

128030

JPRS-JAR-85-008

29 March 1985

Japan Report

19980722 118

DTIC QUALITY INSPECTED 3

FBIS

FOREIGN BROADCAST INFORMATION SERVICE

REPRODUCED BY
NATIONAL TECHNICAL
INFORMATION SERVICE
U.S. DEPARTMENT OF COMMERCE
SPRINGFIELD, VA. 22161

5
92
A05

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

29 March 1985

JAPAN REPORT

CONTENTS

POLITICAL AND SOCIOLOGICAL

NHK Poll Shows 56 Percent Support Nakasone (NHK Television Network, 25 Feb 85)	1
ASAHI Poll Shows Nakasone's Popularity Rises (KYODO, 16 Mar 85)	3
Nakasone, Kanamaru, Ryuzo Sejima's Internecine Struggles Viewed (SENTAKU, Dec 84)	5
LDP Sources View Implications of Tanaka Stroke (Antonio Kamiya; KYODO, 5 Mar 85)	12
Nakasone Warns of Possible UNESCO Withdrawal (KYODO, 26 Feb 85)	14
LDP, Opposition Fail To Break Diet Deadlock (KYODO, 2 Mar 85)	15
Reportage on Japanese-Soviet Relations (KYODO, 15, 17 Mar 85)	16
Foreign Ministry on Further Dialogue Thaw in Relations, by Antonio Kamiya	
Rightists Protest USSR Fishing Boat's Visit (KYODO, 13 Mar 85)	19
Government Officials Plan Travel Abroad (KYODO, various dates)	20
Nakasone to GDR Abe to Finland, Norway, Austria Abe Hopes to Visit Washington in April Tanabe to North Korea 'in May'	
Cuban National Assembly Group To Visit Japan (KYODO, 1 Mar 85)	23

Briefs	
KAL Recordings Released	24
Soviet Seizure of Boats Declines	24
Food Aid to Africa	25
Osaka Aid to Fujian	25
Aid to Laos	25
Grant to Western Samoa, Bangladesh	25
Aid to Sri Lanka	25
Grant to Nepal	26
Gratis Aid to Ethiopia	26
Food Aid to Ethiopia	26
Loan, Aid to Bangladesh, Pakistan	26
African Aid Discussion	26
Japan, FRG Aid Project	26
Antarctic Expedition Team	27
U.S. Nuclear Submarine Protest	27
Soviet Fishing Boat Leaves Shioyama	27
Norway Opposes U.S. on Whaling	28
Abe To Meet Shultz	28
Caution on Soviet Ties	28
Gromyko Visit	28

MILITARY

New Locality Joins Movement Against U.S. Military Base (SHAKAI SHIMPO, 25 Dec 84)	30
DFAA Director on Damage Done by U.S. Exercises (RYUKYU SHIMBO, 28 Feb 85)	32
Antiship Missile To Be Introduced by 1989 (KYODO, 17 Feb 85)	33
Defense Agency Plans Ground Force Reorganization (KYODO, 17 Mar 85)	34

ECONOMIC

Japan, U.S. Clash on Market Access, Strong Dollar (KYODO, 14 Mar 85)	36
Japan, U.S. Plan Meeting Market Access (KYODO, 5 Mar 85)	38
Japan, U.S. May Extend Tokyo Aviation Talks (KYODO, 28 Feb 85)	39
Japan, U.S. Studying Problems in Air Cargo Service (KYODO, 5 Mar 85)	41
MITI Studying Plan for Auto Exports to U.S. (Sei Ogawa; KYODO, 5 Mar 85)	42

MITI Official Hints at Car Export Policy Change (KYODO, 15 Mar 85)	45
Steel Trade Talks Hinge on U.S. Concessions (KYODO, 6 Mar 85)	46
Steelmakers Urge Fair Treatment in Export Quotas (KYODO, 14 Mar 85)	48
Japan's Position on Telecommunications Talks Set (KYODO, 2 Mar 85)	49
KYODO Says Standards Talks Make Progress (KYODO, 6 Mar 85)	50
U.S. Official on Expected Reaction to Telecom Issue (KYODO, 15 Mar 85)	51
New Telecom Terminal Standards Outlined (KYODO, 1 Mar 85)	52
ROK Hits Japan for Refusing Technology Transfer (YONHAP, 16 Mar 85)	53
Japan, Australia Agree on Reciprocity in Banking (KYODO, 27 Feb 85)	54
Advisers Urge Euroyen Loan Liberalization (KYODO, 5 Mar 85)	55
Opposition Parties Submit Tax Cut Proposal (KYODO, 25 Feb 85)	57
Gross National Product Rises Sharply in Late 1984 (KYODO, 15 Mar 85)	59
Government Urged To Promote Free Trade System (KYODO, 26 Feb 85)	61
JETRO Report on Japan's Overseas Investment (KYODO, 18 Mar 85)	63
Panel To Recommend Market Opening Efforts (KYODO, 5 Mar 85)	64
British Leader Asks for Greater Access to Market (KYODO, 25 Feb 85)	65
Toyota Denies Report of Coproduction With Taiwan (KYODO, 25 Feb 85)	66
Business Leader Urges Open Market for ASEAN (KYODO, 26 Feb 85)	67

Nation Backs South Asian Regional Cooperation (KYODO, 14 Mar 85)	68
Fishery Survey Conducted in Senkaku Waters (RYUKYU SHIMPO, 5 Mar 85)	70
PRC Seeks To Extend Fishing Limitations (KYODO, 2 Mar 85)	71
Japan, Brazil Sign Accord on Farming Cooperation (KYODO, 4 Mar 85)	72
Japanese Builders Expand Into Chinese Market (KYODO, 4 Mar 85)	73
Briefs	
Steel Structures Export Curbs	74
Deep-Sea Survey Off Mexico	74
Japan-EC Trade Expansion Committee	74
'Volatile' Yen-Dollar Rate	75
Corrective Phase of Dollar	75
Officials Criticize Trade Surplus	75
Japan-ROK Continental Shelf	76
Satellite Trade Discussion With U.S.	76
TV Production in China	76
TV Plants Sell to PRC	76
PRC Shipbuilding Modernization	77
Small Business Ties with PRC	77
PRC Top Steel Importer	77
Kawasaki Steel PRC Office	77
PRC Fluorescent Lamp Plant	78
PRC 'Friendly Factory' Contract	78
Japan, France Coal Development	78
January Industrial Output Drops	78
Power Company in PRC	79
Grant Aid to Thailand	79
Japan, Pakistan Trade Discussion	79
Multilateral Trade Conference	79
January VTR Exports	79
Fastest General-Purpose Computer	80
Japan, U.S. Telecommunications Talks	80
Dismissal of Trade Criticism	80
Japan, U.S. Subcabinet Trade Consultations	81
Mining, Manufacturing Figures Decline	81
'High-Level' Talks With PRC	81
Trade Office in Shanghai	82
Toyota Urges Export Position	82
Toyota Mission to PRC	82
Japan, U.S. Energy Cooperation Talks	82
New Telephone Company Head	83
Grant Aid to Micronesia	83
Feed From Trees	83
Food Aid to Bangladesh	83

ULSI Material Development	84
1984 Electronics Production Surge	84
Aid to YAR	84
Grant to Marshall Islands	84
PRC Officials Tour Plants	84
Pacific Basin Economic Council	85

29 March 1985

POLITICAL AND SOCIOLOGICAL

NHK POLL SHOWS 56 PERCENT SUPPORT NAKASONE

OW251244 Tokyo NHK Television Network in Japanese 1000 GMT 25 Feb 85

[Text] According to a NHK public opinion survey, 56 percent of the people give the Nakasone cabinet positive rating. The Nakasone cabinet therefore continues to enjoy a high popularity rating exceeding 50 percent.

In the survey of how people perceive the government and their livelihood, NHK interviewed 1,800 persons across the country on 16 and 17 February and obtained valid responses from 1,283 of the interviewees.

Responding to the question about the Nakasone cabinet, some 4 percent of those polled gave it a highly positive rating and 51-plus percent rather a positive rating. Thus, 56 percent gave the Nakasone cabinet a positive rating, which is the second highest ever posted by the cabinet. In the previous survey, conducted last September prior to the LDP presidential election, the Nakasone cabinet had the highest rating--58 percent--since its inception.

On the other hand, some 33 percent gave the cabinet a rather negative rating and some 5 percent a totally negative rating. Thus, 39 percent gave the Nakasone cabinet a negative rating, which is approximately 3 percent higher than in the previous survey.

NHK has conducted opinion polls about the Nakasone cabinet on eight occasions since the cabinet's inception in November 1982. In all but two surveys, the cabinet received high ratings exceeding 50 percent. In the February 1983 survey shortly after the cabinet's start and the February 1984 survey the cabinet posted less than 50 percent.

Meanwhile, 44.9 percent of those polled supported the LDP. The figure indicates a 1.6-percent decline from the previous survey, but it still shows that the LDP continues to enjoy a high rating exceeding 40 percent. The JSP, pursuing a realistic line of the so-called New Socialist Party under Chairman Ishibashi, posted 16.5 percent, which represents a 3.7-percent gain. This gain is noteworthy. Komeito, the Democratic Socialist Party [DSP] and the JCP came up with 4.8 percent, 3.5 percent, and 2.8 percent respectively, indicating little change from the previous survey. The New Liberal Club posted 0.6 percent down 0.7 percent, and the United Social Democratic Party

received about the same rating as before, while 23.6 percent of those polled, 1.9 percent less than in the previous survey, refused to support any of the existing parties.

Regarding moves for a Komeito-LDP coalition, 48 percent of those polled responded negatively, and only 23 percent positively. However, among those supporting the Komeito, 60 percent supported a coalition with the LDP. Meanwhile, 37 percent opposed a coalition between the Democratic Socialist Party and the LDP and only 29 percent supported such coalition. It is noteworthy that the survey indicated less opposition to a DSP-LDP coalition than to a Komeito-LDP coalition. Among those supporting the DSP, 49 percent supported a coalition with the LDP.

CSO: 4100/268

POLITICAL AND SOCIOLOGICAL

ASAHI POLL SHOWS NAKASONE'S POPULARITY RISES

OWL60609 Tokyo KYODO in English 0306 GMT 16 Mar 85

[Text] Tokyo, 16 Mar KYODO--Riding on his diplomatic achievements, Prime Minister Yasuhiro Nakasone bounced back to the highest approval rate since he took office 27 months ago, according to an ASAHI SHIMBUN poll published Saturday. The quarterly newspaper survey put the support rate for the Nakasone cabinet at 45 percent, after a 3 point dip in a similar study last December.

The 66-year old prime minister started out his administration in November 1982 with an identical 37 percent approval and disapproval rate, and saw his support rise to 45 percent in ASAHI's March and October 1984 polls. Those who disapproved of Nakasone's leadership stayed at 30 percent, unchanged since last October.

The ASAHI SHIMBUN survey, showed again that Nakasone's conduct of diplomacy was his strongest card, while the government's defense policy drew the largest number of dissenters.

ASAHI said the nationwide poll was carried out last Wednesday and Thursday, when Nakasone was in Moscow to attend the funeral of Soviet leader Konstantin Chernenko.

When asked to tick "positive aspects" of the Nakasone cabinet, 14 percent of the respondents chose diplomacy, the highest among a list of six policy areas.

The fact that the prime minister belongs to the Liberal-Democratic Party (LDP) got a 9 percent rating.

The approval rating for Nakasone's active diplomacy was exceeded only by the "nothing in particular" response, which came to 41 percent.

