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Japan Report

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POLITICAL AND SOCIOLOGICAL

CANCUN SUMMIT MEETING: JAPAN MUST SPEAK OUT

Tokyo MAINICHI DAILY NEWS in English 9 Oct 81 p 5

[Article by Takumi Mstsumoto, Sataff Writer: "Cancun--Japan Must Speak Out--A Test for 'Peace Diplomacy'"]

[Text] The participants in the just-ended international symposium on North-South relations held in Osaka reached a consensus on three areas to facilitate future international cooperation between the industrial countries of the North and the developing countries of the South.

The three areas agreed upon were (1) industrial countries should seek higher efficiency for their aid to developing countries with a full understanding of the basic requirements of the latter countries; (2) to attain this goal, both developed and developing countries should increase the flow of accurate information concerning their respective stands; and (3) to step up personnel exchanges and maintain dialogue based on mutual trust and goodwill between the wealthy countries and poorer countries.

The two-day International Symposium on the "North-South Dialogue - Energy Challenge and Development Perspective in Asia" came to a successful conclusion Wednesday.

nesday.

The event, which was participated in by a number of distinguished persons and experts from both Japan and other countries, was a joint undertaking of the Asian Development Bank, the Osaka Junior Chamber Inc., the Mainichi Newspapers and the Mainichi Broadcasting System.

The framework of discussion in the symposium covered wide areas for future international cooperation, including energy, food security and agricultural development, trade, technology transfer, industrialization, and monetary and financial issues.

The Osaka symposium was also geared to work out proposals aimed at the Oct. 22-23 Cancun, Mexico, summit meeting of the leaders of 22 rich and poor countries. The summit meeting aims at facilitating global negotiations to bridge the economic gap between industrial and developing countries.

Telichiro Yokoi, president of the Osaka Junior Chamber Inc., expressed hope that all countries, irrespective of their differences in political, economic and social structures, will make every possible effort to make the Cancun summit meeting a fruitful one.

The question then arises as to what strategy Japan should take at the Cancun summit meeting.

The most appropriate answer seems to be that Japan should call for expanding industrial countries' aid to developing countries by reducing their military spending, and for making such aid more effectively implemented in the developing countries.

Dr. Fasihuddin Mahtab, planning minister of Bangladesh, said in the Osaka symposium that if even a small portion of industrial countries' military spending, which amounts to \$500 billion, is shifted to development aid, it would significantly improve the North-South problem.

He also said "It is obviously immoral to allow millions of people to live in poverty in an age that has seen man conquer space, to be indifferent to 270 million people of the LDCs (least developed countries) and 780 million poor in the developing world."

The current Japanese approach to the summit meeting consists of three stages.

Firstly, it will make an effort to have the global negotiations - the forum of which will be the

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United Nations — take up the North-South issue as one of the major issues.

Secondly, if the attempt fails because of opposition from the United States, which is said to be reluctant to hold such talks along with some other industrial nations, Japan should at least win an assurance that another North-South summit meeting will be held next year.

Thirdly, if this attempt also fails, then Japan should propose that the existing international institutions seek a resolution of various impending issues involved in the North-South problem — “food security and agricultural development” at the U.N.’s Food and Agriculture Organization; “energy and monetary and financial issues” at the World Bank; and “trade issues” at the General Agreement on Tariffs and Trade.

However, the Third World countries, including LDCs, whose people are suffering from rock-bottom living standards, have become the target of the two military superpowers, the U.S. and the Soviet Union, in the race to increase their global influence.

In last year alone, both Moscow and Washington were reported to have sold \$14.9 billion worth and \$14.2 billion worth of military hardware to those developing countries, respectively.

As a consequence, Jordan was reported to have spent 19 percent of its gross domestic product on the purchase of weapons; Chile 9.4 percent of its GDP; Zambia 9.2 percent of its GDP; Singapore 6.1 percent of its GDP; and Malaysia also 6.1 percent of its GDP.

This fact suggests another aspect of the North-South issue: the developing countries, whether they like it or not, have become involved in the “military expansion” game in line with the superpowers’ global strategies for strengthening their political and military influence. This certainly minimizes the effect of aid provided to them by the industrial countries.

Japan’s philosophy in this respect has been that it should not export arms.

If Japan really believes that progress in North-South relations is indispensable for the global stability of political, economic and social situations, it will be called upon to make an effort to persuade other industrial countries to take a more positive approach in providing assistance to the developing nations.

Japan will also be called on to make a strong appeal to both the superpowers and other industrial countries to restrain their arms exports to developing countries.

Without this, no really effective result of aid to developing countries can be hoped for. If Japan wants its peace diplomacy to win global appreciation and understanding, it should make an earnest effort to achieve this goal at the summit meeting in Mexico.

The United Nations is to sponsor a special general assembly on disarmament next year. The summit meeting in this regard will be a valuable forum for Japan to promote its campaign to get the industrial countries to increase aid to help alleviate the agonizing plight of people in the developing nations through restraining their military expenditure.

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JSP ELECTIONS ANALYZED

Tokyo THE DAILY YOMIURI in English 9 Oct 81 p 3

[Article from POLITICAL BEAT column by Raisuke Honda: "JSP Elections Draw Near"]

[Text] The Socialist Party (JSP) is astir with activity and speculation as elections of the party chairman and other executive posts approach.

An election of the JSP leader is scheduled for late November or early December with participation of all party members.

A new secretary-general and other members of the JSP Executive Committee are to be elected in the forthcoming party convention in February.

It seems that incumbent JSP Chairman Ichio Asukata may have a fair chance of winning reelection for a third consecutive two-year term.

However, there is no telling how the final results of the election of JSP president will turn out, since an increasing number of party members are now critical of Asukata's lack of leadership in running the No 1 opposition party.

In the next party convention, on the other hand, Shinnen Tagaya, currently the secretary-general, is certain to step down, because he is without a Diet post after his defeat in the last House of Representatives election.

However, no "favorite" as Tagaya's successor has emerged, so that the race for the No 2 post most likely will become a mixed fight.

Asukata, former mayor of Yokohama, was installed in the JSP chairmanship in 1977 as the "savior" for the party battered in the wake of divisive quarrels between the party's Marxist-Leninist faction, the Shakashugi Kyokai (socialist association), and its rivals within the JSP.

Much hope was placed in Asukata as a leader of the JSP, since he had won high popularity with Yokohama citizens during his mayoral days to the extent of earning fame as a "star among the nation's reformist heads of municipalities."

The JSP chairman, however, has had little success since then in stemming the prolonged downward trend of the party's strength.

As soon as he took office, Asukata launched a drive for expanding the JSP membership to the 1,000,000 mark, but the party membership has shown almost no increase and remains about 59,000.

Besides, the JSP has continued losing Diet as well as local elections even after the inauguration of the Asukata leadership.

In the last Tokyo Metropolitan Assembly election, the JSP suffered another crushing defeat, so that its strength in the assembly of the capital is now the lowest among all political parties.

Beside, the Tokyo chapter of the JSP has recently been split into two groups in a fierce internal struggle, thus further marring the fame of Asukata.

In addition, the Tokyo chapter of the JSP has recently been split into two groups in a fierce internal struggle, thus further marring the fame of Asukata.

Despite the waning popularity of Asukata, there is no other JSP member influential enough to replace him.

Such JSP figures as former secretary-general Masashi Ishibashi, Vice-Speaker of the House of Representatives Haruo Okada, and Vice-Chairman of the party Shoichi Shimodaira have been in fact mentioned as possible rival candidates against Asukata in the forthcoming election of JSP chairman.

But any of them, should they run in the election, could hardly win enough support to defeat Asukata, according to JSP sources.

Indications are thus that Asukata will probably secure reelection in the party election.

Whether he wins an easy victory in the election, however, will hinge for the most

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part on how well he can display his leadership in pressing the JSP demand on the government for a complete enforcement of wage boosts for government employes in accordance with the recommendations by the National Personnel Authority and the Public Corporation and National Enterprise Labor Relations Commission.

Regarding election of secretary-general, there is no strong candidate at all.

However, such politicians as Makoto Tanabe and Yuzuru Shimazaki are showing readiness to take the post, and their behind-the-scenes efforts to win support are certain to intensify right up to the February party convention.

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POLITICAL AND SOCIOLOGICAL

SUZUKI POLICY SPEECH TO DIET CRITICIZED

Tokyo MAINICHI DAILY NEWS in English 30 Sep 81 p 2

[Editorial: "Prime Minister's Speech"]

[Text]

Prime Minister Zenko Suzuki delivered a policy speech on Monday, first before a plenary session of the House of Representatives and later before a similar session of the House of Councillors, but to our great regret it lacked both vigor and quality. As a matter of ceremony, he merely read a very monotonous speech written by bureaucrats.

