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Mainichi Daily News
Thursday, July 22, 1982

Plan For Japan Loans To US Firms Advances

A proposal by a Japanese-American business magnate to extend low-interest Japanese loans for businesses approved by U.S. state governments to help revitalize the American economy is expected to make a major headway.

Kay Sugahara, chairman of the U.S.-Asia Institute who made the proposal, is now visiting Tokyo for full-scale negotiations with Japanese banks.

Likewise, William Piez, U.S. economic minister at the American Embassy in Tokyo, has negotiated with Finance Ministry officials at the request of U.S. senators and governors of various U.S. states.

The plan, called "Partners in Progress," involving Japanese Dietmen of the ruling Liberal-Democratic Party, is an improved version of Sugahara's proposal for a \$10 billion fund to help solve Japan-U.S. economic frictions, made at a meeting of U.S. state governors last February.

Already, applications to finance an estimated 500 business programs worth \$50 billion from various states have been received. Sugahara's institute will screen them prior to starting negotiations.

Motoo Shiina, an LDP Dietman instrumental in the promotion of the program, has high hopes for the program in the hope to shore up the U.S. economy which, he said, would favorably affect the Japanese economy.

denominated Japanese loans have been further increased since the Finance Ministry in May abolished a restriction that allowed low-interest Japanese loans only to official agencies and organizations related with energy.

Isaji Tanaka, chairman of the LDP's Policy Affairs Research Council, also supports the program from the viewpoint of helping to solve the trade frictions.

In April, Zentaro Kosaka, chairman of LDP's Foreign Affairs Research Council, made the similar proposal in a speech at the Japan Society in New York.

According to Sugahara, U.S. government agencies concerned have agreed to guarantee the proposed loans.

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The Japan Times Saturday, July 24, 1982

Japan Bank Said Eyeing U.S. Loans

The Associated Press

A major Japanese bank is considering the possibility of extending low-interest loans to job-creating programs in the United States — an idea proposed earlier this year by American-born millionaire Kay Sugahara, a government member said Thursday.

Motoo Shiina, a Diet member belonging to the ruling Liberal-Democratic Party, said in an interview with The Associated Press that "Sugahara's financing plan just got off the mark . . . a Japanese bank is interested in channeling money into the United States to help its economic recovery."

Shiina, a key figure in promoting the plan called "Partners in Progress," declined to identify the bank, but said it probably would form a bank syndicate to support the loan project.

English translation
of attached article

Nihon Keizai 7/21/82

U.S. SIDE WILLING LOW INTEREST FUND PROPOSAL

"We would like to have the advice and support of the Japanese Government for the Japanese low interest loan to the U.S. business sectors to help increase employment" - such letters have reached Ambassador Mansfield at the U.S. Embassy in Tokyo from several U.S. Senators.

This was to promote the proposal by an American businessman, Mr. Kay Sugahara, last February, followed by Mr. Kosaka of Foreign Affairs Research Council in April, who proposed the Japanese loan to the U.S. The U.S. Embassy in Tokyo will forward the U.S. request to the Foreign Office and ask for their support.

What Mr. Sugahara proposed was the \$10 billion "revitalization fund" for U.S. economy. Kosaka proposed "Japan/U.S. Economic Ally Fund". Both of these proposals were intended to invest our low interest fund to the U.S. business which will in turn contribute to the ^{solution of the} unemployment problem in the U.S., thus helping to resolve the economic friction between the 2 nations.

This has raised great interest within the U.S. The National Governors Association has begun preparations to accept the proposal and several hundred projects have been sent to the NGA office. The U.S. Government also showed positive attitude to support this proposal when USTR Brock stated in April, "It would be great if this proposal is finalized."

However, on the Japanese side, so far there has been no positive approach at the public financial level. The Japanese Government is showing negative attitude since "if we further accelerate the trend of outflow of funds to the U.S., the devaluation of yen will not stop."

According to some source, several Senators wrote to Ambassador Mansfield stating, "This is on a private to private basis and not a government level project but we hope to receive the advice and support of the Japanese Government. Is it possible to approach the Japanese Government so to start the machinery moving?" The U.S. Embassy has already passed this message to the Ministry of Foreign Affairs and will be approaching the Ministry of Finance.

On the other hand, on the 20th, Mr. Sugahara has met officials of our financial circle but can this proposal, which is highly anticipated as a countermeasure for Japan/U.S. economic friction, be realized?

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