Nakasone's defense policy received only a 3 percent approval rate, completely outshadowed by the 23 percent who disapproved.

Nakasone also did poorly in the rating of his government's price and economic policy, with 20 percent of the respondents expressing disapproval and only 3 percent support.

The ASAHI poll showed respondents were practically indifferent to the government's controversial education policy. Nakasone has actively sought a major reform of Japan's education system, but the policy attracted comment from 6 percent of the respondents, with 3 percent saying "yes" and the other 3 saying "no."

In party approval listing, the ASAHI survey showed a majority of Japanese voters favor political conservatism, with 55 percent of the respondents giving their support to the LDP. The main opposition Japan Socialist Party came in a distant second, at 18 percent. All other opposition parties were rated at between 3 and 6 percent.

CSO: 4100/305

POLITICAL AND SOCIOLOGICAL

NAKASONE, KANAMARU, RYUZO SEJIMA'S INTERNECINE STRUGGLES VIEWED

Tokyo SENTAKU in Janapese Dec 84 pp 44-47

[Text] The recent political change afforded another glimpse into the continued presence of the "Hate Nakasone syndrome." It may stem from an aversion to Nakasone's ingratiatory attitude and his tendency to make a quick volte-face or from a deep-rooted distrust in his fundamental human qualities. Be that as it may, this so-called "Nakasone allergy" which was present until just before he became prime minister, still persists to this day. What makes the matter ironic is the fact that the most vociferous of the "Nakasone haters" happens to be Shin Kanamaru who has just won the position of chief cabinet secretary.

"I hate a guy (like Nakasone) who always wants to 'eat warm rice.' [Translator's note: 'walk on the sunny side of the street'] There are times when one has to eat cold rice or rice which is warmed over. Life is not always rosy." Kanamaru who dislikes Nakasone's "weathercock-like political opportunism" used to make such acid comments whenever Nakasone's name came up in conversation.

It is still fresh in our memory that when the Tanaka faction became united in its support of Nakasone at its general meeting held in November 1982, Kanamaru addressed his colleagues stating, "You gentlemen are fully aware that I hate that guy totally, but this time around, even I am going to support him and I would like you to do the same. In a political faction, the followers must follow the decision of the boss. If the followers are allowed to oppose the boss lightly, we would not need any faction. I opposed the boss once in the past and if I did it again, I would surely get kicked out of his faction. I don't like Nakasone but I will obey the decision of the faction this time around."

This statement of Kanamaru turned out to be the virtual closing ceremony of the Tanaka faction deciding on support of Nakasone. Likewise, it was Kanamaru again who played a decisive role in making Nakasone's reelection possible. Taking advantage of the then Cabinet Secretary Rokusuke Tanaka's prolonged hospitalization, Kanamaru, representing the party leadership as chairman of the Executive Council, produced a consensus on the matter with lightening speed.

"If Nakasone should do something which is not in the interest of the party or the country, I would surely get in his way and lead a campaign for the downfall of his cabinet even at the risk of exterminating each other politically. Fortunately, the senior leaders showed understanding about my position. I had to beat my brains out to come up with this killing phrase 'at the risk of exterminating each other.'" So Kanamaru stated to a reporter of a local newspaper after Nakasone's reelection.

"The reelection of Nakasone was inevitable, but it is going to be for only 1 year. I am good at getting in other people's way. I could always get in Nakasone's way and drag him down." If this were Kanamaru's true intention, the phrase "exterminating each other" may sound increasingly ominous to Nakasone.

Of course, cold political calculations must have been the underlying factor behind Kanamaru's action. For instance, supposing that Nikaido had been elected instead of Nakasone, he would be followed by Kiichi Miyazawa (former cabinet secretary) and Takeshita's turn to seize power would be greatly delayed. On the other hand, if Nakasone succeeds himself, since he would retire after 1 or at most, 2 years, Takeshita's chance would emerge much sooner. It would not be a good deal to side with Nikaido this time around. Such was the shrewd calculation of Kanamaru.

Why, however, does Kanamaru hate Nakasone so intensely?

For Kanamaru, his first encounter with Nakasone was in the spring of 1946. We say, "for Kanamaru," because Nakasone has no recollection at all of meeting Kanamaru at that time. When the war came to an end, Nakasone was at the Naval Construction Department at Kaohsiung and returned to Nagoya on an American V26 Liberty ship. It so happened that Kanamaru was also on board the same ship. Even on the repatriation ship, Nakasone, who was a Navy pay-officer with the rank of lieutenant j.g., must have cut a figure surrounded by his subordinates, while Kanamaru was just a plain sailor.

Nakasone was first elected in the general election of April 1947. Though a newcomer in politics, he soon became well known, earning himself the nickname of "young officer," because of a series of brash actions such as thrusting a recommendation before General Douglas MacArthur or unleashing a harsh critique of Mr Yoshida.

On the other hand, Kanamaru's first election was in May 1958. On his first day in the Diet, as he was walking down the red-carpeted hallway, he saw Nakasone coming from the other direction with an entourage of news reporters. Kanamaru stopped and deferred to Nakasone by bowing. Nakasone pretended not to notice him and walked away. Kanamaru told his friends later about the humiliation and anger he felt toward Nakasone. One was a rising elite politician and the other was a struggling

grass-root party man. The encounter between the two began with one taking no notice of the other. But the seeds of Kanamaru's hate and prejudice toward Nakasone had already been sown and were to grow stronger as time went by.

Kanamaru's dislike of Nakasone became even amplified as the two went solidifying their respective positions in politics. The fact that Nakasone's follower Eiichi Nakao was from the same electoral district of Yamanashi as Kanamaru further exacerbated the situation. The speeches Nakasone made in Yamanashi in support of Nakao often wound up turning into harsh attacks on Kanamaru. Especially, in the gubernatorial election of 1946, the fight between Kanamaru who was supporting the incumbent governor, Hisashi Amano, and Nakao who was trying to prevent Amano from seeking a fifth term and joining forces with the leftist parties, reached the height of bitterness and Nakasone was by then inextricably embroiled in the bitter struggle between the two persons.

Furthermore, in the summer of 1978, when Kanamaru, then director general of the Defense Agency, fired his joint chief of staff Kurusu for the latter's controversial remark that "an extra-legal action of the Self-Defense Forces is possible in an emergency situation," Nakasone gave Kanamaru a stern talking-to by saying that "It is the prerogative of the prime minister, not of the director general of the Defense Agency, to sack the supreme commander of the Self-Defense Forces." This deeply injured the pride of Kanamaru.

A Diet member close to Kanamaru, while acknowledging all these past circumstances, points out that Kanamaru's dislike of Nakasone, stems, in the final analysis, from his inferiority complex toward the elite. He says, "Kanamaru just dislikes the elite. He can't stand bureaucrats with a diploma from Tokyo University. It isn't just Nakasone. He hates Miyazawa even more. He just can't put up with those guys who are smart and get ahead in the world by just being shrewd and opportunistic."

Nakasone and Kanamaru have a common friend, however, His name is Ryuzo Sejima, aged 73, a former staff officer of the imperial headquarters. When the war ended, Sejima was a staff officer of the Japanese forces in Kuantong and returned to Japan after spending 11 years in a Siberian detention camp. He joined C. Itoh & Co as a part-time employee but was soon recognized by the then president of the company, Uichiro Kosuge. He displayed his extraordinary talent as a strategic planner. He introduced a management system modeled after the former imperial headquarters general staff and was instrumental in making C. Itoh grow into a giant trading firm comparable to Mitsui and Mitsubishi. At C. Itoh, he became an executive vice president and later retired to the position of advisor to the Board of Directors and as such, in response to requests from political, governmental and industry leaders, he often conducted seminars on "the strategy of Sunzi." As soon as the second Ad Hoc Commission on Administrative Reforms was formed he

became a member and assisted Chairman Toshio Doko. It is now a well known fact that it was he who arranged Nakasone's lightening visit to Korea.

Although Kanamaru is reluctant to talk much about his first encounter with Sejima, it is rumored that the go-between was Kekuei Tanaka. Since then, as chairman of the Diet Policy Committee or as a cabinet minister, Kanamaru often sought Sejima's counsel whenever he was confronted with difficult problems. In the course of these contacts, Kanamaru introduced Takeshita to Sejima.

Kanamaru was quoted to say: "What a great man he is! He is in the center of politics and administrative reforms as the right arm of Mr Doko. He is meticulous in everything he does. He is a strategist. How could Japan have lost the war with someone like him in the general staff?" Kanamaru, who now wields tremendous political power, is rapt in his deep appreciation of Sejima's capabilities--an unsurpassed analytical mind and reasoning power. Gentle bearings--he shuns the limelight and is determined to maintain a low profile including above everything else, his image as a "former officer of the imperial general staff." It may be that these qualifications overwhelm even the most shrewd of politicians. Nakasone once said that "Sejima is not somebody I could monopolize." This may be a frank impression shared by many politicians who approach Sejima.

It was in the summer of 1982. Kanamaru, as a leader of the postal services lobby of LDP, was categorically opposed to the denationalization of NTTPC, an issue which was considered the "eye of the typhoon" in the July recommendation of the Ad Hoc Committee on Administrative Reforms. Kanamaru's intention was to scuttle the project. On the other hand, Sejima was determined to make the denationalization of NTT as a bridgehead for the rest of the administrative reforms. And Nakasone, as director general of the Suzuki Cabinet's Administrative Management Agency, was determined to accomplish the reforms with the backing of the Doko Committee and reap its political fruits after Suzuki was gone.

The next year, 1983, Kanamaru assumed the post of chairman of extraordinary committee on administrative reforms at the time the administrative reform bill was about to be introduced to the Diet, along the lines of the Doko Committee's recommendations. It was then that the three met finally for an eyeball-to-eyeball session. For Nakasone, the enactment of the administrative reform legislation was a matter of crucial importance. He sorely needed the support of Kanamaru who is a seasoned parliamentarian with good contacts with the opposition parties. Nakasone, being fully aware that Kanamaru disliked him, asked Sejima who had considerable clout with Kanamaru to intercede. At first, Kanamaru resisted, saying "Why should I help Nakasone?" Sejima persuaded by saying "It isn't for one individual, but it is for the good of the nation and the people that I beseech you to cooperate." As a result, in the spring of 1982, the three met in a restaurant. Viewed in the perspective

of time, the conversation held on that occasion was a harbinger of what was subsequently to come to pass. It is said to have gone like this....

Sejima: "Mr Kanamaru, you are a person who in due course will become the speaker of the House. It becomes of you to join with Mr Nakasone and work together for the good of the country and the people...."

Kanamaru: "...."

Nakasone: "Well, even before then, there are tons of things which require his services. Such as any of the three executive positions of the party or a major cabinet post. For a clumsy guy like myself, the help of a person like Mr Kanayama is absolutely essential."

Kanamaru: "...."

On the night of 30 October, following the day of his reelection, Nakasone invited Kanamaru to his official residence for a private meeting and told him that: "Now that I have been allowed to work for the second term, I would like to work heart and soul for the good of the nation and the people. During my first term, I was totally preoccupied with the carrying out of policy goals. For that reason, I may not have been as considerate or mindful of other matters as I should have been. Nor could I afford the time. In the second term, I would like to think of those persons who will succeed me. I will allow myself time to develop those persons. Would you lend a hand to a clumsy guy?"

Kanamaru responded by saying, "Once I have decided, I will do a most sincere and praiseworthy job as secretary general of the party. The prime minister-party president and the secretary general should be one and undivided."