The prime minister failed to touch on whatever political ideals he has and did not display any determination to carry out his responsibility as premier, deliberately avoiding the pressing issues with which the nation is faced today. His speech was, in fact, most symbolic of the general posture of the Liberal-Democratic Party which has forgotten the nation while enjoying its absolute majority in the Diet. His manner of "reciting his speech" reflects the inactive domestic political situation.

The prime minister said a lot of things which amounted to nothing but words. For instance, he stressed the need to carry out administrative and fiscal reform to cope with the troubled state financial situation, and expressed his determination to realize the passage of bills necessary for such reform at the 95th Extraordinary Diet which convened for a 55-day session last week. The prime minister added that whether or not the bills were passed by the Diet would influence administrative and fiscal reform designed to hold down government spending. He should realize that he sounded very hollow to the entire nation.

The government earlier designated fiscal 1982 as the first year of fiscal reconstruction and established a Second Ad Hoc Council on Administrative Reform. In July, the government received the first recommendation, which had been hurriedly mapped out by the council to be in time for the start of budget compilation. At that time Prime Minister Suzuki,

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declaring that he would stake his political career on bringing about reform, pledged that he would honor the recommendation of the council.

A package of bills relating to administrative and fiscal reform, drawn up by the government on the basis of the recommendation, was submitted to the Diet for deliberation, but the contents of these bills were far from the original "spirit of administrative reform." Under such circumstances, how can the prime minister seek the understanding and cooperation of the nation?

The bills are aimed at temporarily shelving the burden of the state and shifting it to the shoulders of local autonomies and the private sector in order to make the proposed cut in expenditures sound consistent. The government convened the Diet session with fanfare, but the package bills submitted to the Diet without any effort on the part of the government, hardly deserve our special attention.

What the nation wants to hear from him now is whether or not drastic reform plans are in store. What changes are needed in our concept to create a new administration matching the march of the times? Now that the nation is being compelled to share this heavy burden, we would like to ask the government to what extent it is determined to reform the administrative system and sacrifice public servants.

In short, the government should unveil its determination to introduce drastic measures immediately after the implementation of the steps designed to cut expenditures. The government should also tell the nation directly in seeking the cooperation and understanding of the people. Except for its resolute posture, the government call for reform is no more than another empty slogan.

The prime minister's speech was very abstract with regard to the "equality of taxes." He said nothing about the controversial question of increasing Japan's defense capability, or the discordant note between Japan and the Republic of Korea over Japan's economic assistance to that country, or Japan-Soviet relations concerning the northern territory now held by the Soviets.

It appears that the prime minister avoided touching on these delicate issues out of consideration for parliamentary management. Perhaps he wanted to avoid possible friction with the opposition parties in the course of deliberations in the Diet.

His low-key speech has discouraged the nation which expected him to take the drastic step of reforming the administration.

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DIET SESSION FOR 'REFORM' EXAGGERATED ADVERTISEMENT

Tokyo MAINICHI DAILY NEWS in English 27 Sep 81 p 2

[Article from "Political Periscope" column by Takuo Hayashi]

[Text]

It's the Liberal-Democratic Party that holds the reins of government in Japan. And it's the LDP cabinet that maps out and promotes the various policies of the state. This is true only on the surface, say as a matter of principle, but the real power to plan and push through the policies is in the hands of the bureaucrats.

Of all the bureaucrats in Japan, the Finance Ministry officials are by far the most powerful holding the purse strings of the government. As the cream of the bureaucrats is found in the Finance Ministry, their voices carry extremely strong weight. Japanese politics is, as a matter of principle, carried on by "the LDP cabinet," but in substance it tends to be politics "with the Finance Ministry officials taking the lead."

Viewed from such a standpoint, the policy of the Suzuki cabinet to "realize fiscal reconstruction without increased taxes in the 1982 budget, by restraining government expenditures through administrative reform" is unprecedented in history. Because the Finance Ministry never thought of such a thing? On the contrary, they have maintained for several years that the introduction of a

largescale consumption tax is a prerequisite to fiscal reconstruction.

Their wish to realize it in the 1981 budget was frustrated, however, in the face of strong resistance staged by the politicians who were then encouraged by solid public opinion. Notwithstanding, they were still confident at first that the introduction of a consumption tax should be realized in the 1982 budget and that it would be realized without fail this time.

Determination

All their expectations were again completely overwhelmed by the determination of Prime Minister Zenko Suzuki to "stake his political career on fiscal reconstruction by restraining administrative spending, not by introducing a large-scale consumption tax." His decision was prompted by Toshio Doko who assumed the presidency of a special council newly established this spring to carry out administrative reform. In return for the post, Doko asked the prime minister to make such a decision.

Were the Finance Ministry bureaucrats discouraged because of their original disappointment? The answer is no. They are in high spirits as before, because they were in

favor of restraining administrative expenditures. The reason they thought of introducing a large-scale consumption tax at an early stage was based on their belief that it would be difficult to restrain administrative spending.

It was a stroke of good luck that the issue became the paramount goal for the Finance Ministry bureaucrats to achieve. They promptly switched with an eye to playing a leading policy role in the work of "strictly restraining government expenditures in the next fiscal budget." And they did it quite well, for they succeeded in setting the zero-ceiling frame, so to speak... a framework that "the total budget of various ministries for fiscal 1982, with some exceptions such as defense, should not exceed that of the 1981 budget."

In order to realize fiscal reconstruction without increasing taxes, the total government spending for fiscal 1982 has to be pegged at the 49,700-billion-yen level, up some 3 trillion yen over this year's 46,780 billion yen. Compared with an estimated figure if the restraining step were not adopted, it is a trimming of 2,700 or 2,800 billion yen. A cabinet decision on the budget

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for next fiscal year will be made toward the end of this year, but it is believed almost certain that the proposed restraint will be realized as a result of the setting of the "zero-ceiling."

In this sense, the Extraordinary Diet session to begin deliberations on administrative reform this week can be looked upon as not too important. The amount of restraint on government spending for fiscal 1982 under the government-sponsored administrative reform bill to be submitted to the Diet is about 250 billion yen. This is less than 10 percent of the estimated cut

of 2,700 or 2,800 billion yen. The rest will be trimmed in most cases without revising related laws. That's why the deliberations at the Diet convened to discuss administrative reform are confined to "10 percent of the total."

An old Chinese saying has it: cry wine, and sell vinegar. It is an exaggerated advertisement with poor contents for all its showy display, and it fits in perfectly with the current Diet session on administrative reform. It is not the Diet but the Finance Ministry bureaucrats who are steadily carrying out "fiscal reconstruction with an increase in taxes."

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SOKA GAKKAI APPLYING BRAKE ON COALESCENCE OF CENTRIST INFLUENCES

Tokyo MAINICHI DAILY NEWS in English 1 Oct 81 p 2

[Article from "Nagatacho Doings" column by Takehiko Takahashi]

[Text]

The New Liberal Club and the United Social Democratic Party have formed a new intra-Diet alliance under the name of "New Liberal Club-Democratic League." Its representative is Toshio Yamaguchi, former NLC secretary general.

Yamaguchi considers this new alliance to be strictly an intra-Diet entity and he preferred being called "intra-Diet executive chairman." But because such a designation is unfamiliar, he accepted being called the new group's "representative secretary general."

The Komeito, the Democratic Socialist Party, the New Liberal Club and the United Social Democratic Party have been regarded as the four middle-of-the-road political parties. Their coalescence has been strongly urged by DSP Chairman Ryosaku Sasaki and Adviser Ikko Kasuga.

At such a time, for only two of the four centrist parties to form an intra-Diet alliance gives the impression of cold water having been poured on "the coalescence of the four middle-of-the-road parties."

The New Liberal Club was established by persons who seceded from the Liberal-

Democratic Party. At the beginning, a "New Liberal Club boom" occurred. This did not last long. Its number of Diet seats fell at one time to four.

That was the period when Masayoshi Ohira and Takeo Fukuda were in confrontation over the election of the prime minister in the Diet. The NLC supported Ohira. If the Komeito and DSP had acted in the same way then as the NLC, the political situation might have undergone a big change.

Coalition

This is because Ohira, in asking for the cooperation of the Komeito, DSP and NLC, had to accept a coalition government as the condition. The New Liberal Club, having only four Diet seats at that time, supported Ohira. But the Komeito and Democratic Socialist Party did not do so.

From this experience, the then Secretary General Yamaguchi of the NLC had the thought that "the Komeito and the Democratic Socialist Party talk about a conversion of the political world but they do not take action at a crucial moment. There is little sense dealing with political parties that cannot be depended upon to

act." This is what made him move toward an intra-Diet alliance with the USDP.

The NLC has formed an alliance with the DSP in the Tokyo Metropolitan Assembly. Accordingly, it would not be strange at all if a similar alliance were to be formed in the Diet. The surface reason why this cannot be done is that "the DSP's defense policy has gone too far to the right." This is not the entire reason.

