highly effective medicines and in the use of

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antibiotic substances to eliminate pollutants in wastewater, improve the quality of agricultural products and turn garbage into fertilizer, and produce alcohol.

MITI will contract private companies to develop such new industrial techniques with the cooperation of scientists and the government scientific research institutes and experimental stations.

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ECONOMIC

MITI WILL REVISE OIL INDUSTRY LAW

Tokyo MAINICHI DAILY NEWS in English 16 Aug 80 p 5

[Text] The International Trade and Industry Ministry plans a drastic revision of the present Petroleum Industry Law to make it match a new world oil situation. For this purpose the ministry will create within itself a task force to review the law which was enacted in 1962 when plentiful oil supplies were assured. The law provides for government controls over the oil industry covering licensing of refinery plants, imports and sales of crude oil and oil products. The ministry intends to enforce the revision in fiscal 1982 if possible. Officials believe priority in the revision should be placed on crude oil imports in the 1980s when a shortage of crude supplies will be inevitable. Regional selection of oil refiners for specific oil producing countries may be considered in revising the existing law, the officials said. At present only oil refiners have the right to import oil while trading corporations act for them for part of Japanese oil imports. Trading companies hope that they will be authorized to import oil as refiners are. Trading houses now handle one-third of the nation's oil imports. The existing law is not adequate to cope with imports of oil products from producing countries or refining crude oil on behalf of producing countries, the officials noted.

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INDUSTRY CAN OVERCOME ANY SUDDEN OIL SHORTFALL

Tokyo MAINICHI DAILY NEWS in English 16 Aug 80 p 5

[Text] The fortitude the Japanese economy has displayed in the past year has made it clear Japanese industry has built up strong resilience and flexibility to deal with a sudden shortfall in global oil supplies, a government white paper said Friday.

Despite the second oil crisis of doubled prices in 1979, Japan's economic activity stayed on the upturn over the past year, providing evidence of the resilience of the economy, the government said in the annual white paper on the national economy.

The paper reported that a revival of stock-building by business provided a main impetus for the economic upturn.

Lower price increases than in other nations and an improvement in employment also proved to be major necessary support for the solid expansion, it said.

Subtitled "Japan as an industrial nation faced with challenges and problems," the report for 1979-80 underlined the overriding need to maintain the sustained growth of the economy by stabilizing prices.

The full effect of oil price increases remains yet to be felt on the consumer level in the form of higher retail prices, the

report warned, pointing to the deflationary impact now visibly overshadowing economic prospects.

World Economy Aid

This year's white paper is characterized by the government's strong proposition that the Japanese economy, as that of an advanced nation, should contribute to the expansion of the world economy in proportion to its strength and potential.

Apparently well conscious of the significance of the report coming at the start of the 1980s, the government called on the nation to follow the path as required of "the advanced Japan."

The economic upturn stayed solidly in place despite a sharp runup in oil prices in 1979-80, the paper noted. The economic impact of the latest oil crisis was significantly more moderate than the first one in 1973-74, it said.

The impact was minimized because the rise in oil prices was staggered over several small increases, it said.

As other major factors, the paper cited oil-consuming nations' calm response to the rise and the timing of the price markup which came at a time when the Japanese economy

was in the initial phase of expansion.

It went on to analyze that spending by the private sector on new plants and equipment served as the prime mover for the self-propelled, sustained growth.

Monetary Policy Shift

The paper also praised the "timely" shift in monetary policy from contingency measures to demand controls, which it said have guided the economy successfully in the desired direction, providing evidence of the effectiveness of the government policy strategy.

On the price front, the paper accepted that wholesale prices galloped ahead, fueled by the rise in oil prices and the yen's depreciation in relation to the U.S. dollar which made imports more expensive for the nation.

Consumer prices, on the other hand, edged higher slowly, the paper said, thanks largely to improved productivity and a moderation in wage increases.

The price performance was significantly better in Japan than in other industrial nations, the report said.

The report, nevertheless, sounded a cautious note on prospects for the rest of the current fiscal year.

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Consumer prices have been rising at an accelerating rate since the start of the year, it warned, pointing to a decline in real disposable income, reactionary falls in production and commodity market prices from speculative demand-induced rises and production cuts in capital goods industries. The economic upturn has begun losing momentum, the report said.

The worsening recession in the United States, the restless oil situation and other difficult policy problems lying ahead are adding to the above adverse effects, it added.