To Kanamaru who had been an ardent advocate of a change of generations, Nakasone's flattery must have titillated his ear. Amidst mutual dislike and mistrust, the political speculations of the two finally found a community of interests. This, however, would not have been possible but for the invisible string which Sejima has provided to tie the two people together, confided a source close to Nakasone.

Well then, how long is Sejima's relationship with Nakasone? It dates back to the first half of the decade of the fifties, when Sejima was a member of a study group surrounding Nakasone. The relationship grew more intimate since the summer of 1980, through attendance at meetings at "Chu-Chu Kai" with the presence of the late Ichiro Nakayama (exagricultural minister). The relationship became decisive when Nakasone, then director general of the Administrative Management Agency, created the Second Ad Hoc Committee on Administrative Reforms and appointed Sejima as a member. In the course of discussions on administrative reforms, Sejima appears to have renewed his awareness

about Nakasone's sharp international sense, becoming convinced that Nakasone would be the only person who could revitalize Japan's do-nothing diplomacy.

As Suzuki announced his decision to retire, Sejima, under instructions from and in concert with other persons close to Nakasone, plans a strategy to seize power. The "Sejima Memorandums" which were regularly delivered to Nakasone, contained basic strategies for the preliminary election, personnel appointments to party and cabinet positions, U.S.-Japanese relations, deficit reduction, administrative reforms, etc. It was a manifestation of Sejima's strong wish for Nakasone to take charge and devote himself wholly to the good of the country, at least for the time being. This does not mean that his "friendship" with Takeshita, established through Kanamaru, had diminished. He never opposed the advocacy of the so-called new leaders such as Takeshita and Abe (foreign minister) for a change of leadership to younger generations.

After the establishment of the Nakasone administration, Sejima endeavored, both publicly and privately, to promote stability. "Kanamaru is in a mood to eat even an astringent persimmon, but Takeshita is willing to wait for it to ripen." "Kanamaru is still undecided as to which way to move." These were Sejima's statements to a close business friend about the end of 1983 to about the middle of January 1984. But, toward the end of January of this year, Sejima's view changed somewhat as he said, "Kanamaru has four choices, namely, supporting the reelection of Nakasone or supporting any of the other three candidates, i.e., Nikaido, Kawamoto and Takeshita. But since Takeshita has no intention of running, Kanamaru seems to be about 70 percent decided on supporting Nakasone's reelection.

This basic posture of Kanamaru was clearly conveyed to Nakasone in a secret meeting of the two held on 3 February of this year, using the following words:

"Mr Nakasone, unless you tell me that you will back up Takeshita as your successor, I can't promise to support your reelection." By September, Kanamaru's mind was made up. His scenario was: "Nakasone, after 3 years in power, will turn the reins to Takeshita."

"There is some doubt that after a year from now, Takeshita will have grown to be truly worthy of accepting of the honor. By then, there will be guys who would hesitate to ask Kakuei to support Takeshita's assuming power. Nakasone, too, will do his best to win his favor."

Those close to Nakasone, who feared a double-crossing by Kanamaru, confide "how profoundly their boss (Nakasone) has come to rely on Kanamaru," which led to the speculation that he may have contracted some kind of tacit agreement with Kanamaru regarding a post-Nakasone arrangement.

Amidst such circumstance, Sejima's early prediction to a close businessman friend that the next secretary general of the party would be Kanamaru, raises another speculation about the possibility that Sejima may have heard something from either Nakasone or Kanamaru. A further stretch of imagination leads one to speculate that it might have been Sejima himself who persuaded Kanamaru to support Nakasone this time around, while recommending to Nakasone to be mindful not only of pursuit of policy goals but also of opening the way for the younger generation and tacitly suggesting that he promote Takeshita as his successor.

Several days after Nakasone was reelected, Sejima told one of his Dietmen friends that "it wasn't personal like or dislike that influenced Kanamaru's support of Nakasone. Looking back over the past 2 years, Nakasone's policies have been both correct and well done. There is no basis to denounce them at this time. Popular support is high too. But from now on, the political situation will begin to revolve around Kanamaru."

The only person who can offer counsel to Kanamaru and intercede with Nakasone is Sejima. The influence of the "shadow advisor" is likely to grow increasingly larger.

12862
CSO: 8129/0906

POLITICAL AND SOCIOLOGICAL

LDP SOURCES VIEW IMPLICATIONS OF TANAKA STROKE

OW050537 Tokyo KYODO in English 0519 GMT 5 Mar 85

[Article by Antonio Kamiya]

[Text] Tokyo, 5 Mar (KYODO)--The worst, it seems, has been confirmed.

A day after doctors declared former Prime Minister Kakuei Tanaka had in fact suffered a cerebral infarction and would be incapacitated for at least two or three months, political shock waves Tuesday reverberated through Tokyo, with politicians buzzing about implications of Tanaka's stroke.

"To the public, that seems to be the end of the Tanaka era, and there is no way to check such a perception," a Tanaka aide said.

But to politicians from the ruling and opposition camp alike, the central question asked was, what will the Liberal-Democratic Party be like without the "kingmaker."

Doctors at Tokyo Teishin Hospital, where the 66-year-old Tanaka had been undergoing treatment since last Wednesday, said the stroke "would not threaten" his life.

But the stroke, which was more serious than originally thought, was politically crippling.

"It is unlikely that Tanaka would be able to recuperate completely, in political terms," another LDP politician says.

On the surface, however, Nagata-cho, Japan's political nerve center, was "business as usual."

Prime Minister Yasuhiro Nakasone told reporters Tuesday morning "there was nothing serious" about Tanaka's health and he should return to political life "after a rest as the doctors said."

Privately, however, there was mounting signs of concern within the Nakasone camp.

"We simply don't know what will happen," a Nakasone aide admitted in private.

The consensus, however, seems to be most contending power blocs within the faction-dominated LDP will stay put a couple of months, while trying to ascertain the extent of political damage Tanaka has suffered.

However, one thing seems certain. With Tanaka out of the scene, the chances that Nakasone may try, with Tanaka's support, to revise party rules and run for a third two-year term as party leader have all but disappeared, political sources say.

"What remains (for Nakasone) to be done is to finish his job in the best way possible," one Nakasone aide said.

Within the context of LDP factional politics, Tanaka's support is crucial as Nakasone, whose faction is among the smallest within the LDP, has no significant power base within the ruling party.

Although politically disgraced and convicted two years ago of taking a 500 million yen bribe in the Lockheed payoff scandal, Tanaka remains the most powerful political figure through his control of the largest LDP faction.

A self-made millionaire, Tanaka is acknowledged as the "kingmaker," being responsible for getting Nakasone to office in 1982 and his reelection last November.

"If Tanaka didn't say yes, (Nakasone) won't be reelected," the Nakasone aide said.

Although bed-stricken, political sources say, Tanaka can still call the shots, including the possibility whether or not the prime minister would call a general election this year.

"Unless Kaku-san says so, there wouldn't be any dissolution, the Nakasone aide said.

"There shouldn't be any immediate impact on the political scene," one influential LDP leader said. "However, the pace of events has quickened, and things will start moving after the summit," in reference to the May summit meeting to be held in Bonn.

Political sources anticipate a realignment of the power equation within the LDP.

The attention currently is focused on Finance Minister Noboru Takeshita, who is tipped to take over the Tanaka faction or a major chunk of its followings.

Takeshita, along with Foreign Minister Shintaro Abe and LDP Executive Council Chairman Kiichi Miyazawa, is known as a "new leader," all three of them with aspirations to succeed Nakasone as prime minister.

CSO: 4100/268

POLITICAL AND SOCIOLOGICAL

NAKASONE WARNS OF POSSIBLE UNESCO WITHDRAWAL

OW260617 Tokyo KYODO in English 0548 GMT 26 Feb 85

[Text] Tokyo, 26 Feb (KYODO)--Prime Minister Yasuhiro Nakasone Tuesday warned of Japan's possible pullout of UNESCO, saying the major UN organization is far from the original principle aimed at advancing educational and cultural relations of world countries.

"UNESCO has lost the principle on which it was founded," Nakasone was quoted as telling senior advisers of his ruling Liberal-Democratic Party (LDP).

The United States withdrew from UNESCO late last year, and now Britain and Singapore threaten to get out of the organization at the end of this year unless there are major reforms of the UN body.

The United States and some other Western nations are critical of UNESCO's programs which they believe are too much politically oriented.

"The organization, including the director general himself, is wasting money," Nakasone was quoted as saying during the meeting.

The present UNESCO secretariat chief is Amadou Mahtar M'bow from Senegal.

"We should harshly deal with how the organization will be reformed," Nakasone added.

During the 40-minute meeting, Nakasone also touched on U.S.-Soviet arms reduction talks and said he is paying great attention to resumption of the negotiations in Geneva on March 1.

The government plans to send a high-powered mission of LDP parliamentarians to the United States to find ways to settle the Japan-U.S. trade imbalance, Nakasone was quoted as telling the LDP supreme advisers, including former Prime Ministers Takeo Miki and Takeo Fukuda.

CSO: 4100/268

POLITICAL AND SOCIOLOGICAL

LDP, OPPOSITION FAIL TO BREAK DIET DEADLOCK

OW020711 Tokyo KYODO in English 0657 GMT 2 Mar 85

[Text] Tokyo, 2 Mar (KYODO)--The ruling and opposition parties, deadlocked over a 1.1 trillion yen opposition tax cut proposal, Saturday failed to break a four-day stalemate of Diet debates on the fiscal 1985 budget, political sources said.

Opposition parties walked out of the lower house budget committee Wednesday when the Liberal-Democratic Party turned down an opposition demand to revise the government budget bill.

The opposition is seeking the 1.1 trillion yen tax cut for fiscal 1985.

Further talks between the LDP and the opposition are expected to resume Monday.

The LDP wants to clear the budget bill through the Diet in time for the new fiscal year, which starts on April 1, and avoid a temporary budget, which LDP leaders consider would be politically embarrassing.

LDP leaders have hinted that the LDP may force through a vote in the lower house budget committee, where it commands a majority, unless the opposition parties resume the debates.

However, observers believe that the ruling party will try to negotiate a solution and avoid a direct confrontation, unless there is no other alternative.

The LDP wants the budget bill to clear the lower house budget committee by Friday next week and move deliberations to the upper house.

CSO: 4100/268

POLITICAL AND SOCIOLOGICAL

REPORTAGE ON JAPANESE-SOVIET RELATIONS

Foreign Ministry on Further Dialogue

OW170554 Tokyo KYODO in English 0522 GMT 17 Mar 85

[Text] Tokyo, 17 Mar KYODO--Japan's Foreign Ministry is ready to push its efforts further to improve ties between Japan and the Soviet Union following a summit meeting between Prime Minister Yasuhiro Nakasone and new Kremlin leader Mikhail Gorbachev in Moscow last week, ministry officials said Sunday. "As we promote talks with the Soviet Union, we'd like to create the climate for a visit to Tokyo by (the country's) Foreign Minister Andrey Gromyko," a senior ministry official said.

Japanese Foreign Minister Shintaro Abe also referred to the topic Saturday and said there is now a "stronger" possibility of Gromyko's trip to Japan.

In his talks with Nakasone, Gorbachev reportedly said "we will respond favorably" to a Japanese request for a Gromyko visit. The meeting was held on the occasion of Nakasone's attendance at the state funeral of Konstantin Chernenko last Wednesday.

In the past, Gromyko has rejected the request, calling the present state of Moscow-Tokyo relations "inappropriate."