As far as the coalescence of the middle-of-the-road parties is concerned, the DSP is acting in concert with the Komeito. When the course of talks up to now between DSP Chairman Sasaki and the Komeito is considered, it will not be possible for the DSP to exclude the Komeito in allying with the NLC and the USDP.

On their part, the NLC and USDP are opposed to an alliance with the Komeito. This is not only because the Komeito has a religious body called the Soka Gakkai as its supporting organization. The big reason seems to be that the Komeito does not like to see the NLC and others approach the Soka Gakkai.

The Democratic Socialist Party has a labor body called

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Domei (Japanese Confederation of Labor) as its supporting organization. The New Liberal Club's organization is also open and can be approached by anyone. In the case of Soka Gakkai, however, people of other political parties cannot even approach it.

Yanosuke Narazaki, secretary general of the United Social Democratic Party, declares, "they talk about the coalescence of the centrist parties but I've never dined together even once with the executives of the Komeito."

Executives Meet

Formal meetings have been held on more than ten occasions by the executives of the NLC and the USDP. It is only

through such meetings that two parties can gain mutual understanding but the Komeito does not seem to be doing this.

In particular, it is difficult to know about the Soka Gakkai. The NLC and USDP state that even if the centrist influences coalesce, it will be impossible to work together with such an "untouchable" organization existing in the background.

For the DSP to form an alliance with the NLC and USDP, an "O.K." from the Komeito will be necessary. But the DSP can hardly ask for such an "O.K."

The "New Liberal Club-Democratic League" has been formed. But it will be difficult for it to become the starting point of a new development in the political situation.

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KOMOTO SWITCHES STRATEGY

Tokyo THE DAILY YOMIURI in English 27 Sep 81 p 2

[Article from "Political Beat" column by Raisuke Honda]

[Text] Membership in the Liberal-Democratic Party (LDP) has drastically decreased, mainly because of doubts that the primary election will figure in the election of the party president in the autumn of next year.

Every major faction within the party has lost enthusiasm for recruiting new party members.

Even the faction led by Economic Planning Agency Director-General Toshio Komoto, which used to have nearly one third of the party membership on its side up until last year, appears in no mood to embark on a new recruitment campaign.

A rumor is circulating among political pundits that the Komoto faction has abandoned its strategy of trying to elect Komoto on the strength of his winning next year's presidential primary election, if it is held.

The rumor says that the Komoto faction may have decided, in fact, that it is advisable to favor choosing a LDP president next autumn through negotiations among faction leaders rather than in an election.

According to the LDP secretariat, the party membership, the registration of which is renewed every year, is now about 400,000, although the secretariat officials say the number of this year's total LDP members will not be available before the end of October, the deadline for registration.

The figure of 400,000 represents a massive decline from last year's LDP membership of 1,420,000 and 1979's 3,100,000.

The drastic decrease in the party membership is primarily attributable to the strong signs that the next LDP presidential election at the expiration of Prime Minister Suzuki's term of office as LDP head in November 1982, will be carried out without a primary election.

The raising of the LDP membership annual fee to ¥3,000 this year compared to ¥2,000 also may have something to do with the decline in party members.

In 1979, the LDP membership increased sharply hitting the 3,100,000 mark, thanks to the strong drives that party factions staged to recruit new members before the party presidential election scheduled for

the autumn of 1980. Of the 3,100,000 LDP members, a little more than 1,000,000, or one third of the total, were said to be supporters of Komoto.

The efforts of the Komoto faction to recruit pro-Komoto members, however, went for nothing, because Suzuki was selected as party president through consultations among LDP leaders after the unexpected death in June 1980, of then prime minister Masayoshi Ohira.

In the meantime, Komoto last summer was on record as telling a lecture meeting in his constituency in Hyogo-ken that there would be "more than four candidates" running in the next year's party presidential election.

He also expressed his determination at the meeting to seek the party presidential post, thus virtually making a "declaration" of his candidacy for the 1982 LDP election.

The Komoto faction, like its rival factions, thereafter made no major effort to get new pro-Komoto party members. Therefore, it is obvious that Komoto himself has given up the idea of placing first priority on a victory in a primary election in competition with all eligible LDP members.

Komoto has recently been intent on strengthening friendly ties with the influential faction headed by former prime minister Kakuei Tanaka, while at the same time going all-out to seek support from another former premier Takeo Fukuda and his faction.

Apparently emulating Administrative Management Agency Director-General Yasuhiro Nakasone, his arch rival in the race to succeed Premier Suzuki, Komoto had a tete-a-tete with Tanaka while he was on vacation in Karuizawa, Nagano-ken, last summer.

Toward the end of November, Premier Suzuki most likely will reshuffle his cabinet and party executive lineup.

What will be interesting to watch in the cabinet reshuffle will be whether Komoto stays in the cabinet thus maintaining his stance of remaining not too close nor not too distant from Suzuki or bolts from the cabinet to launch his drive to capture the top LDP post.

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POLITICAL AND SOCIOLOGICAL

HOW TO COPE WITH GOVERNMENT REFORM

Tokyo MAINICHI DAILY NEWS in English 6 Oct 81 p 2

[Article from "Zooming In" column by Hideo Matsuoka]

[Text]

The Diet session for administrative reform is on. The highlight is the package of so-called "administrative reform bills" designed to save 248,200 million yen in government spending.

Of the six opposition parties, four are for the package, although not without reservations. Moreover, the Liberal Democrats are determined to ram the package through should negotiations fail with holdout oppositions.

So the final outcome of the package is a foregone conclusion. The main point of interest, therefore, is the strategies the socialists and communists will employ to fight the package.

Will they carry the fight to the bitter end by staging a free-for-all on the floor? I don't think a show of machismo will endear them even to the spectators. The two opposition parties, it appears, are being forced on the defensive.

In his opening policy speech, Prime Minister Zenko Suzuki referred to the untenable fiscal situation which is the result of the massive issuance of government bonds.

The government plans to float 12-trillion-yen's worth of bonds this fiscal year, but is still

unable to draw up a definitive schedule to have them underwritten by a syndicate of banks and securities companies.

At the end of the present fiscal year, the outstanding balance of bonds issued will be 82 trillion yen, which will incur an annual interest of 5,600 billion yen. The interest puts a heavy bite on the budget. Hence the government finance crisis, says Suzuki.

It sure is a crisis. But who is responsible for the present mess? Nobody but the Liberal Democratic Party to which Suzuki belongs. If a government of another party had wrecked state finances before it was thrown out, Suzuki's speech would have drawn more serious and sympathetic attention.

As the mess today is the comeuppance naturally to be expected from years of fiscal indiscipline by successive governments of the Liberal Democratic Party, Suzuki, in his opening speech at the Diet, should have apologized to the nation for the wanton past, if only for the sake of being consistent in taking political responsibility.

A friend of mine who is a Finance Ministry retiree, is bitterly critical of the ministry

for the part it played in inviting today's fiscal chaos.

Says he: "In my days at the ministry, bureaucrats would stake their jobs in opposing politicians who wanted the government to issue bonds just to cover the budget deficits. That is why we were able to keep the budget balanced.

"The ministry's bureaucrats today go out of their way to please the fiscally undisciplined politicians by agreeing to float huge issues of government bonds so that these politicians can have enough money. This has led to the current mess. Shame on these feckless and irresponsible guys at the ministry today!"

Guts And Mettle

The fiscal situation would have been different today if the Finance Ministry bureaucrats had the guts and mettle of Masuo Takashima, who resigned in a spat with Prime Minister Suzuki dragging Foreign Minister Masayoshi Ito with him into resignation.

Such spirit of resistance cannot even remotely be hoped for in today's Finance Ministry bureaucrats who pride themselves on being quick on the uptake in matters that affect their careers.

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They believe in the LDP's staying power, and know that kowtowing to LDP politicians pays, especially when, upon retirement, they look for new jobs or themselves turn to politics.

No Finance Ministry bureaucrat will risk a fallout with LDP politicians for fear of job security. None of these officials is prepared to cut it on the outside when they think they can no longer serve conscientiously at their job in the ministry.

But putting the blame on Finance Ministry bureaucrats is only secondary. It should go primarily to the LDP which forced them into agreeing to put the budget into the red.

The party's politicians turned public works budgets and subsidies into a political grab bag to please their constituents, and this has worked to preserve the LDP majority in the Diet.

Through public works spending and subsidies, LDP politicians have poured golden fertilizer to the grassroots vote. A loss of fertilizer endangers their next election chances. So they insist on getting enough golden fertilizer even if it means incurring debts on the government. As a result, the government is more than 80 trillion yen into the nation.

It is to be noted, moreover, that this 80 trillion yen in outstanding government bonds was built up at the cost of tax relief that otherwise would have been possible.

For several years now we have had no income tax cut, which the government owes to the people by as much as prices go up. Far from cutting income tax, the government has enforced and is contemplating new indirect taxes.

The net result is the national debt of 80 trillion yen. It explains how the LDP feasted on the national budget to preserve its legislative majority.