Prices, Growth

The paper maintained that the most important tasks for economic planners are to stabilize consumer prices and maintain the sustained growth of the economy.

The analysis of the present situation shows that Japan has nearly caught up with the United States and West European nations in the degree of industrialization, it said.

The realization of the situation dictates this nation to assume self-motivated policy and responsibilities, the paper continued, stressing the view that Japan's growth-oriented policy efforts will contribute to global security.

On the basis of such recognition, the white paper called on the nation to exert efforts:

—To deal on its own with oil supply restraint, abrasive economic relations with other nations and changing international situations;

—To better utilize resources of the private sector of the economy such as mechanical and technological innovation and a high rate of savings, and

—To positively adjust to structural changes in labor forces and other economic and social activities.

The 555-page white paper was approved at a cabinet meeting Friday.

It was submitted by Economic Planning Agency Director General Toshio Komoto for review by his cabinet colleagues.

(The gist of the paper will appear on this page next week.—Editor)

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ECONOMIC

'AKAHATA' EDITORIAL CRITICIZES JAPAN'S ECONOMIC WHITE PAPER

OW181025 Tokyo JPS in English 0914 GMT 18 Aug 80

[Text] Tokyo, 18 Aug JPS--The government acknowledged the "economic white paper" submitted by the Economic Planning Agency on August 15. AKAHATA took this up on August 16 in its editorial entitled "Black Paper Closing the Future of Japanese Economy." The editorial said:

"The economic white paper's most conspicuous character is that it puts stress on the international role to be shared by Japan as an economic big power, from the viewpoint that Japan's economy is excellent. This means Japan is going to assume further share in the U.S. world strategy in the sphere of economic policy, too.

"This will more and more closely shut off the road for the independent and democratic development of the Japanese economy, and will inevitably destroy the living and the business of the working people, with the crisis in energy, and financial, high prices, the uneasiness in employment, and increasing bankruptcy, and further deep and crisis in the national economy. [sentence as received]

"The course aimed at in the white paper should be said as dually anti-people, on the point that it will aggravate the stagflation of simultaneous progresses of the high prices and the recession, by worsening the conditions of the people's living and business, and by degenerating the individual consumption, while calling it 'the ordeal and task of the advanced country Japan', and also on the point that Japan will take a heavier burden in the dangerous U.S. global strategy.

"As the Japanese Communist Party has repeatedly said, the genuine reconstruction of the Japanese economy lies on the course for a fundamental change in policies, such as the financial and economic policies giving priority to the improvement of the people's living, including the stability of prices, and improvement in welfare, the establishment of an independent economic basis, and the promotion of a non-aligned neutral diplomacy."

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BRIEFS

CHINA TRADE--Japan's steel exports in the first half of 1980 decreased by 1.65 million tons to 1.43 million tons, and the proportion of steel exports to Japan's total exports to China dropped to 33.7 percent from 53.8 percent during the corresponding period in 1979. On the other hand, exports of construction machinery registered a 64-percent increase while exports of color television sets, textile machinery and communication equipment increased 35.3, 4, and 2.7 times respectively over the same period in 1979. In the first half of 1980, Japan imported 3.47 million tons of petroleum, an increase of 30 percent over a year before. Oil imports accounted for 42.4 percent of total imports. In the same period, imports of petroleum products such as gasoline, light oil increased; and imports of synthetic-fiber shirts increased from 111,000 dozen to 286,000 dozen while imports of trousers and shorts increased from 200,000 dozen to 340,000 dozen. In the first 6 months of 1980, Japan exported 487.8 billion yen worth of goods to China and imported 465.7 billion yen worth of goods from China; the two-way total reaching 953.5 billion yen. In terms of yen, Japan's total exports to China in the first half of 1980 increased by 14.2 percent over the same period in 1979, its total imports by 72.9 percent, and the two-way total by 19.6 percent. [OW170626 Tokyo SANKEI SHIMBUN in Japanese 12 Aug 80 Morning Edition p 3]

NOMURA BRANCH IN CHINA--Nomura Research Institute of Technology and Economics is to establish a branch in Beijing under an agreement reached with China International Trust and Investment Corporation in late July. The time to open the branch has not been set yet owing to the failure to select a suitable site. The institute is a member of the Nomura group led by Nomura securities, and the opening of its Beijing branch will pave the way for Nomura securities to do business in China. The branch will exchange information with China and play an intermediary role for Japanese firms desiring to participate in joint ventures with China. [OW100047 Tokyo MAINICHI SHIMBUN in Japanese 6 Aug 80 Morning Edition p 8]