The Japanese Government wants Gromyko to come to Tokyo for talks, above all, on Tokyo's territorial claim over four Soviet-held islands off northern Japan. Gromyko made his last trip to Tokyo in January 1976.

The senior ministry official also said the ministry plans to promote negotiations on a bilateral tax agreement, to hold a vice-ministerial meeting in Tokyo in May or June, and to invite senior Soviet Government officials to the science exposition which opened Sunday at Tsukuba, east of Tokyo.

Tokyo-Moscow relations chilled over the Soviet invasion of Afghanistan in late 1979 and the bilateral ties worsened because of the shooting down of a South Korean civilian airliner by Soviet military aircraft in September 1983.

A meeting between Nakasone and his Soviet counterpart Nikolay Tikhonov in New Delhi last November was a major result of Japan's efforts to improve ties with Moscow, the ministry officials said. The Nakasone-Tikhonov meeting followed a

visit to Tokyo in the previous month by Politburo member Dinmukhammed Kunayev, the highest Soviet Communist Party official to come to Japan in 20 years.

The officials also noted that new Soviet Ambassador to Tokyo Petro Abrasimov specifically referred to expansion of bilateral economic relations when he met Abe earlier this month.

Thaw in Relations

OW150949 Tokyo KYODO in English 0906 GMT 15 Mar 85

[Article by Antonio Kamiya: "Spring in Japanese-Soviet Relations?"]

[Text] Tokyo, 15 Mar KYODO--Along with the stirrings of spring in Tokyo, a tentative thaw is detected in Japanese-Soviet relations that have been more or less in deep freeze over the past decade.

"Compared to just half a year ago, the situation has definitely improved," says Prof Akio Kimura, a Soviet expert at Aoyama Gakuin University. The latest evidence of that thaw, as Kimura and most other Soviet experts in Tokyo believe, was the surprise meeting Thursday between Prime Minister Yasuhiro Nakasone and new Soviet leader Mikhail Gorbachev in Moscow. The meeting, the first top-level talk between political leaders of the two countries in nearly 12 years, was regarded in Tokyo as a sort of "breakthrough" in the frosty relations.

To be sure, the hour-long meeting was only one of a series the new Kremlin chief had with foreign dignitaries who showed up in Moscow for the funeral of Konstantin Chernenko, his predecessor who died March 10.

However, the Soviet leadership apparently "saw sense" after Nakasone, as he later recounted to reporters, threatened to go home if the Soviet Foreign Ministry insisted to arrange a political humiliating meeting with Premier Nikolay Tikhonov. The "demarche" prompted immediate action to set up the meeting, and the apparent pragmatism within the new Kremlin leadership led to expectations of better Soviet ties in Tokyo.

Takao Fujinami, Nakasone's chief spokesman, called the meeting "a great success" and even Japan's opposition parties gave credit to Nakasone for pulling off the top-level meeting, a feat not by any of Nakasone's four predecessors. [as received]

One concrete result of the meeting in the Kremlin was a promise to send Foreign Minister Andrey Gromyko for a visit to Japan, a trip Tokyo has pushed, without avail, over the past several years. Behind Gromyko's reluctance to travel to Tokyo, of course, lies the emotional gulf that divides the countries--a territorial dispute over four small islands off northern Japan.

Seized by the Soviets at the end of World War II, the islands have turned into the biggest sore point in Japanese-Soviet ties, even holding off the

signing of a treaty to end the formal status of war that still exists between the two countries 40 years after the war is over.

The Soviets, as Gorbachev pointedly reminded Nakasone, are not going to yield over the territorial issue. And neither is Japan, government officials say.

"There is room for compromise," Aoyama Gakuin's Kimura said. "The Soviets aren't saying, Tokyo is our friend, but they are willing to make the situation less antagonistic. And that is the essence of peaceful coexistence," he said.

Kimura argued that Moscow is willing to have a new look at its relations with Japan as part of its overall movement toward detente in East-West relations. "You can't discuss Japanese-Soviet relations outside the framework of East-West ties," he says and suggests caution.

"Too much expectation is unwarranted," he said. Political wrangles and territorial disputes notwithstanding, trade relations between the two countries, however, have been more or less "business as usual."

Although the two-way trade has shrunk from a peak of 5.6 billion dollars in 1982 to 3.9 billion dollars in 1984, Japanese officials insist the fall was a result of economic rather than political factors. "I won't say there is no politics involved, but it is the economic factors that brought down the trade," a Soviet trade specialist at the Ministry of International Trade and Industry said. The official, who asked to remain anonymous, noted that the government in Tokyo had not turned down "one single Soviet request" for bank loan even at the height of Japanese sanctions against Moscow in 1980-81.

However, the official believes a better official framework would improve trading ties between Japan and the Soviet Union, especially from Moscow's point of view. "The Soviet Union is a centrally planned economy, and they tend to view things in the overall perspective, such as long-term trade agreements, and that sort of thing," he said.

He says Japan is particularly interested in taking a stake in major economic Soviet projects under the new 5-year plan that is due to start next year. "There are a lot of projects, particularly in Siberia, where Japanese businessmen have an interest," he says.

And for the Soviet Union, their shopping list in Japan is a long one, particularly in high-tech areas such as computer chips, electronic products and mechatronics.

"With better ties, the Soviets think they will have better access to the Japanese market place," Kimura of Aoyama Gakuin said.

CSO: 4100/305

POLITICAL AND SOCIOLOGICAL

RIGHTISTS PROTEST USSR FISHING BOAT'S VISIT

OW131239 Tokyo KYODO in English 1034 GMT 13 Mar 85

[Text] Shiogama, Miyagi Pref., 13 Mar KYODO--Crew members of a Soviet fishing boat that arrived in this northern port of Honshu Wednesday morning were dismayed as hundreds of Japanese rightists from across the country chanted anti-Soviet slogans and had to abandon their plan to walk around the port town of Shiogama.

The 3,147-ton Novopskov steamed into the port, 350 kilometers north of Tokyo, with the news of death of President Konstantin U. Chernenko and to face the rightists demonstrations.

About 1,500 Japanese policemen were alerted ashore and 6 patrol boats and light aircraft were put into action as the boat arrived for a 2-day visit for rest of its 88 crewmen.

The port call was made as part of a Soviet request for access to Japanese ports for replenishment of supplies and rest of Soviet fishermen operating in Pacific waters off Japan's northern coast.

The Japanese Government complied with the request to break the deadlock in Japan-Soviet fishery negotiations.

The fishing boat was half-masted because of the death of Chernenko and crewmen were barred from going into the town for security reasons.

Valeriy Protasov, captain of the boat, told the press he was displeased with the rightists move, adding he and crewmen wanted to be friends with the port city residents.

Police arrested two members of a rightist group who attempted in a station wagon to break through a police blockade in front of the pier.

Crewmen had been allowed by the captain to go ashore for 5 hours but returned to the boat after about an hour's walk on the pier.

Shiogama is the only Japanese port open to Soviet fishermen at present. They were allowed to visit Onahama, south of Shiogama, last year.

CSO: 4100/305

POLITICAL AND SOCIOLOGICAL

GOVERNMENT OFFICIALS PLAN TRAVEL ABROAD

Nakasone to GDR

OW011338 Tokyo KYODO in English 1240 GMT 1 Mar 85

[Text] Tokyo, 1 Mar (KYODO)--The ambassador of the German Democratic Republic (East Germany) Dieter Jaeger Friday said the planned visit by Japanese Prime Minister Yasuhiro Nakasone to West Berlin in early May might violate the 1971 four-power agreement on West Berlin, if the visit is made as part of the official itinerary of his trip to West Germany.

He made the remarks when presenting information on overall GDR foreign policy and relations with Japan in an annual press meeting at his embassy.

Calling for an expansion of political dialogue between the two countries, the ambassador said he hopes for a visit to the GDR by the Japanese foreign minister, which he said was long due in return for the three visits by the foreign minister of his country to Japan so far.

"We were told by the Japanese Foreign Ministry that Foreign Minister Shintaro Abe is willing to come to our country and the timing of his visit is pending," he said.

In regard to Nakasone's West Berlin visit, he mentioned the West Berlin accord signed by the United States, Britain, France and the Soviet Union, that stipulates West Berlin does not constitute a part of the territory of the Federal Republic of Germany and may not be governed by the FRG.

Nakasone was reported to be planning to travel to West Berlin as the first Japanese prime minister in office to do so during his official visit to the FRG following the Bonn summit meeting of seven industrial democracies May 3-5.

Jaeger did not say whether the objections would be raised against Nakasone's plan, saying that the official itinerary was neither made public nor decided yet.

At the same press meeting, Commercial Counsellor of the East Germany Embassy Reinhard Oehlschlaegel called for closer bilateral economic and trade relations between Japan and his country.

He said that more than 100 leading Japanese businessmen, headed by Eishiro Saito, chairman of Nippon Steel Corp, are expected in Dresden to attend a regular joint meeting of the Japan-GDR and GDR-Japan economic commissions in the next few days.

He hoped for fruitful trade negotiations during the Leipzig spring fair that will start March 10 with 23 Japanese big businesses, among others, participating.

On the economic development of his country, Oehlschlaeger said that the GDR marked a 5.5 percent annual growth in the national income, the rough equivalent of gross national product (GNP), last year, and its external trade expanded by 8 percent in terms of volume so that "we registered a trade surplus for the fourth successive year last year."

In the 1985 economic development program, stress is being laid on three major areas, namely, energy and other basic industries, the intensive exploitation of crude oil and other energy resources, and rationalization through the development of microelectronics, robotics and data processing, he said.

The GDR is interested in purchasing plants and equipment from Japan to meet needs in these spheres, the commercial counsellor added.

Abe to Finland, Norway, Austria

OW081117 Tokyo KYODO in English 1109 GMT 8 Mar 85

[Text] Tokyo, 8 Mar (KYODO)--Foreign Minister Shintaro Abe will visit Finland, Norway and Austria before and after the Bonn summit of industrially advanced nations in May, government officials said Friday.

Abe, one of the potential successors to Prime Minister Yasuhiro Nakasone, tentatively will leave for Finland on April 28.

He will then fly to Norway before proceeding to Bonn for the summit, according to the officials.

The Bonn meeting is scheduled for May 2-4.

Abe will visit Austria after the session.

Abe Hopes to Visit Washington in April

OW280223 Tokyo KYODO in English 0206 GMT 28 Feb 85

[Text] Tokyo, 28 Feb (KYODO)--Foreign Minister Shintaro Abe is hoping to visit Washington in April for talks with U.S. Secretary of State George Shultz on bilateral economic issues, according to a senior Foreign Ministry official.

The Japanese side is sounding out Washington on a possible visit by Abe on his way home from a ministerial meeting of the Organization for Economic Cooperation and Development (OECD) to be held in Paris April 11-12, said the official, who declined to be identified.

The proposed meeting with Shultz is "necessary" in view of growing U.S. dissatisfaction with slow progress in sector-by-sector talks aimed at giving American firms greater access to Japanese markets, especially telecommunications equipment, he said.

The meeting is aimed at preventing trade problems from developing into political issues, informed sources said.

Tanabe to North Korea 'in May'

OW280339 Tokyo KYODO in English 0334 GMT 28 Feb 85

[Text] Tokyo, 28 Feb (KYODO)--Japan Socialist Party (JSP) Secretary General Makoto Tanabe said Thursday he will visit North Korea before summer at its invitation.

It will be JSP leaders' second trip to the communist country since last September when Chairman Masashi Ishibashi visited Pyongyang for talks with President Kim Il-song and other government and party leaders.