Now Suzuki is talking about the fiscal crisis as if it just happened along without any LDP involvement. Whoever is responsible, the fiscal crisis is a reality that cries out for administrative reform.

The problem is how to offset the budget shortfall. The socialists and communists are attacking the government's reform plan for singling out welfare and education for major spending cuts. What must be made the biggest issue is the fact that defense is a field immune to administrative reform.

Reform All Phases

The reform should touch all phases of administration, including, of course, defense spending.

But the whole of the administration is not fair game in the reform play. The government has decreed a reform freeze on defense.

Instead, it is said that it will increase the defense budget 7.5 percent over the preceding year when almost all other items are under the falling axe of reform.

The government's reform draft forces bloodletting in many budgetary fields, and the blood thus let is being sucked into defense. This is a Dracula-type defense buildup.

In his policy speech at the Diet, Suzuki said nothing about the relationship between administrative reform and defense. Although he preached the need for "all to share equally in these trials," defense apparently is not sharing the pains at all. Yet Suzuki had the nerve to refer to this state of

affairs in his speech.

The fact of defense appropriations being mulched from the storm of reform is largely due to American pressure. But the very America which is pressuring Japan into increased defense spending is now cutting back on its own 1982 defense budget by \$2 billion (roughly 450 billion yen) for a total three-year cutback of \$12 billion in defense. Japan should frankly show its bewilderment over this matter.

One way of looking at this situation is that America has been so strapped for the wherewithal that other countries of the West should kick in to meet the needs of the free world's defense. The other way round, why should any country of the Western camp spare more for defense when America is cutting back?

Which argument sounds more convincing? I think it is the latter.

The Japanese, among other people, have a traditional moral that the leader himself should set an example of what he preaches to his followers. A commander cannot order his troops into battle while he retreats.

Sometimes America conducts diplomacy over its allies' head or pulls surprise policy changes at a crucial moment. For such behavior, America is both loved and hated by its allies. More often than not, this behavior detracts from America's trustworthiness.

Many an ally has been disappointed or even felt betrayed at the last moment after faithfully following America's lead. This has happened in military affairs, too. America is now loudly talking about a Soviet threat.

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Tomorrow it could be extolling friendship with the Soviets.

One big envy I have concerning President Reagan's administrative capabilities is about his decision to scrap the Energy and Education departments. In Japan, that would amount to abolishing the Education Ministry and the Energy Bureau of the Ministry of International Trade and Industry.

Mr. Reagan is showing us up on administrative reform. To the Japanese, abolition of the Education Ministry is least imaginable in any government reform.

At this moment, moreover,

the government is inclined to even reinforce the ministry's functions so that it will see to it that school textbooks do not fail to whip up patriotism in the little ones.

Meanwhile, the American government, now in need of inspiring its people with patriotism as never before, is confidently quashing the Education Department. My hat is off to America.

Japanese administrative organs differ in nature from those of America, and therefore, Japan cannot import American reform as such. But it can definitely learn from the American move.

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POLITICAL AND SOCIOLOGICAL

NEW POLITICAL PARTY'S IMPACT APPEARS SLIM

Tokyo THE JAPAN ECONOMIC JOURNAL in English 6 Oct 81 p 2

[Article from "Political Scene" column by Masao Kanazashi]

[Text]

In late September, two minor parties — the conservative New Liberal Club (NLC) and the reformist Socialist Democratic Federation (SDF) — formed a new political group called the "New Liberal Club-Democratic Alliance" in the House of Representatives. It has stirred ripples among otherwise very quiet political circles recently.

The first and biggest concern is whether this new group, whose political activities are limited only to Diet affairs, could lead to the formation or realignment of new political forces in the future, involving the Komeito (Clean Government Party) and the Democratic Socialist Party (DSP). But, judging from the conflict of interests and policy differences among those parties, a new political formation is very difficult to come by.

The formation of this new group was, from the beginning, contrary to the objectives of Chairman Ryosaku Sakaki and Senior Adviser Ikko Kasuga of the DSP who attempted unsuccessfully to form the new group made up of four centrist parties (DSP, the Komeito, NLC and SDF). Furthermore, Toshio Yamaguchi, who was picked as representative of the new group, said "There has not been a complete trust and policy consensus among the new group and the Komeito and the DSP," indicating that the group had no other choice but to exclude the Komeito and the DSP.

In other words, the new group cannot get along with the Komeito and the DSP because the Komeito's supporting organization is the

Buddhist Soka Gakkai (Value Creation Society) and the DSP is what NLC officials termed "more hawkish than the ruling Liberal Democratic Party" in defense policy and its posture toward South Korea.

A typical example of the group's disgust toward the policy of the Komeito and the DSP on defense and Korea was shown when Yohei Kono of the NLC said recently, "We do not need two LDPs." Thus, the cleavage between the conflicting groups stems less from policy differences than political distrust. Especially since the NLC is a splinter from the LDP, it completely distrusts Kasuga and other DSP leaders who are on good friendly terms with LDP leaders, while haranguing for the unification of anti-LDP forces.

On the other hand, the NLC and the SDF have much in common. Firstly, though the NLC is conservative and the SDF reformist, both are splinters from big parties, the LDP and the Japan Socialist Party, and depend for most of their support on floating and whimsical voters dissatisfied with long-standing parties and not well-organized. Secondly, leaders of both parties are popular personalities and hold liberal views on defense and foreign policy.

Furthermore, it goes without saying that both parties judged it politically advantageous that they form the new group since not a bright prospect is in sight for the expansion of their party strength.

If such a formation of such a conservative-reformist group had taken place a generation ago, sharp criticisms would have been in order, such as "parties of no principles and

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faith" and "illicit marriage." But no such sharp rebukes have been heard of the formation this time. The biggest reason for this might be that a merger of such mini-parties has no direct effect on Japan's domestic politics, but other reasons might have been the aforementioned similarity of characters and policies of both parties, an increasing tendency among voters for non-partisanship and the whimsical nature of voters who do not differentiate between conservative and reformist.

But the future of the new group is not that bright at all as one member bolted on the very day the group was formed. Things will not go easy when those "moody" parties have to decide on issues in black and white terms in the coming Diet sessions. The biggest policy difference between the NLC and the DSP lay in the field of defense and security. Commenting on this difference, the group's representative Yamaguchi said, "In theory, an individual Dietman should be given a free hand on policy matters, but we should not give the impression that the group is in complete disarray. We would like to hammer out the differences through discussion and reach some kind of consensus on policy matters." The problem is whether this discussion will do the trick for the group in the coming years.

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MILITARY

U.S.-JAPANESE FRICTION ON DEFENSE ISSUES EXAMINED

Tokyo CHUO KORON in Japanese Sep 81 pp 86-98

[Special Report: "National Defense at a Turning Point"; roundtable discussion on "The Facts About the U.S.-Japanese Conflict on Defense Issues"; discussants: Joji Omura, Japan Defense Agency Director General; Michita Sakata, Chairman of the Lower House Special Committee on National Security; chaired by Tomohisa Sakanaka, ASAHI SHIMBUN Editor]

[Text] The United States' Stern Posture

Sakanaka: With the inception of the Reagan administration's call for a "strong America," the United States has been asking Japan steadily and sharply to bolster its defense capability. It seems that Japan's defense policy is now at a turning point. Director General Omura, with us today, is in the position of formulating and implementing defense policy, while Mr Sakata, as chairman of the Lower House Special Committee on National Security, has the task of coming up with a national consensus on defense and taking a critical look at and study of defense policy from the people's point of view. From your respective standpoints, I wish to hear each of your opinions.

Director General Omura has just returned from a trip, first to the United States and then to Europe, while Mr Sakata followed the reverse course. Both conferred with key officials on defense. Let's start with Director General Omura on what the United States seeks of Japan.

Omura: During my visit to the United States in late June, I met with Secretary of Defense Weinberger, Secretary of State Haig, Presidential Adviser (on national security) Allen, and the chairmen of the Senate and House Armed Services Committees. It was shortly after both Houses had passed the new fiscal year budget for sharply increased defense spending, on the basis of the Reagan administration's stand on restoring overall military strength relative to the USSR, and while the nuances differed, they all expressed their hope for cooperation from their allies.

After being exposed to the most recent data at the headquarters of the Commander in Chief, U.S. Forces, Pacific and at the Department of Defense, I was able to appreciate the efforts being exerted by U.S. leaders on the contention that the East-West balance of power would become upset if nothing was done. I also understood better why the United States, allied with about 40 countries, was seeking

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our cooperation. Nevertheless, given Japan's constitutional restrictions and the premise of defending Japan through the use of its own Self-Defense Forces, it is only normal for there to be a limit to our capabilities, despite all the requests for cooperation.

Sakanaka: What was the U.S. perception on that point?