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AID TO THAILAND--Tokyo, 8 Aug (JIJI PRESS)--The government Friday decided to extend an aid grant of around \$5 million to the Thai Government to help it construct new villages for Thai inhabitants near the Cambodian border. Foreign Minister Masayoshi Ito will promise this to Thai Prime Minister Prem Tinsulanon at their meeting in Bangkok August 25. Ito will leave here August 24 for a 13-day tour of five Asian nations--Thailand, Bangladesh, India, Pakistan and China. This is the first foreign assistance for the Thai people whose houses and farms have been damaged by the influx of Cambodian refugees. The government's decision is based on a report from its survey team, which has been in Thailand since late last month. [OW100050 Tokyo JIJI in English 1300 GMT 8 Aug 80]

TOKYO-BEIJING TELEPHONE SERVICE--Tokyo, 15 Aug (JIJI PRESS)--Japan and China will partially automate international telephone services between Tokyo and Shanghai by the year's end and those between Tokyo and Beijing (Peking) within next year. This was disclosed by President Motoichi Masuda of Kokusai Denshin Denwa Co (KDD), Japan's overseas telecommunications monopoly, who recently returned home from a trip to China, where he met with officials of the directorate-general of telecommunications, the posts and telecommunications ministry. The Tokyo-Shanghai services will totally be automated by the end of next year, he said. Masuda said China will shortly extend its telex services to Dalian, Qingdao, Nanjing and Hangzhou. It was decided that Japan and China will positively expand circuit leasing services and set up new circuits, he said. The two sides also agreed to discuss introduction of such new services as international facsimile telegraph services and international data telex services between the two nations. Besides, they also agreed on an annual exchange of employees, including operators, Masuda added. [Tokyo JIJI in English 1431 GMT 14 Aug 80 OW]

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SCIENCE AND TECHNOLOGY

ELECTRONIC TRANSLATION SYSTEM TO BECOME NATIONAL PROJECT

Tokyo SANKEI in Japanese 8 Jul 80 p 3

[Text] The Ministry of International Trade and Industry [MITI] on the seventh [July 1980] revealed its plan of undertaking a national project to develop a computer-based electronic translation system for practical utilization in the 1990's and to embark on its development in fiscal 1981. The period of development will be from 6 to 8 years. The cost of the project is estimated to be 30 billion yen.

This system will consist of a large-model computer which will be stored with words, rules of grammar and sentence structure, and which, upon comprehension of the meaning of the sentences, will translate into a foreign language; a terminal unit to receive sentence input; a storage unit to serve as a dictionary; an apparatus to process homonyms; an apparatus that would print out the translated text, among others.

With this system, it is reported that not only can the enormous volume of foreign information be read in Japanese immediately, but also a Japanese text can be translated into a foreign language and with the development of a voice input device, participants at an international conference can converse in their respective native languages.

At present, machines capable of making simple translations are sold on the market, but the subject system will not only permit conversation with the computer in spoken language, but because it is equipped with hypothetical and perspective functions which computers hitherto did not possess, it will be a genuine "thinking machine." MITI has designated the 1980's to be the "era for the intensification of creative knowledge" and its central issue will be to pave the way to formulate a policy that nurtures and strengthens the information industry. On technical development, MITI is about to engage in the development of "the fifth generation computer" which is heralded to be the computer for the 1990's, but because the subject system has to incorporate computing and processing methods that are totally new, MITI's forecast is that the technology under development will be tied in with the fifth generation computer.

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Development of related systems, such as the EC's 5-year EUROTRA plan which was begun this year, has already been undertaken in foreign countries. The EC plan is based on an official document signed by six countries thus far and translation costs alone will mount up to several billion dollars a year. Unlike EC countries whose languages are similar, the situation in Japan is more complex. Japanese profess "finding foreign languages to be difficult" but MITI has stressed that "interchange with foreign countries is ever increasing and so the Japanese cannot afford to be withdrawing forever. Development is necessary for the smooth conduct of international exchange."

The above is not the only reason. If the EC should perfect a system and obtain the patents, Japan will be stymied in its technical development program. If on the other hand Japan should complete its system sooner, the translation of foreign languages will contribute to the future growth of the leading export goods. From this standpoint, therefore, it has been agreed that it is necessary to accelerate the development timetable.

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