Japan does not have diplomatic relations with North Korea.

JSP sources said Tanabe, the No 2 man in Japan's largest opposition party, will probably go to Pyongyang in May.

CSO: 4100/268

POLITICAL AND SOCIOLOGICAL

CUBAN NATIONAL ASSEMBLY GROUP TO VISIT JAPAN

OW011324 Tokyo KYODO in English 1216 GMT 1 Mar 85

[Text] Tokyo, 1 Mar (KYODO)--Members of Cuba's National Assembly of People's Power (Parliament) are scheduled to arrive here March 13 on an eight-day visit to promote interchange and friendship with their Japanese counterparts.

The Cuban National Assembly group, to be headed by Assembly President Flavio Bravo Pardo, will be visiting Japan at the invitation of the House of Representatives, the lower house.

According to lower house sources, the Cuban National Assembly members wish to meet with Prime Minister Yasuhiro Nakasone, Foreign Minister Shintaro Abe and other government leaders during their visit here.

However, it is now known for sure whether or not Nakasone and other government leaders will be able to find time to meet them due to their busy Diet schedule, the sources said.

If they meet with Japanese Government leaders, the Cuban National Assembly members will exchange opinions not only about Japan-Cuba trade but also about other Japan-Cuba economic relations, cultural interchange and the international situation, particularly the Latin American situation.

According to the itinerary announced Friday, the Cuban party will pay courtesy calls on the speaker and president of the two houses of the Diet (Japanese parliament) on March 14 and meet with representatives of the Federation of Economic Organizations (Keidanren) and the Japan-Cuba Friendship Dietmen's League on March 15.

From March 16, they will visit various parts of Japan and complete their official program on March 18. They are scheduled to leave for home on March 20.

Japan is Cuba's No 1 importer and No 2 exporter in the free world. Cuba imports textiles, metal and chemical products, and machinery from Japan while exporting to Japan sugar, frozen shrimps and coffee. Japan-Cuba trade in 1982 amounted to approximately 240 million dollars both ways.

CSO: 4100/268

POLITICAL AND SOCIOLOGICAL

BRIEFS

KAL RECORDINGS RELEASED--Tokyo, 1 Mar (KYODO)--A lower house committee Friday released recordings of conversation between the pilot of a Soviet fighter and a Soviet ground control station during the shooting down of Korean Air Lines (KAL) Flight 007 near the island of Sakhalin in September, 1983. A total of 269 persons, including 29 Japanese, were killed as the Seoul-bound Boeing 747 went down in the Sea of Japan after it was hit by a missile fired by a Soviet interceptor. A Diet member of the Japan Socialist Party demanded the release of the tapes recorded by Japan's Defense Agency. Three kin of the Japanese victims were invited to a meeting of budget committee officers to listen to the 30-minute recordings in Russian. A U.S.-made videotape depicting how the tragedy occurred was also made public at the meeting. The videotape was released at a UN Security Council meeting soon after the incident. Soviet military authorities said they shot down the civilian plane, alleging that it had violated Soviet airspace on a spy mission for the United States. The allegation was denied by both the United States and South Korea. [Text] [Tokyo KYODO in English 0936 GMT 1 Mar 85 OW]

SOVIET SEIZURE OF BOATS DECLINES--Sapporo, 26 Feb (KYODO)--Japanese fishing boats and crews seized by the Soviet Union in waters around Hokkaido hit a 37-year low in 1984, a Maritime Safety Agency report said Tuesday. Boats captured last year came to nine and their crew 94, the smallest since 1947 when one boat and its three crewmen were captured. This year to date, only one vessel manned by a 17-member crew was captured in January but released soon, agency officials said. In comparison, those captured totaled 21 vessels and 204 men in 1982 and 19 boats with 238 people abroad in 1983, the report said. Japanese fishermen tightened cautions after the Soviet Union established a new border law in March 1983 and an economic zone decree in March 1984, the officials said. Among the nine vessels seized last year four were held on suspicion of illegal operations or for allegedly violating the Soviet territorial waters, four for illegally operating outside legal zones and one for writing false reports in log-books, the officials said. All the 94 Japanese fishermen captured last year were released and returned home by the end of the year, they said. [Text] [Tokyo KYODO in English 0903 GMT 26 Feb 85 OW]

FOOD AID TO AFRICA--Tokyo, 26 Feb (KYODO)--The Japanese Government decided Tuesday to extend 1.7 billion yen in food aid to eight African countries in response to an emergency request from the UN Children's Emergency Fund (UNICEF). The aid consists of 4 billion yen worth of wheat flour to Sudan; 250 million yen of rice to Morocco; 200 million yen of powdered milk to Ethiopia; 150 million yen of powdered milk to Burkina Faso; 100 million yen of powdered milk each to Mauritania and Niger; and 250 million yen worth of canned fish to each of Mozambique and Burundi. [Text] [Tokyo KYODO in English 0056 GMT 26 Feb 85 OW]

OSAKA AID TO FUJIAN--Osaka, 27 Feb (KYODO)--The business community in Osaka will form a panel to help develop fishing and related industry in Luoyuan Bay in Fujian Province, southeastern China. An overall development program will be drafted under an agreement between the province and a Japanese mission led by Professor Akio Sato of Konan University that recently visited the province, according to organizers. They said the province hopes to improve its fishing fleet, and seeks Japanese participation in fish culture, marine product processing and harbor construction. Fujian Province has been in active pursuit of direct foreign investment since 1977, with Xiamen Island (Amoy) designated a special economic zone, to which many foreign firms have been lured by privileges such as exemption from taxes. [Text] [Tokyo KYODO in English 0220 GMT 27 Feb 85 OW]

AID TO LAOS--Tokyo, 28 Feb (KYODO)--Japan exchanged notes with Laos Thursday to provide 181,685,000 yen (701,000 dollars) in grant aid for purchase of products necessary for economic development and enhancement of national welfare. The aid is in line with a United Nations decision to help debt-ridden developing countries, the government said. [Text] [Tokyo KYODO in English 1233 GMT 28 Feb 85 OW]

GRANT TO WESTERN SAMOA, BANGLADESH--Tokyo, 28 Feb (KYODO)--Japan will grant 390 million yen to Western Samoa to help port facility construction and 832 million yen to Bangladesh for purchases of medical equipment, the Foreign Ministry said Friday. Notes to this effect were exchanged the same day with both countries. Ministry officials said Western Samoa asked the Japanese Government for financial aid to construct port facilities to introduce large ferry boats which will be an important transportation means in that country. Bangladesh is planning to buy medical equipment for better medical treatment in local areas. [Text] [Tokyo KYODO in English 0854 GMT 28 Feb 85 OW]

AID TO SRI LANKA--Tokyo, 27 Feb (KYODO)--Japan Wednesday concluded an agreement to extend a 266,493,000 yen grant aid to Sri Lanka, the Foreign Ministry announced. The ministry said that a decision on the grant had been taken in accordance with a resolution adopted at the ninth trade development board meeting of the UN Conference on Trade and Development (UNCTAD) in March 1978. The money will be used for economic development and improvement of public welfare, it said. [Text] [Tokyo KYODO in English 1040 GMT 27 Feb 85 OW]

GRANT TO NEPAL--Tokyo, 3 Mar (KYODO)--Japan and Nepal Sunday exchanged official documents calling for Japan to offer a 144 million yen grant to the Himalayan kingdom. The financial assistance was extended as part of debt relief measures to a developing nation. Officials said the money will be used to purchase products to help improve Nepal's economy and public welfare. [Text] [Tokyo KYODO in English 0905 GMT 3 Mar 85 OW]

GRATIS AID TO ETHIOPIA--Tokyo, 25 Feb (KYODO)--Japan will provide Ethiopia with about 380 million yen (1.44 million dollars) to help the country repay its accumulated debt, the government said Monday. Notes to this effect were exchanged the same day in Addis Ababa. [Text] [Tokyo KYODO in English 0949 GMT 25 Feb 85 OW]

FOOD AID TO ETHIOPIA--Tokyo, 4 Mar (KYODO)--Japan informed Ethiopia Monday it will extend 1 million dollars in emergency food aid to the African country under the project of the World Food Program (WFP). In conveying the Japanese plan to Ethiopian Ambassador to Japan Afework Atlabachew, Chusei Yamada, head of the Foreign Ministry's United Nations Bureau, requested the African country to help WFP deliver food directly to famine-stricken Ethiopians. Foreign Minister Shintaro Abe expressed Japan's readiness to offer the emergency food aid during his trip to Ethiopia last November. The Japanese assistance and similar aid from other countries are used for the purchase of about 5,500 tons of wheat, Foreign Ministry officials said. [Text] [Tokyo KYODO in English 0343 GMT 4 Mar 85 OW]

LOAN, AID TO BANGLADESH, PAKISTAN--Tokyo, 26 Feb (KYODO)--Japan will extend 27 billion yen worth of yen loan to the People's Republic of Bangladesh to help the country develop its economy, the government said Tuesday. While terms and conditions of the loan will be worked out later, part of the loan will be applied to the country's gas turbine power plant construction and expansion of its telecommunication networks. Japan will also provide Pakistan with an aid totaling about 3.4 billion yen to help the country buy agricultural machinery and repay debts. The notes to this effect were exchanged Tuesday, the government said. [Text] [Tokyo KYODO in English 0859 GMT 26 Feb 85 OW]

AFRICAN AID DISCUSSION--Tokyo, 28 Feb (KYODO)--Deputy chief of Japanese diplomatic missions abroad will meet in Paris for three days from March 20 to discuss how best to extend economic aid to famine-stricken African nations, the Foreign Ministry said Thursday. The government has decided to provide African nations with 100 million dollars in yen loans and 60 billion yen (232 million dollars) in grants, including technical cooperation, in fiscal 1985 starting in April. Emphasis will be given to assistance related to food and agriculture. The Paris conference will study efficient and effective management of economic aid best suited to local realities, the ministry said. [Text] [Tokyo KYODO in English 1214 GMT 28 Feb 85 OW]

JAPAN, FRG AID PROJECT--Tokyo, 1 Mar (KYODO)--Japan and West Germany Friday exchanged notes pledging financial aid for the newly-created Berlin Japan-German center. Notes were exchanged between Foreign Minister Shintaro Abe and West German Ambassador Walter Boss at the Foreign Ministry. The center, Japanisch-Deutsches Zentrum Berlin, was officially established with a ceremony

January 15 at the former Japanese Embassy building in West Berlin. A senior Foreign Ministry official said Prime Minister Yasuhiro Nakasone will visit the center and the Berlin Wall during his May trip to West Germany. Nakasone came to a tentative agreement on the center, designed to promote academic and cultural exchange, with Chancellor Helmut Kohl during their June, 1984 meeting. [Text] [Tokyo KYODO in English 0132 GMT 1 Mar 85 OW]

ANTARCTIC EXPEDITION TEAM--Tokyo, 13 Mar (JIJI PRESS)--Japan's 26th Antarctic expedition observation party has built an unmanned camp at East Queen Maudland, one of the continent's least explored areas, to conduct atmospheric and biological experiments. According to word from Japan's showa base on the continent Wednesday, the team set up an observation hut with a meteorological observation tower and a wind-powered generator at a point 74 degrees South latitude and 35 degrees East longitude after leaving the Mizuho base January 27. The establishment of the unmanned camp is part of a joint international Antarctic observation program which started 3 years ago. It is designed to throw new light on the formation of 2,000-meter-thick ice. [Text] [Tokyo JIJI in English 1355 GMT 13 Mar 85]