Omura: They said they understood this point well. However, the United States feels that the Japanese Government's present efforts are insufficient, and that it should move faster and on a bigger scale, in light of Japan's present status and economic strength. For instance, Senate Armed Forces Committee Chairman Tower stressed that greater efforts by Japan would be desirable because it would promote trust between the two countries.

Sakanaka: From the Japanese point of view, that is where the gap is. Mr Sakata, how do you feel about it?

Sakata: Before my recent visit to Europe and the United States, I visited Washington from the end of November to early December last year and conferred with then Secretary of Defense Brown, with Mr Allen, who was working on the transition from the Carter administration, and with Chairman Price of the House Armed Services Committee. And during my last trip to Washington in June, I met with Secretary of Defense Weinberger, Senate Armed Services Committee Chairman Tower, and other key Congressmen. Their contentions were just as the director general has described.

The U.S. view is: "The 'Defense Program Outline' drawn up during Mr Sakata's tenure as Defense Agency director general in 1975-76 was appropriate for the international situation then prevailing. But today, it has changed dramatically. To cope, we are hoping for greater defense efforts." Senator Tower clearly stated, "The 7.5-percent ceiling on increases in the next fiscal defense budget came as a disappointment."

Although he spoke in general terms, I felt that he was directing his statement at Japan. What he was saying was, "The United States is merely seeking from its Western European and Japanese allies what they should do in defense efforts as members of the free society in order to cope with the Soviet threat." [He was saying] that if such efforts were inadequate, the American people, in case of an emergency, probably could not help but assume a negative stance in giving support.

Sakanaka: When the "Defense Program Outline" was drafted, the international situation was that of detente. Today, however, there is the Soviet naval buildup in the Far East as well as the deployment of SS20's, intermediate-range missiles, and Backfire strategic bombers. More recently, there is the added problem of the Middle East. The United States wants to be in a position to confront the USSR on three fronts--in the NATO area, in East Asia, and in the Middle East. The contention of the United States is that, despite the relative economic decline and its consequent relative weakness of military power, it still assumes the responsibility for protecting the sealanes for oil shipments, and that Japan, as a beneficiary, hence ought to exert greater efforts. Considering the sentiments of the American people, such a way of thinking cannot be helped.

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Sakanaka: In Director General Omura's meetings with key officials in the White House, in the Department of State and Department of Defense, and in both Houses, were there any differences of opinion among them?

Omura: The methods of expression varied, but there were no differences. During a 4-hour discussion over lunch with Defense Secretary Weinberger, he explained the recent dramatic increase in Soviet weapons production capabilities, the two-fold increase in the number of strategic aircraft, and the 3.7-fold increase in submarines as compared with the United States.

Secretary of State Haig spoke in broad terms. He stated that as a young second lieutenant in General MacArthur's headquarters, he was familiar with the course of enactment of the Japanese constitution and the trend of Japanese public opinion. And he expressed hope, from the standpoint of Japan's economic recovery as well, that [Japan] will assume a balanced effort for defense. Presidential aide Allen commented that while he was not asking for the impossible, he would like to see Japan take up the challenge against difficulties.

Sakata: Mr Allen, during a meeting last year, expressed hope for a full discussion on what each country should do for the national interests of both. Defense Secretary Weinberger also expressed a wish for talks on each country's share of defense in spite of some differences. He added, "For America, it would be helpful to conduct talks with the USSR on arms limitation or reduction, but at the same time, I believe that success can be achieved only through increased military power. That, indeed, is the perception against the threat common to all freedom- and peace-loving countries."

Are Japan and the United States Really Full Partners?

Sakanaka: We have discussed what the United States seeks of Japan. But to what extent have Japan's thinking and contentions been conveyed to the United States?

Sakata: During a conversation with a young man named (Wolhobittsu), chief of the Policy and Planning Department, who had moved from the Defense Department to the State Department, he stated, "As I said during the Hawaii conference, the present-day Self-Defense Forces lack rear support capability and sustained warfare capability. Under such circumstances, a readiness capability cannot be acquired. A combination of three capabilities--frontal, rear support, and sustained warfare--is required."

Whereupon I stated to him and Assistant Deputy Secretary of State Holdrige: "Under the 'Defense Program Outline,' the objective was to combine these three elements and create a unit, albeit small, with a readiness capability. Unfortunately, that still remains unachieved. It is important, therefore, that the 'Defense Program Outline' be achieved by fiscal 1987. When it is complete, there should be a defense capability that is small but has a high-quality readiness capability. If the United States asks for a bigger scale and a speedup, it will end up with only the front without a sustained warfare or rear support capability, resulting in a distortion with no readiness capability. This would be undesirable for Japan's security and U.S. national interests."

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Further, the Japanese people are beginning to develop a consensus on the security issue. The Democratic Socialist Party has come around to recognizing the Self-Defense Forces and the Japan-U.S. Security Treaty. The Komeito also is about to shift to a realistic policy. And the opposition forces have participated in the latest visit to Europe and the United States. If the United States seeks an undue speedup in defense buildup, despite such a favorable change, the consensus that is developing could crumble. I explained that it was essential for the United States to understand this point.

Omura: As Mr Sakata has said, our side expressed our minds quite openly. The U.S. side did likewise, and while there were differences, we agreed to have continued meetings at every opportunity. In the fall, Defense Secretary Weinberger will visit Asia and stop over in Tokyo. The regular conferences on equipment and interchange of technology are also scheduled for this fall. Further, this will be followed by studies, including the subject of assistance to U.S. forces in time of emergency in the Far East.

Sakata: Because of the brevity of the meeting with Defense Secretary Weinberger, I presented him with a text of my speech last year at George Washington University. In it, I mentioned that alliances in the communist countries run vertically. That is, the USSR maintains a command/obedience relationship with East European nations, backed by military power, while the cooperative relationship in the free society runs horizontally. Depending on the national situation and the strength of each country, it is an alliance based on faithful cooperation for the attainment of a single goal. Cooperation among the free society [nations] takes time and requires adjustments. Yet, an alliance based on each nation's voluntary action is more secure and effective than one based on the command/obedience relationship. That, indeed, symbolizes full partnership.

Sakanaka: It means that a cooperative relationship must be constructed on substantial talks.

Sakata: Yes. For example, we allies were not consulted when the Carter administration altered its policy to withdraw U.S. ground forces from the Korean Peninsula. Even the Reagan administration arbitrarily lifted the grain embargo without consulting us, though we cooperated in the grain embargo against the USSR in the form of economic retribution. I told Defense Secretary Weinberger that this did not represent full partnership, and that more talks should have been held.

Omura: In the United States, I made a visit to four military installations. At one, the Jacksonville Naval Air Station, I uttered words of encouragement to about 100 men of the Maritime Self-Defense Force who were there to take delivery of P-3C antisubmarine-warfare planes. My purpose was to inspect one of the three aircraft to be delivered. Thus, Japan-U.S. cooperation was steadily being promoted even in this aspect. The P-3Cs will greatly improve antisubmarine-warfare capabilities. Though it depends on the forthcoming budgetary measures, if more can be assured under the next program, the controversial issue of greater antisubmarine-warfare capabilities on the sealanes should be resolved for the time being.

Sakata: In other words, there has been a gradual buildup of defense capabilities. Assistant Deputy Secretary of Defense West described the Soviet threat in the Far

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East, showing me data, also probably shown to Director General Omura, on the increase of SS-20's and Backfires, and he noted the inadequacy of Japan's defense efforts. Whereupon I presented a chart comparing U.S. and Soviet defense spending and aired my views. In other words, the USSR steadily increased its defense spending in the 1970's, while the United States trimmed defense spending owing to its withdrawal from Vietnam, and in part because of the domestic situation, including the Watergate incident, unemployment, and inflation. During this period, while total defense spending was small, Japan's real increase was 7 percent from 1970 through 1979. This time, it plans a 7.5-percent increase, in spite of the harsh environment of financial restructure and administrative reform. This means 3 percent in real terms after adjustment for inflation, and is close to the 3 percent for NATO nations. I asked for U.S. understanding and declared that charges of Japan's not doing anything are unjustified. Scratching his head, West stated, "In the 1970's, the United States was not a model allied power."

Current Situation in Europe

Sakanaka: The other major pillar of the Western alliance is Europe. In the eyes of the European countries, there seems to be a growing feeling of late that Japan is not doing enough in defense efforts. In the Ottawa summit, Western Europe took a hard line vis-a-vis the USSR. What is Director General Omura's opinion after conferring with top leaders of NATO?

Omura: I met with Secretary General (Luns) at NATO headquarters and with West German Defense Minister Apel. Though the character of alliance differs between Japan-U.S. and U.S.-Europe, there was a consensus on the question of defending freedom.

Opinions were exchanged with Secretary General (Luns) on four points: First, the defense efforts of NATO member nations, on financial efforts in particular; second, the status of the so-called "double decision" pertaining to battlefield nuclear weapons; third, the outlook on the Polish crisis; and fourth, the new French government of Mitterrand, relative to its foreign affairs and defense policies.