U.S. NUCLEAR SUBMARINE PROTEST--Yokosuka, Kanagawa Pref., 15 Mar KYODO--The 3,640-ton U.S. nuclear-powered attack submarine William Bates of the Sturgeon class entered the U.S. Naval Base here Friday morning. The U.S. Navy authorities in Washington told a U.S. congressional subcommittee Wednesday that nuclear Tomahawk missiles would be equipped on 82 surface ships and 101 submarines by the middle of the 1990's. The submarines mentioned are believed to be all Los Angeles and Sturgeon-class submarines. Groups opposing port calls here by nuclear-powered vessels protested the William Bates visit, the seventh port call of the kind at the naval base this year. [Text] [Tokyo KYODO in English 0522 GMT 15 Mar 85]

SOVIET FISHING BOAT LEAVES SHIOGAMA--Shiogama, Miyagi Pref., 14 Mar KYODO--The Soviet fishing boat that entered this northern port town of Honshu amid rightists harassment and protest Wednesday left the port Thursday afternoon. The 3,147-ton Novopskov was the first Soviet fishing boat allowed to visit a Japanese port this year for replenishment of supplies and rest of fishermen operating in Pacific waters off Japan's northern coast. Its 88 crewmen had to give up their plan to go into town for security reasons as some 500 rightists from various parts of the country held protest rallies against the port call. A total of 50 Soviet fishing boats are allowed to visit Shiogama until November this year and the second one is scheduled to arrive on March 26. Only a few rightists were seen in town Thursday as the boat left the port sometime earlier than its originally scheduled departure time, lending its 2-day port call. Roadside vendors were specially arranged at the pier Thursday for the crewmen who wanted to do shopping while in Japan. [Text] [Tokyo KYODO in English 0901 GMT 14 Mar 85]

NORWAY OPPOSES U.S. ON WHALING--Tokyo, 13 Mar KYODO--Norwegian Fisheries Minister Thor Listau Wednesday told reporters that Norway supports Japan on the international whaling question and opposes current U.S. pressure on countries which continue whale hunting. Norway's whaling quota, at 710, is relatively small but it is important to the country as long as it is balanced, Listau said. He added that the subject of whaling must not be approached with an emotional bias. Listau is now visiting Japan as head of a mission to improve Japan-Norway fisheries relations and to promote Norway's fish exports to Japan. The mission, including representatives of the fishery industry, visited Agriculture, Forestry and Fisheries Minister Moriyoshi Sato Tuesday, and invited him to visit Norway. Norway's fish exports to Japan have been increasing with 1984 exports growing 22 percent to about 10.8 billion yen, according to Listau. The mission hopes that Japan as a major consumer of fish, will import more from Norway, especially herring, cod and shrimp, Listau said. [Text] [Tokyo KYODO in English 1012 GMT 13 Mar 85]

ABE TO MEET SHULTZ--Tokyo, 17 Mar KYODO--Japanese Foreign Minister Shintaro Abe will discuss trade problems with U.S. State Secretary George Shultz in Washington on April 14, according to Japanese Government sources. Abe will stop in Washington enroute home from Paris after attending the ministerial meeting of the Organization for Economic Cooperation and Development (OECD) scheduled for April 11 and 12, the sources said. Japan and the United States have been holding subcabinet-level talks on further opening the Japanese market to telecommunications, forest products, computers and pharmaceuticals and medical equipment. Following the meetings, the Japanese side is expected to announce a package of measures around April 9. Abe will probably use the meeting to explain the package to Shultz, the sources said. [Text] [Tokyo KYODO in English 0432 GMT 17 Mar 85]

CAUTION ON SOVIET TIES--Tokyo, 15 Mar KYODO--Japan expects Soviet Foreign Minister Andrey Gromyko to pay a visit here as the next major step toward improving Japanese-Soviet relations, a senior Foreign Ministry official said Friday. He cautioned that, while Prime Minister Yasuhiro Nakasone's meeting in Moscow Thursday with new Soviet leader Mikhail Gorbachev was a favorable development, it would be "premature" to predict a rapid thaw in Tokyo-Moscow relations. The Nakasone-Gorbachev talks were the first Russo-Japanese summit in 12 years. Japan is anxious to solve a territorial dispute involving four northern islands off Hokkaido and conclude a peace treaty with the Soviet Union. The islands have been under Russian control since the closing days of World War II. The Foreign Ministry official revealed that the Soviet Union first suggested a meeting between Nakasone and Premier Nikolay Tikhonov in Moscow in lieu of one with Gorbachev. Japan spurned the Soviet suggestion and strongly requested that a Nakasone-Gorbachev meeting take place. The Soviets agreed. "It was a gamble for Prime Minister Nakasone" to seek a meeting with the new Soviet leader, recalled the Foreign Ministry official, who declined to be identified. [Text] [Tokyo KYODO in English 1045 GMT 15 Mar 85]

GROMYKO VISIT--Tokyo, 16 Mar KYODO--Prime Minister Yasuhiro Nakasone indicated Saturday the government will start making arrangements for a visit by Soviet Foreign Minister Andrey Gromyko. Nakasone told reporters that the date has

yet to be fixed, but that the government will start working on it. Nakasone raised the prospect of a Gromyko visit in his meeting last Thursday in Moscow with Soviet leader Mikhail Gorbachev, and later said Gorbachev had agreed.
[Text] [Tokyo KYODO in English 0258 GMT 16 Mar 85]

CSO: 4100/305

MILITARY

NEW LOCALITY JOINS MOVEMENT AGAINST U.S. MILITARY BASE

Tokyo SHAKAI SHIMPO in Japanese 25 Dec 84 p 8

[Text] It has been revealed that some thousands of tanks and trucks, including six M-109 self-propelled howitzers (capable of being loaded with nuclear warheads) were brought into the Sagami general supply depot of the U.S. Army in Japan located in Kamiyabe, Sagamihara-shi. On 14 December, the Sagamihara branch of the Socialist Party (chairman, Harutsugu Aimoto), impressed by the danger from this development, sponsored a general rally against the delivery of weapons and asked for the entire base to be turned back over to the city, and it is stepping up its campaign.

On 17 December, for the seventh time this year, two LST combat landing vessels entered the North Dock in Kanagawa-ku, Yokohama, apparently to unload vehicles intended for the supply depot. New shipments of from 2,000 to 3,000 vehicles are assumed to be arriving in February and March. The reinforcement and reorganization of the U.S. Army in Japan, connecting Sagamihara to North Dock, are progressing steadily under direction from Camp Zama, the army headquarters in Zama-shi.

However, in response to these movements by the U.S. armed forces, the Socialist Party, working mainly through local labor unions, has reactivated its campaign for removal and complete return of the base and there are open communications between Sagamihara and Yokohama. About 200 people participated in the Sagamihara rally held on 14 December and mutually pledged to launch an accelerated struggle.

Also, the Sagamihara municipal congress issued "a proclamation of a peaceful city" on the first day of its session, and unanimously passed a "resolution against the delivery of U.S. military weapons to the Sagami general supply depot."

In response to this municipal activity, the local head chapter of the party is preparing to organize a local steering committee involving wide strata of citizens. Chairman Takeji Hirota of the local labor union tells his hopes for next year: "To encourage the government to be serious about this problem as well as for other purposes, we would like, by the middle of February,

to organize the steering committee aimed at the complete return of the base. Our struggle will progress in a close contact with the Yokohama Joint Struggle and a prefectural faction for protection of the constitution and against the Japan-U.S. Security Treaty." Secretary General Norimasa Kimura of "the Yokohama Joint Struggle for Protection of Peace and Democracy" also said: "We would like to join Sagami-hara in continuing our consistent and persistent struggle."

Against this background, the role of Kanagawa Prefecture in the anti-base struggle appears to grow, with Yokohama and Sagami-hara following in the footsteps of Yokosuka, Atsugi and Zushi.

Figure 1. Number of U.S. Ships Entering Yokohama North Dock This Year

5 Mar	Thomaston (12,500 tons)
10 Apr	unidentified
21 Jun	Thomaston (12,500 tons), Monticello (same)
31 Aug	Alamo (12,500 tons)
17 Nov	Juno (15,500 tons), Mt. Vernon (14,200 tons)
17 Dec	Tuscaloosa (8,000 tons), Deluth (15,500 tons)

8940

CSO: 4105/137

MILITARY

DFAA DIRECTOR ON DAMAGE DONE BY U.S. EXERCISES

OW280110 Naha RYUKYU SHIMBO in Japanese 28 Feb 85 Morning Edition p 2

[Text] Tokyo--Director Sassa of the Defense Facilities Administration Agency [DFAA] yesterday, commenting on the issue of enforcing discipline among U.S. military personnel on Okinawa and compensation for damaged fishing nets, said, "It is necessary to find a concrete solution to the problem at the Japan-U.S. Joint Committee." Sassa made the remark in meeting with a group of five Okinawa Prefectural Assembly members, led by Chozo Kobashikawa.

Showing a forward-looking attitude toward a succession of damages caused by military training exercises, the DFAA director said he has the impression that "discipline is not thoroughly enforced among low-ranking soldiers," adding, "We want to examine how to have it thoroughly enforced and other basic problems at the Japan-U.S. Joint Committee."

The prefectural assemblymen's group made appeals to the DFAA, Foreign Ministry and U.S. Forces Japan headquarters in connection with enforcing discipline among U.S. military personnel, compensation for damaged fishing nets, and preventing damage caused by military exercises.

DFAA officials told the group: "We hope to make satisfactory reparation under the state's responsibility. The damage is now under investigation, and we will examine the compensation issue at an early date."

Dwelling on damages caused by U.S. military exercises, Sassa stressed that "Basic problems need to be discussed between Japan and the United States."

Receiving the group at the U.S. Forces Japan headquarters was Lt Col (Henning). (Henning) told the group: "The bases on Okinawa are important for defense, and we want to examine thoroughly way not prevent the recurrence of damages. In this connection, I am going to visit Okinawa next week."

CSO: 4100/268

MILITARY

ANTISHIP MISSILE TO BE INTRODUCED BY 1989

OW170719 Tokyo KYODO in English 0706 GMT 17 Feb 85

[Text] Tokyo, 17 Feb (KYODO)--The Defense Agency plans to deploy Japan's first domestically-developed ground-to-ship missile toward the end of the decade, news reports said Sunday.

The YOMIURI SHIMBUN newspaper said the missile is expected to be incorporated into a new five-year military procurement program being prepared by the Defense Agency.

The YOMIURI said the missile, codenamed XSSM-1, functions like a cruise missile, flying close to the ground and skimming the surface of the water.

The missile, fitted with a small turbojet engine in addition to a rocket booster, can fly close to the speed of sound and has an operational range of 150 kilometers.

The Defense Agency plans to make the missile system operational by fiscal 1989, and to deploy its presumably in the northern part of Hokkaido, the YOMIURI said.

The agency expects to equip three self-defense force companies with the new missiles in the 1986-1990 military procurement program, it said.

Details of the program, known as "59 Chugyo," are expected to be completed later this year.

The cost of equipping one company--four launch pads and 24 missiles--is estimated at 20 billion yen (77 million dollars).

The SXXM-1, a spin-off of the domestically developed ASM-1 air-to-ship missile, was described as a completely new type of missile.

Five meters long, it is equipped with 1.2-meter long retractable wings. The missile will reportedly find and home in on a target with its own radar.

CSO: 4100/268

MILITARY

DEFENSE AGENCY PLANS GROUND FORCE REORGANIZATION

OW170837 Tokyo KYODO in English 0649 GMT 17 Mar 85

[Text] Tokyo, 17 Mar KYODO--The Defense Agency plans a major reorganization of the Ground Self-Defense Forces (GSDF) to counter the buildup of Soviet military strength in Asia, agency officials said Sunday. The plan will be put into action as part of Japan's next defense buildup program covering 1986-1990, according to the officials.

They said the agency has worked out the plan on direct instructions from Prime Minister Yasuhiro Nakasone for stronger defense system enabling Japan to fight back an enemy "at the water's edge."

The term of enemy is usually associated with the Soviet Union, though not specified.

The planned reorganization features armament of four GSDF divisions in the northern island of Hokkaido with heavier arms, and greater air mobility of the remaining divisions in other parts of the country, according to the officials.

Deployment of surface-to-ship missiles (SSM) and an increased number of AH-1's antitank helicopters will also be considered under the plan, the officials said.

Hokkaido is separated from the Soviet island of Sakhalin by Soya Strait, the 40-kilometer waterway linking the Pacific with the Sea of Japan.

GSDF currently has 12 regular divisions and one armored division.

The agency officials said Soviet forces might attack the northern island in the event of war to keep the strait open for vessels of the Soviet Pacific Fleet based at Vladivostok on the Sea of Japan. This is the most serious Soviet military threat on land, the officials said.

Therefore, they said, heavy weapons, including tanks, will be moved to the four divisions in Hokkaido, while the air mobility of GSDF divisions in other parts of the country will be increased for quicker support action if the

island is attacked. The officials said ammunition stockpiles on the island will also be increased under the plan.

The 1986-1990 defense buildup program will be completed by July for approval by the National Defense Council, the highest policy making body on security affairs.

CSO: 4100/305

ECONOMIC

JAPAN, U.S. CLASH ON MARKET ACCESS, STRONG DOLLAR

OW141137 Tokyo KYODO in English 1109 GMT 14 Mar 85

[Text] Tokyo, 14 Mar KYODO--Japan and the United States Thursday clashed over a lack of market access and a strong dollar, dashing hopes of an immediate end to their trade dispute.

While the United States demanded greater access to the Japanese markets in telecommunications equipment and other products, Japan countered that high U.S. interest rates and a strong dollar were responsible for the chronic bilateral trade imbalance.

A Japanese participant in subcabinet-level consultations which opened at the Foreign Ministry the same day said, however, the two sides agreed to join in persuading other countries to promote a new round of multilateral trade negotiations.

Tokyo and Washington have tentatively set a ministerial meeting in April of the Organization for Economic Cooperation and Development (OECD) as a target date to win a consensus of other industrialized countries--particularly in Western Europe--on a new round, the Japanese official said.

Japanese and American trade negotiators also discussed the international economy, East-West trade, aid to the developing countries, debt and rising imports from developing countries.

Speaking on the condition that he not be identified by name, a Japanese trade negotiator said the United States renewed its request for Japan to open its market wider to imports.

The two countries are currently holding a series of talks on telecommunications, electronics, forest products, drugs and medical equipment, the four key areas in which the United States argues they are denied fair access to the Japanese markets despite their competitive edge.

The Japanese delegation, led by Deputy Foreign Minister Reishi Teshima, emphasized that high U.S. interest rates and an overvalued dollar are among main causes of the trade imbalance which came to more than 33 billion dollars in Japan's favor last year.

The U.S. group, led by Allen Wallis, undersecretary of state for economic affairs, argued that the high value of the dollar reflects the strength of fundamentals of the American economy, according to the Japanese source.

The trade negotiators also briefly touched on the subjects of whaling and the economic summit in Bonn in May of seven industrialized countries.

The source said the American officials also voiced their irritation over the slow progress in which Japan is opening its market to imports. Foreign Ministry spokesman Yoshio Hatano denied the charge at a news conference earlier in the day.

"The problem is they (the Americans) think our progress is too slow," he contended.

The Japanese and American officials will tackle the telecommunications issue and then review progress in their negotiations over the four areas before winding up second-day subcabinet discussions Friday morning.

CSO: 4100/305

ECONOMIC

JAPAN, U.S. PLAN MEETING MARKET ACCESS

OW051226 Tokyo KYODO in English 1007 GMT 5 Mar 85

[Text] Tokyo, 5 Mar (KYODO)--Japan and the United States will hold subcabinet-level meetings in Tokyo next week to explore ways to make progress in settling their trade disputes over telecommunications and three other key trade areas, a Japanese trade negotiator said Tuesday.

He said the second subcabinet-level meeting between the two countries will also cover forest products, electronics and pharmaceuticals and medical equipment.

Meanwhile, Moriya Koyama, vice minister of posts and telecommunications, and Lionel Olmer, U.S. undersecretary of commerce, Tuesday started talks on ordinances governing Japan's telecommunications industry in advance of the overall negotiations.

The dispute centers on classifications of potential suppliers and standards and the certification system for telecommunications terminals, the trade negotiator said on the condition he not be named.

The United States is seeking what it calls "fair access" to the Japanese markets in telecommunications, forest products, electronics and drugs and medical equipment.

In his January 2 meetings in Los Angeles with Prime Minister Yasuhiro Nakasone, President Ronald Reagan singled out the four fields as areas in which his country has a competitive edge but is denied full access to the Japanese markets.

Next week's subcabinet level talks will focus on the four areas, as in the first meeting in Tokyo January 28-29.

CSO: 4100/269

ECONOMIC

JAPAN, U.S. MAY EXTEND TOKYO AVIATION TALKS

OW281251 Tokyo KYODO in English 1216 GMT 28 Feb 85

[Text] Tokyo, 28 Feb (KYODO)--Japan and the United States may be forced to extend their current five-day bilateral aviation talks in Tokyo beyond Friday, a Japanese official said after the fourth day discussion Thursday on the proposed entry of Nippon Cargo Airlines (NCA) on the Transpacific air route April 1.

The two countries will meet again on the scheduled last day of current talks Friday but will be unable to conclude the talks as "there are too many remaining issues to be solved before finalizing the NCA issue," the official attending the talks told a press conference at the Ministry of Transport.

The U.S. side, led by Deputy Assistant Secretary of State Franklin Willis, will consult Washington before Friday's meeting and the talks may be extended to Saturday or even next week, the official said.

"We have a long history behind our current mutual aviation issues but we are ready to study U.S. requests," the official said.

"The American side said it is prepared to admit NCA on the U.S.-Japan air route and both sides are trying to solve the issue toward expansion of mutual rights and interests."

The U.S. side asked Japan to allow more than the current five airlines, Pan American, Northwest, Flying Tiger, United and Continental/Micronesia, on the profitable Transpacific route, the official said.

It also asked to increase the number of air routes and transportation capacity, such as upgrading the current Micronesia service by Continental/Micronesia Airlines, the official said.

The U.S. party also urged Japan to relax regulations on charter freight fares and simplify Japanese flight application procedures for charter flights and improve operating conditions of American airlines in Japan, according to the official.

The Japanese side, headed by Sumio Shioda, deputy director general of the International Transportation and Sightseeing Bureau of the Ministry of Transport, demanded that NCA, Japan's new all cargo carrier, should be given a license by the U.S. to start six round-trip flights a week on the Tokyo-San Francisco-New York route on April 1.

The current aviation talks are the third since the two countries agreed to revise the 1952 bilateral air treaty by next September.

CSO: 4100/269

ECONOMIC

JAPAN, U.S. STUDYING PROBLEMS IN AIR CARGO SERVICE

OW051220 Tokyo KYODO in English 1156 GMT 5 Mar 85

[Text] Tokyo, 5 Mar (KYODO)--Japan and the United States are currently studying how to solve the problem of the proposed entry of Nippon Cargo Airlines (NCA) to Transpacific air freight service April 1, the Ministry of Transport told a ruling Liberal-Democratic Party (LDP) aviation policy planning committee Tuesday.

In the recent bilateral aviation talks, suspended last Saturday, the Japanese side proposed to upgrade U.S. Micronesia air service in return for U.S. permission for NCA to start six round-trip air freight flights a week on the Tokyo-San Francisco-New York route, ministry officials said.

Japanese Ambassador to the U.S. Yoshio Okawara will meet U.S. Secretary of State George Shultz in a couple of days to make final arrangements for a reopening of the talks in Washington as early as by the end of this week, LDP sources said.

The LDP committee basically agreed to the ministry's stand that the two countries also study creation of three direct flight routes between big cities such as Dallas and Tokyo as part of discussions to revise the current bilateral air treaty signed in 1952 by September this year, the official said.

Japan told the U.S. in the bilateral talks last week in Tokyo that it will remove its restrictions on aircraft capacity of Continental/Micronesia Airlines currently operating on the Tokyo-Guam, Tokyo-Saipan and Nagoya-Saipan air routes, they said.

They said the two countries will admit two airlines each on new air routes between Guam and Saipan and Nagoya and Fukuoka.

The LDP panel said the current talks on NCA should be solved without concern for the 1972 transport Ministry decision dividing the roles of the three domestic carriers, Japan Air Lines (JAL), All Nippon Airways (ANA) and Toa Domestic Airlines (TDA), which excluded ANA and TDA from regular international flights. ANA and TDA will thus have a chance at the Japan-Micronesia air service if the two countries agree to admit two carriers each on the service, they said.

CSO: 4100/269

ECONOMIC

MITI STUDYING PLAN FOR AUTO EXPORTS TO U.S.

OW051026 Tokyo KYODO in English 0926 GMT 5 Mar 85

[Article by Sei Ogawa]

[Text] Tokyo, 5 Mar (KYODO)--Japanese automakers and the Ministry of International Trade and Industry (MITI) are studying the best way to carry out "moderate" automobile exports to the United States in the wake of President Reagan's decision not to ask Japan to extend the four-year-old voluntary auto export restraint agreement expiring March 31.

MITI Minister Keijiro Murata told a press conference after the U.S. decision last week that Japanese automakers should avoid "torrential" car exports to the U.S. and Japan should prudently study whether or not to take some measures toward the end of this month.

But one high MITI official clearly differed with Murata by saying there will be no need of measures as Japanese automakers are grown-ups to decide their own plans.

"The situation seems more complicated now in Japan compared with the one prior to the Reagan announcement" because interests are conflicting notably between business circles and the auto industry and the big and small automakers on what to do now, one source close to MITI said.

"It was a wise move for the U.S. to pass the ball to Japan and not to ask another extension of protectionist auto export curb in the name of fair and free trade."

The Japanese side had been able to solve the auto export issue under the U.S. pressure but now would have to assume whole responsibility if its automobile exports to the U.S. soared, the source said.

Japan will have to find a new type of export "brake" by itself that is clearly different from the current voluntary curb agreement, the source said.

MITI is studying among various measures a "weather forecast formula" estimating U.S. automobile demands and limiting Japanese exports below a certain estimated share of them by the Japan Automobile Manufacturers' Association, the source said.

Another possible measure will be making a sort of export cartel of the auto industry under the export-import transaction law but that should be made not to run counter to the U.S. Anti-Trust Law, the source said.

Japan does not want another bilateral governmental talk on automobile exports to the U.S., the source said.

Japanese top business leaders, including Yoshihiro Inayama, president of the Federation of Economic Organizations (Keidanren), are generally agreed that Japan should avoid "torrential" auto exports to the U.S. as Japan's trade relations with the U.S. are most vital for Japan to survive, a Keidanren source said.