On the first point, many nations are beset by difficulties such as inflation and unemployment, but except for a couple of nations, all are in virtual agreement on a 3-percent hike.

Second point. To cope with the Soviet SS-20's, NATO countries have decided to deploy Pershing II's and cruise missiles in their countries. Today, 3 years after the adoption of a resolution to hold negotiations with the USSR in parallel, those countries are preparing to deploy them. The secretary general noted that because in a couple of countries parliamentary approval cannot be obtained unless negotiations are conducted with the USSR, he intends to ask the United States to open negotiations on strategic arms limitation within this year.

Third point. On the Polish situation, the USSR probably wants to involve the Warsaw Pact nations in order to avert any turmoil and to somehow maintain the status quo. The possibility of military intervention is considered remote.

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Fourth point. As for the policies of the new Mitterrand government, they are inclined to have confidence in the official statement saying there would be no change from the previous government's stance on foreign relations and defense.

Sakata: The perception of Western Europe and the United States on the Soviet threat is the same, but measures to deal with it differ. The Reagan administration, apparently feeling that negotiating leverage cannot be had without strength, places priority on the deployment of Pershing II's and cruise missiles in Western Europe. On the other hand, although Western Europe considers the deployment of battlefield nuclear weapons and defense efforts to be essential, it also hopes for U.S.-Soviet strategic arms limitation negotiations or arms control, in parallel or in advance. Military buildup and arms control are considered the "two wheels" of the security policy.

Sakanaka: Director General Omura, how did the conference with Defense Minister Apel go?

Omura: He stated that he would like to see a 3-percent real increase in the fiscal 1982 budget, or 8 percent nominally. This does not differ much from Japan's 7.5 percent. Further, Social Democratic Party head Brandt told of his impression after meeting with Secretary General Brezhnev that the latter was willing to enter into arms control negotiations, and that Brandt would discuss this with the United States in order to get the talks underway as early as this fall.

Sakanaka: Did you inspect the West German forces?

Omura: I made an inspection of a tank division and an air unit. The frontline equipment, including tanks and aircraft, was on a par with Japan's. The only difference, for example, was the mobility of the armored personnel carriers accompanying the tanks, the transport vehicles for missiles and ammunition, and operations vehicles. There were shelters even at airbases. Terrain conditions may differ, but Japan must do more to achieve a state of readiness.

Another point is that West Germany maintains a conscription system. With 500,000 men on active status, it is up to 93 percent of full strength. The reserve manpower is about the same. It has been said that 700,000 men could be called up within 72 hours. It is difficult for Japan to emulate this, but it should give serious consideration to the issues of Self-Defense Force reserves and the attainment of a full complement.

Sakata: A person named (Merutesu) of the CDU (Christian Democratic Alliance), a leading member of the German Federal Parliament, said to me: "It is doubtful that the USSR will launch a nuclear war. The reason is that the USSR has desert-like lands to the north and east. The nuclear destruction of Europe, with its rich culture and industrial capacity, would transform Europe into another Siberia. Hence, West Germany does not feel that the USSR would launch a nuclear attack against Europe. Historically, the USSR's basic policy has been to exert political and psychological pressure on neighboring countries by means of its tremendous military strength."

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Japan-U.S. Differences in Perception of Soviet Threat

Sakanaka: The major problem between Japan and the United States in perceiving the international situation has to do with the assessment of the USSR. While there is little difference in perception of the Soviet military buildup, there is a wide difference of views on Soviet intentions.

Omura: The United States appears concerned not over the imminent use of military power but with political pressure, backed by formidable military power capable of fighting on two fronts.

Sakata: You mean political intimidation, with military power in the background.

Omura: Since irreparable harm could come from weakness or a vacuum, the United States and its allies want to defend various regions together.

Sakanaka: Do you mean there isn't a wide difference of views between Japan and the United States?

Omura: Japan is concerned over the Soviet military buildup centered around North-east Asia, while the United States takes a serious view of the Middle East from a global viewpoint.

Sakata: From a global scale, the military power between the United States and the USSR is in balance. Though the USSR may have the advantage in some regions, the United States does not feel the balance has been upset as a whole. In the Far East, the USSR has strengthened its military power in the Northern Territories and has reinforced its naval power by such things as deploying the carrier Minsk. But looking at the balance of power between East and West, [we see that] one-fourth of Soviet military power has been nailed down along the Sino-Soviet border as a result of China's alignment with the United States and Japan. This has served to lighten the burden on the NATO front. From the Soviet point of view, it fears a possible encirclement led by the United States and including Japan, Western Europe, and China. Overall, the situation in the Far East is not necessarily adverse for the West, there being no Asian nation friendly to the USSR except for Vietnam.

But because of the Soviet deployment of SS-20's and Backfires, the U.S. Seventh Fleet or the Third Fleet will be under constraint and unable to assume a free hand as before. This is of some concern from the standpoint of the United States and Japan.

Omura: An immediate danger of large-scale war in which nuclear weapons are used can be clearly ruled out. But Pacific Commander in Chief Long regards an attack using conventional weapons as likely and is focusing on that point. In the event of an attack using conventional weapons, the war, in all probability, will not be a short, decisive one, but a prolonged one. The U.S. Department of Defense has not ruled this out.

Sakata: Highly destructive, accurate nuclear weapons have been developed and are increasingly difficult to operate. Moreover, the mass use of conventional weapons

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is not so simple because of their linkage to nuclear warfare. As a result, disputes are acquiring a limited character. The differences in the strength of small nations, with their conventional forces, and the superpowers have never been so great as today. Yet the United States was unable to defeat Vietnam, and the USSR is bogged down in Afghanistan. And the Iran-Iraq war has not flared into an all-out war.

In the present situation, the use of military power in the nuclear era has been restrained in many forms. Thus, at the time the "Defense Program Outline" was drawn up, my thinking was that, against a limited attack, Japan would have its own capability for fighting, without counting on the United States; on top of this, there would be the Japan-U.S. Security Treaty and the spirit and determination of each citizen to rise up in Japan's defense.

I agree that conventional power has never had so much impact as today. But its employment can be very limited. The reason, first of all, is nuclear deterrent and such other factors as the U.S.-Soviet talks on strategic arms limitation, detente, mutually dependent economies, technology, and open availability of information. All of these deterrents are helping to safeguard peace. Basic to it is the balance of power between East and West.

The preservation of peace, therefore, is difficult without the strict maintenance of the balance of power. Since Japan pursues the "three nonnuclear principles" and is under constitutional restraints, it must strive to work in the direction of reducing, not expanding, the global military power while upholding a power balance. To preserve peace, this should be Japan's role hereafter.

Conventional Forces Required of Japan

Sakanaka: With reference to your comment on the significance of modern-day conventional forces, the United States has expressed fear that the conventional forces provided for in the "Defense Program Outline" would be unable to meet the demands of a changing era. I would like to ask Director General Omura this question. Do you plan to revise the defense capability provided in the "Defense Program Outline" or make step-by-step improvements based thereon? What are your thoughts on the future direction of defense preparations?

Omura: The government has no immediate plans to revise the "outline." To realize the standards set forth in the "outline," it sees a need for acceleration. This is because the standards provided in the "outline" do not conform to the present-day situation. For example, the appended chart in the "outline" provides for about 60 surface ships, but the actual figure is about 50, or a shortfall of 10. Further, against some 430 operational fighters contemplated for the Air Self-Defense Force, we only have about 320, or more than 100 shy. The urgent task is to make up these shortages. Also, since the "outline" has received cabinet approval, and the basic thinking regarding the preparation of the next midterm program estimate necessary for its implementation was approved by the National Defense Council this April, it would be unrealistic and unwise to effect a total revision.

Sakanaka: I understand.

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Omura: The "outline" was completed in 1976 in the era of detente. The U.S. position is that the thinking should be changed in light of today's changed international situation, but, putting such abstract arguments aside, I stated that as a practical matter, realization of the line provided in the "outline" could virtually resolve the issue raised at the Hawaii conference.

At the administrative-level meeting in Hawaii, some wild opinions were made by specialists. It was agreed not to let this out, but it leaked (laughter). For example, it was claimed that a wide discrepancy existed between U.S. figures on antisubmarine-warfare planes and the 45 aircraft provided in the current program. The fact was that under the "outline," about 100 antisubmarine-warfare planes were under consideration. Though the old program called for 45, the number would have come closer to U.S. figures if the obsolescent P-2J's were to be replaced in the future by P-3C's.

As this example shows, there is not much discrepancy. The issue, rather, has to do with rear support and sustained capability. Deep consideration should be given not only to matters dealing with the front or increasing the quantity of ammunition and missiles but also in parallel with them.

Sakana'ka: Mr Sakata, you were the individual responsible for preparing the "Defense Program Outline." Within the Liberal-Democratic Party there are critics calling for a much larger expansion. How do you feel?

Sakata: As viewed from the national consensus, I basically feel that the pace described by Director General Omura is proper. Even though the "outline" was approved by the cabinet, I myself feel that I failed to do my best during the past 5 years. If I had worked harder, perhaps we could have responded better to U.S. requests. Therefore, I feel that the immediate problem is to achieve the standards set forth in the "outline."

This is not generally known, but the original draft of the Defense Agency's "outline" called for an increase from four to five in the escort flotilla of the Maritime Self-Defense Force. But because of financial considerations and anticipated future improvement of the draft, the National Defense Council decided to keep the current number unchanged.

Sakanaka: You mean that the Defense Agency had plans to build up the Maritime Self-Defense Force even before the U.S. request was received?

Sakata: Yes. Of the four escort flotillas, one was to be kept in a state of readiness. The Defense Agency felt that five flotillas would be required for the increase to two.

Omura: That's true.

Sakata: But now I feel that outfitting the four escort flotillas with modern weapons such as anti-air and anti-ship missiles, antisubmarine helicopters, and anti-submarine torpedoes should take priority. In this connection, I wish to make a request of Director General Omura. As the Prime Minister also is anxious to see

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this accomplished by 1987, I hope the National Defense Council will hand down a decision and, as the cabinet's position, achieve the standards set forth in the "outline." If that can be done, we may be able to convince the United States of our position on such things as the issue of next fiscal year's 7.5-percent increase.

Amid Financial Restructure and Administrative Reform

Sakanaka: Under the present pace of increase in defense funds, difficulties could arise in achieving the standards of the "outline" by fiscal 1987. What is your opinion? Another problem is that, since a financial restructuring is underway, strong resistance could occur even within the Liberal-Democratic Party, as well as from the opposition forces, to the sacred treatment of only defense funds. What is Director General Omura's thinking on this point?

Omura: With respect to the opinion against the sacred treatment of defense funds, I feel, because of administrative reform as well, that there should be rationalization through the elimination of waste. Effective use of funds is only natural. But changes in the international situation need to be considered, and Japan has not done its part in defense efforts. Moreover, if we are to reach within a few years the level of standards set forth in the "outline," some increases must be made. After this point was appealed, the fiscal 1982 ceiling was raised to 7.5 percent. It was reached after negotiations with the finance minister and with the Prime Minister's support of that figure.

Some have taken a dim view that last year's request for 9.7 percent had been whittled down to 7.6 percent, but what counts is the substance in order to avoid subsequent criticism. I have sternly told the Ground, Maritime, and Air staffs to take positive steps for rationalization, and have warned against any indiscriminate increase.

Sakanaka: Mr Sakata, I know there is strong criticism within the opposition forces toward increased defense funds. What is the reaction in the Lower House Special Committee on Security to the 7.5-percent increase?

Sakata: The Democratic Socialist Party will probably go along. As reflected in the mass media's poll, the public supports a somewhat stronger defense, rather than the status quo. Another point is that while I was Defense Agency director general in 1976, the defense share of the general budgetary outlays was 6.2 percent, but it gradually declined each year until it reached 5.2 percent in 1980. Thus, at the time of the budget formulation for fiscal 1981, I felt that, apart from the U.S. request amid the serious international situation, the government's responsibility, in view of the cabinet's approval of the move to achieve the standards set forth in the "Defense Program Outline," was to the people for its accomplishment. The share of defense funds had kept on falling from 6.2 percent. With 5.2 percent as the bottom figure, I figured that a gradual increase was in order. And when the defense fund's share was set at last fiscal year's 5.22 percent, it turned out to be exactly a 9.7-percent increase over the preceding fiscal year.

Last year, the argument was over an increase of 40 or 50 billion yen, but I feel we should put in at least that much in order to truly ensure Japan's security and

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the survival and freedom of each individual. Some contend that the smaller the defense fund, the better. But when one considers the dramatic changes in the international situation or the cooperative relationship with Western countries with the same sense of values, an effort to such an extent can be said to be unrelated to any massive defense buildup but will help Japan gain persuasiveness in its voice. It is not anything like major militarization. Precautions against being called "an odd fellow" within international society contribute to the safeguarding of peace in Asia.

Omura: Amid the no-tax-hike administrative reform and budgetary formulation, the problem is how to increase defense capabilities--a point of concern and obscurity for the people. Of the natural tax increase on which the latest ceiling is based, the surplus funds expendable as general administrative costs after deduction of national bonds or ordinary increases in local finances amount to nearly 600 billion yen. In the latest negotiations, we asked for 30 percent of that for increased defense funds, and we actually received 180 billion yen.

Defense Secretary Weinberger cited that the United States will use its entire natural increase for defense and hopes for greater defense efforts by Japan. But in order to increase defense capabilities while striving to gain the people's understanding, there is no alternative but to increase efforts step by step. Being unduly impetuous may lead to problems later.

Sakanaka: After talking with you two, I am beginning to understand the framework of the U.S. request to Japan on defense. The United States, in light of the relative decline of its strength, reflects an "urgency" on the question of its allies sharing responsibility, whereas Japan assumes a weaker view regarding the "urgency." On the other hand, I feel that the United States lacks a full understanding of Japan's domestic situation and public opinion. Moreover, there is an "urgent need" for more profound arguments on a national level regarding Japan's defense policy, along with the question of the Japanese-U.S. alliance.

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SCIENCE AND TECHNOLOGY

INSTITUTE TO STUDY RESOURCES USING SATELLITES TO BE SET UP

Tokyo NIHON KOGYO SHIMBUN in Japanese 25 Aug 81 p 11

[Text] According to a report by informed sources on the 24th, the first Japanese "Earth Resources Observation and Analysis Center" (tentative designation), whose purpose will be the study of natural resources using satellites, will be established at the end of September. The center will be built with the full support of MITI, which has established an earth resources investigation promotion policy using satellites. The basic structure of the center is that 1) it will be a foundation; 2) it will have some 30 participating enterprises from petroleum, mining, heavy electric, and finance industries, including Petroleum Resources Development, Mitsui Mining and Smelting Co Ltd, Toshiba, the Industrial Bank of Japan, and others. It has been informally arranged that Seio Mori, an adviser to the Petroleum Resources Development, will be appointed the first chairman of the center. With the establishment of the center, there are plans to entrust the National Space Development Agency to launch "Earth Resources Satellite No 1" by 1987 and to begin an extensive survey of resources in Southeast Asia and other areas.

As for satellite surveys of the earth's resources, such as petroleum, natural gas, and minerals such as uranium, iron, and copper, the United States plans to launch Landsat No 4 in 1982, and France will launch a similar satellite by 1984. At present, various countries are showing strong interest in satellite surveys.

Japan's survey of resources, despite its heavy dependence on overseas mineral supplies, has been conducted case-by-case, either purchasing data collected by the major powers or surveying jointly with the major powers or various other foreign governments.

Most promising future sources of minerals are found in Southeast Asia and Africa, so that in terms of securing a stable supply of resources, it is urgent for Japan to conduct surveys in these areas. But since survey data on these areas are extremely poor and maps are inadequate, there are many areas which remain unexplored.

Because of this, MITI, in cooperation with the Petroleum Development and the mining industry, had been studying the possibility of establishing an agency which will promote resources survey by satellite. The consolidation of the opinions of the participants in the project is nearly complete, and a general meeting for the establishment of the center will take place at the end of September.

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For the time being, 29 companies participating in the center will include five petroleum development companies such as Petroleum Resources Development and Teikoku Oil Co Ltd; eight from the metal, mining, and coal industries such as Mitsui Mining and Smelting Co Ltd and Nippon Mining Co Ltd; six principally heavy electric companies such as Toshiba, Mitsubishi Electric Corporation, and Tokyo Electric Power Co Ltd; and nine from the finance industry, including the Industrial Bank of Japan. Ultimately the total number of participants is expected to reach 30.

In addition to the approximately 100 million yen fund, the center will receive MITI's project subsidy of about 1 billion yen for the first year. The center will entrust the National Space Development Agency to build Earth Resources Satellite No 1, which will be capable of detecting and analyzing earth objects 20 meters in size from an altitude of about 560 kilometers. It will be launched by 1987. Using the satellite, the center will conduct Japan's own surveys and analysis of resources for 2 years and will cooperate with European and American agencies by exchanging the data.

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SCIENCE AND TECHNOLOGY

MANUFACTURERS TO COOPERATE WITH FIRMS IN WEST GERMANY, FRANCE

Fujitsu Fanuc, Siemens

Tokyo NIKKAN KOGYO SHIMBUN in Japanese 19 Aug 81 p 13

/Text/ Fujitsu Fanuc (president, Seizaemon Inaba) has disclosed the firm's strategic policies regarding its chief product--numerical control (NC) system--and its leading commodity for the next period--industrial robots. In the industrial robot category: 1) it will develop an intelligent robot--"I-series"--said to be the robot for the next generation, in conjunction with Siemens of West Germany by 1984. 2) It is currently developing two types of assembly robots ("A-robot") and one of these--the O-type--is to be exhibited at the Fourth EMO (European International Manufacturing Machinery Fair) to be held in September in Hannover, West Germany. The I-type robot will be completed before the end of this year. 3) Monthly robot production volume will be increased from the current 50 units to 100 units as early as October. 4) As a result of augmentation of the robot category, 30 to 40 billion yen of the Fuji plant's 1986 annual production figure (50 billion yen) will be supplied by the robot sector.

Monthly Production To Increase to 100 Units Per Month This Fall

Meanwhile, the NC device being manufactured at the head office plant: 1) has demonstrated over 10 percent annual growth (monetary base). Soon annual production volume of 100 billion yen per year will be accomplished. 2) But domestic production of the NC device will be held down to 3,000 units per month and the surplus production will be met by Fanuc USA, a joint concern with Korea and the knock down (KD) production by Siemens. 3) In order to develop NC for the next generation, technical experts from West Germany's Siemens are coming to Fanuc in October for a year's stay in order to implement joint research. 4) The basic machine type for the NC device to be developed 5 years hence will have two "bases"--size and capability.

Regarding the strengthening of the industrial robot sector, President Inaba states the company policy clearly: "We are doing it because there is a market out there; and the situation is vastly different from the mid-50's NC device era when research development preceded market needs." The company's policy regarding the market for industrial robots is equally specific. "Painting and welding operations do not interest us; our efforts are focused on mechanized plants."

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Fujitsu Fanuc's robots, developed and produced in response to the above described market trends and company policy can be divided in three groups. The first category is the manufacturing robot, M-series. Under this heading, there are four types: 00, 0, 1 and 3. The type 00 is scheduled to be announced on 4 September. Next, there are two types of assembly robots (A-series): 0 and 1. The 0-type is smaller than the 1-type; both, however, have an identical controller.

Third, the intelligent robot--I-series--is being developed jointly with Siemens. Completion is scheduled for 1984, and it will be displayed at the International Manufacturing Machinery Fair in Tokyo. This joint development was suggested by Siemens and "we (Fujitsu Fanuc) responded in the affirmative because it would mean double the research development funds." (Inaba) Behind this move is the recognition that the problem in I-series development is the selling price. "In intelligent robot development, sensor and pattern recognition is crucial. If cost is no object, intelligent robot production is easy, but the crux of the matter is to make it cheaply," President Inaba explains.

Fujitsu Fanuc claims that competition with other firms producing industrial robots is not a problem because Fujitsu Fanuc's focusing on mechanized plants. In particular, the firm's plan is to sell the A-series, which will be incorporated into an assembly cell, to large businesses and a processing cell based on the M-series is to be marketed to joint enterprises.

At present, the firm's Fuji plant is maintaining 1.5 billion yen monthly production of wire-cut/discharge processing machine and industrial robots. Once the assembly robot production begins, the monthly production volume will become 2 billion yen. The annual figure will be 24 billion yen for 1981, and by 1986 the annual production volume is slated to be 50 billion yen.

In keeping with this trend, the monthly production of industrial robots will become 100 units per month as early as October. In this instance, the selling ratio would be 60 domestic, 20 General Numeric Corporation of the United States (at present, 15) and 20 Siemens.

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Toshiba, French Line Group

Tokyo NIHON KEIZAI SHIMBUN in Japanese 2 Sep 81 p 1

Text The Government of France has requested the (Japanese) Ministry of International Trade and Industry MITI to bring about the Japanese manufacturing machinery industry's capital participation and technical assistance to the Line Group (a large machinery manufacturer headquartered in Paris) that is having serious economic problems. MITI has unofficially sought cooperation from the industry's leader--Toshiba Machine Co Ltd. Toshiba's response at present is this: "We have not as yet decided to cooperate." But President Akinobu Kuno of Toshiba is scheduled to meet with French Ministry of Industry executive members in Paris to attend to the matter in concrete terms. The French manufacturing machinery industry is suffering entrepreneurial difficulties as a result of a sudden increase in Japanese imports. If the Toshiba and Line Group coalition does come about, it is expected to neutralize the trade friction between Japan and France.

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Recently the export of Japanese manufacturing machinery has increased suddenly along with automobile, home electric appliance and semiconductor exports. The trade involving manufacturing machinery between the two countries in 1980 resulted in Japan achieving a 985-million-franc favorable balance of trade. This is approximately 30 times the 29-million-franc favorable balance for 1979. Coupled with the depressed economic situation in the East European countries--France's chief export outlets--this sudden upsurge in Japanese manufactured goods is causing an all-round slump for the French manufacturing machinery industry. The Mitterrand government is attempting to revitalize the manufacturing machinery industry in conjunction with its nationalization of the aircraft, chemical and textile industries. It is particularly concerned with the rebuilding of the industry's second ranking Ling Group--which is in extreme difficulty as a result of making a belated start in computerizing [denshika] the manufacturing machines.

According to MITI, the current request for cooperation is an aspect of the (French Government's) reconstruction plan. It was addressed to Japan through the French Embassy in Japan. The gist of the request was "a desire for capital participation and technical cooperation by a leading Japanese firm which possesses a high technical standard for large-scale aircraft, shipbuilding and nuclear power reactor oriented manufacturing machineries."

In responding to this request and with view to promoting industrial cooperation with France, which would in turn neutralize trade friction between the two countries, MITI selected Toshiba Machine Co Ltd, which is a leader in the Japanese machine tool industry and whose chief products are large manufacturing machines.

Toshiba's President Kuno will attend the International Sample Fair at Hannover in midmonth and then he intends to stop in Paris to unofficially meet with the French Ministry of Industry executive members and the Line Group leaders to negotiate the possibility of capital and technical cooperation.

Toshiba's present attitude toward this proposal is cautious because: 1) there has not been a clear statement regarding the connection between the French Government's Line Group reconstruction plan and its policy of nationalizing the leading industries and 2) Toshiba already has a technical cooperation tie with the Line Group's competitor, TMI Corporation of France. In the meantime, however, Toshiba is worried about the lack of growth in exports to the Soviet Union and Eastern Europe--the company's mainstay--as a result of economic recession and lack of foreign currency in those countries. Moreover, it is extremely aware of the agreement of Toyota Machine Works Ltd with the SOMARCO of France, which has given the latter firm a foothold in the European market. MITI anticipates that "the likelihood of a coalition becoming a reality is fairly good."

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SCIENCE AND TECHNOLOGY

TAIYO IRON WORKS TO START ROBOT EXPORTS TO EUROPE

Tokyo NIKKAN KOGYO SHIMBUN in Japanese 8 Aug 81 p 1

Text The Taiyo Iron Works (1-1-1 Kita-Eguchi, Higashi Yokogawa-ku, Osaka; president: Kazuo Kitaura; Telephone: 06-340-1111) has decided to formalize industrial robot exports to Europe. It will display its robot at three consecutively held international sample fairs: Moscow, USSR; Paris, France; and Leipzig, East Germany.

Already there has been a direct negotiation with the Soviet People's Automobile Corporation and there is official anticipation that the first robot talks will be concluded on the occasion of introduction of the sample robot at the Moscow fair. Among the display items at the fairs will be the firm's most recent commodity--the Sealing robot.

Many of the Taiyo Iron Works' robots are systems based on oil/air pressure products and technology--the company's main business. Recently electrical control technology such as D.C. Serbo has in part been adapted. Domestically, the firm is currently supplying various types of robots--such as automated assembly machines, loading devices--mainly to automotive manufacturers. The overseas market is a new frontier.

This is not the first time that the company has exhibited its robots at overseas sample fairs. This last spring, it participated in West Germany's Hannover Messe. But the Moscow Sample Fair (October) participation is a new venture. It is embarking on a direct export strategy with the Paris Fair in December and the Leipzig Fair in March next year. In particular, the USSR has put robotics induction and development as a first item on its agenda in its industrial 5-Year Plan, and there is a possibility of the conclusion of an export agreement between the Taiyo Iron Works and the People's Automobile Corporation through the trade fair.

As far as robot exports are concerned, loading robots (for vehicle wheel assemblyline) have been sent to Korea's Greater Korea Heavy Machinery Company. Robots for vehicle testing have been exported to Mitsubishi Automobile's Australian Plant. Self-assembly units have gone to Cannon's U.S. production company--CBM Corporation (California). During the past year, there has been a steady stream of export negotiations and agreements.

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But the European market, where a large-scale demand is expected in the future, is still unclaimed territory. A full-scale push is being planned toward the end of this year and the beginning of next year. Now, with regard to production, as a result of building additions to the company's system machinery, a 50-percent increase in the production format has been established. However, in anticipation of a future increase in demand both at home and abroad, a set-up whereby subsidiary companies and cooperative venture plants will directly manufacture and distribute the robots will be instituted as well.

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