But Keidanren Vice Chairman and Toyota Motor Corp Chairman Eiji Toyoda has been opposed to those remarks in favor of "voluntary" auto export restraints at Keidanren meetings, the Keidanren source said.

The situation is complicated among Japan's eight automakers which are heavily relying on their exports to the U.S., an official of a medium-sized automaker told KYODO NEWS SERVICE.

"We are waiting for MITI to decide what kind of guidelines are needed," he said. "The automakers are not all happy about the U.S. decision."

Each automaker has its own planning and interest widely separated and it would be difficult to find consensus through MITI, auto industry sources said.

Toyota, Isuzu Motors Ltd and Suzuki Motor Co are strongly voicing against any auto export restraint measures while Fuji Heavy Industries Ltd thinks there should be some guidelines by MITI, the sources said.

Toyota is aiming to reconstruct its sales network in the U.S. damaged by the voluntary restraints which started in April, 1981, the sources said.

Isuzu and Suzuki have concluded separate agreements with General Motors Corp to provide automobiles but have been unable to ship fully because of the export curb agreement and now are voicing to raise shipments to General Motors this year, the sources said.

Nissan Motor Co and Honda Motor Co are planning to raise U.S. local production which the two automakers have been building up to get around the export curb, according to the sources.

Mitsubishi Motors Corp is planning to build a U.S. factory in Michigan in cooperation with its shareholding Chrysler Corp, a company official said.

Some guidelines by MITI will be needed but they should be clearly separated from the old share of Japanese automakers under the voluntary agreement allocated by MITI, the official said.

The share of Japan's eight automakers in the original 1981 auto restraints of 1.68 million units a year was decided according to their average shipments to the U.S. in 1979 and 1980 and it was revised for the fourth year to 1.85 million units.

Toyota had originally 516,659 units and rose to 551,800 units, Nissan 456,030 and 487,100 units, Honda 348,631 and 372,400 units, Mazda Motor Corp 159,282 and 173,500 units, Mitsubishi 112,584 and 122,400 units, Fuji 70,014 and 75,800 units, Isuzu 16,860 and 80,000 units and Suzuki none and 17,000 units, the sources said.

CSO: 4100/269

ECONOMIC

MITI OFFICIAL HINTS AT CAR EXPORT POLICY CHANGE

OW151123 Tokyo KYODO in English 1101 GMT 15 Mar 85

[Text] Tokyo, 15 Mar KYODO--A top official of the Ministry of International Trade and Industry Friday indicated a change of policy on restricting Japanese auto exports to the United States after the current auto voluntary export restraint agreement expires at the end of March. The official, who requested anonymity, said the Ministry would watch the trends of Japanese auto exports to the United States for a while and take steps to check any export surge that might occur.

MITI Minister Keijiro Murata had previously said some regulatory measures would be considered by the end of March when the agreement expires under which Japanese automakers are holding down their U.S.-bound exports to 1.85 million vehicles a year.

U.S. President Ronald Reagan decided recently not to seek an extension of the agreement. Meanwhile, Takashi Ishihara, president of the Japan Automobile Manufacturers Association, has expressed his opposition to any MITI plan that would continue to control auto exports to the United States.

Ishihara, also president of Nissan Motor Co, said Thursday it is "nonsense" to restrict auto exports to the U.S. market when the U.S. Government is not seeking such a step after expiry of the agreement. He indicated that the question should now be left to the discretion of Japanese automakers. "It's enough if Japanese automakers ship their cars in an orderly manner in accordance with their own judgment," he said.

The MITI official told reporters the auto industry is divided over concrete measures to ensure orderly auto exports, while it is united in the general concept of export restraint. However, some MITI officials warned Japanese auto exports to the United States would increase sharply after April unless the government takes some regulatory measures.

Ishihara said even if Japanese automakers step up car exports to the United States, there will not be enough American buyers, implying there will be no sharp increase in exports after the agreement expires.

Noting that Japan's top three automakers--Toyota, Nissan and Mazda--will conduct "orderly" exports, he said smaller manufacturers could not expand their exports sharply, judging from their production capacity.

CSO: 4100/305

ECONOMIC

STEEL TRADE TALKS HINGE ON U.S. CONCESSIONS

OW060901 Tokyo KYODO in English 0656 GMT 6 Mar 85

[Text] Tokyo, 6 Mar (KYODO)--A breakthrough in Japan-U.S. talks on a proposed curb on Japanese steel exports hinges on U.S. concessions, officials said Wednesday.

The U.S. Government must drop its remaining demands if it wants to break the deadlock in the steel trade talks, they said.

The previous round of talks in Washington last month failed to iron out remaining disputes, notably the U.S. demand that fabricated structurals be included in products to be covered.

Washington also demanded that the restrictions be retroactive to October 1 while Japan opted for January 1.

Japan has already made substantial concessions, accepting the U.S.-demanded five-year duration of the bilateral arrangement and an increase in the categories of products to be restricted, the officials said.

Japanese officials, including the steel administration division chief of the Ministry of International Trade and Industry, Wataru Fukazawa, will leave for Washington Thursday to resume the talks Friday-Saturday.

In parallel with the government-to-government talks, MITI is trying to talk trading companies and producers into agreeing to set up concerted efforts to trim their shipments to the U.S.

Quotas of their shipments would be determined on the basis of their past shares in a manner similar to restrictions on auto exports to the U.S., the officials said.

Thus far, Japan has agreed to cut back shipments of six categories and seven subcategories of steel mill products to keep them from rising above 5.8 percent of the U.S. market.

The items covered are sheets and strips (including cold rolled sheets and strips and coated sheets on the list of subcategories), plates, pipes and tubes (including oil-country tubular goods, structural tubes and line pipes), bars (including cold finished bars), structurals, and wire and wire products (including wire rods).

CSO: 4100/269

ECONOMIC

STEELMAKERS URGE FAIR TREATMENT IN EXPORT QUOTAS

OW141105 Tokyo KYODO in English 1055 GMT 14 Mar 85

[Text] Tokyo, 14 Mar KYODO--Japanese steelmakers Thursday called for fair treatment in the allocation of quotas on their shipments to the United States under a new Japan-U.S. agreement on steel trade. Japan and the United States reached an agreement in Washington Wednesday under which Japanese steelmakers will limit their U.S.-bound exports to 5.8 percent on the U.S. steel market retroactive to October 1 last year.

An executive of a major steel company said smaller makers of secondary steel products should also be asked to join an expected export cartel to ensure fair quota allocation among Japanese steel exporters.

A senior official of the Ministry of International Trade and Industry said the share of individual steelmakers will be decided in accordance with their export results in the 1980-1984 period and it will take 1 to 2 months. The steel industry is watching closely how the ministry will make an allocation among cartel members.

Steel industry officials predicted the industry would not suffer a substantial setback in profits from U.S. exports on the prospect that the U.S. steel market will improve in the second half of this year.

Japanese steel exports to the United States are expected to fall by some 1 million tons a year when the new agreement goes into effect.

CSO: 4100/305

ECONOMIC

JAPAN'S POSITION ON TELECOMMUNICATIONS TALKS SET

OWO20814 Tokyo KYODO in English 0753 GMT 2 Mar 85

[Text] Tokyo, 2 Mar (KYODO)--Japan and the United States will hold the second round of vice minister-level talks on the controversial telecommunications market issue in Tokyo on Tuesday.

Official sources said Saturday that the chief Japanese delegate would outline to his American counterpart the views of the Ministry of Posts and Telecommunications and an ordinance draft on the projected technical standards and certification system for telecommunications terminals.

The American delegate, Lionel Olmer, undersecretary of commerce, is due here Monday night for talks with the Japanese representative, Moriya Koyama, vice minister of posts and telecommunications. Olmer is scheduled to leave for Washington on Tuesday night.

According to the sources, Koyama will tell Olmer that in relation to the technical standards for telecommunications terminals, such as telephones, to be enforced under the newly enacted telecommunications enterprise law, the number of checks by an inspection institute would be reduced to 30 from the existing 53. The law is due to go into effect on April 1.

The sources said the vice minister would also tell Olmer that Japan was taking steps to make the certification system for such terminals as simple and open as possible from April 1.

The technical standards and certification system for such terminals have in the past been laid down by Nippon Telegraph and Telephone Public Corp (NTT). However, with the telecommunications business to be liberalized from April 1, the standards and certification system are to be determined by the ministry under an ordinance.

The American side has pressed the ministry to make a draft of the proposed ordinance available at the earliest possible date, claiming that the content of the ordinance would indicate the degree of openness of the terminal market.

CSO: 4100/269

ECONOMIC

KYODO SAYS STANDARDS TALKS MAKE PROGRESS

OW060601 Tokyo KYODO in English 0554 GMT 6 Mar 85

[Text] Tokyo, 6 Mar (KYODO)--Japanese and U.S. officials agreed Wednesday that negotiations on the American demand for U.S. enterprises to be granted equal access to the Japanese telecommunications market have made considerable progress on technical certification standards for telecommunications terminals and some other related problems.

But they agreed to work further to iron out their differences over the registration formalities to be followed by enterprises wishing to start large-scale value added network (VAN) service, at a meeting March 13, official sources said.

The agreement came at the meeting of the Japanese and U.S. delegations, led by Morio Koyama, vice minister of posts and telecommunications, and Lionel Olmer, U.S. undersecretary of commerce for international trade.

At the meeting, the two delegations agreed to review the progress made so far in their adjustments of differences on the telecom market access issue and the extent of their understanding of such progress.

According to the sources, Olmer called for maximum simplification of the technical certification standards for telecommunications terminals and the registration procedures to be followed by enterprises wishing to start large-scale VAN services.

The sources said the Japanese replied that the technical certification standards for telecom terminals would be made as simple as possible so that fairness may be ensured.

Regarding the U.S. demand for easier registration standards for large-scale VAN business, the Japanese said only that such standards would be flexibly enforced, according to the sources.

VAN services, similar to America's "enhanced telecom services," are aimed at linking different media (such as facsimile and telephone), different formats for information (such as Japanese and English) and different computer protocols (such as IBM and NEC computer protocols).

CSO: 4100/269

ECONOMIC

U.S. OFFICIAL ON EXPECTED REACTION TO TELECOM ISSUE

OW150927 Tokyo KYODO in English 0900 GMT 15 Mar 85

[Text] Tokyo, 15 Mar KYODO--The United States expects to receive within a few days Japan's interpretation of Friday's discussion on the U.S.-requested nine points to open up the Japanese telecommunications market, a top U.S. Government official said Friday.

Speaking to a group of reporters at the U.S. Embassy here, U.S. Undersecretary of State for Economic Affairs W. Allen Wallis said, "When we get the material from them, we will analyze them intensively to judge how far they really would go to open markets to telecommunications equipment from abroad."

Wallis said both sides discussed in some detail each of the nine points, including easier market-entering procedures for companies wishing to enter highly-digitalized value-added network (VAN) business here and participation of foreign experts in a government council to determine telecommunications terminal equipment.

There were some favorable indications on some of them but there were no indications on others, he said.

While admitting some "constructive" opinions were exchanged in the current sub-cabinet consultations, which ended Friday, Wallis said, "no final conclusions were reached." "We will want to continue our exchanges in the period before the April 1 implementation of the ordinances," Wallis said.

Regarding the results of "intensive sector negotiations" on other pending areas, particularly pharmaceuticals and medical equipment, Wallis refrained from making any specific comments as they are still in an incipient stage.

Asked about the prospect of Japan increasing U.S. coal imports, Wallis, sounding an optimistic note, said, "that discussion was very constructive."

The next round of the economic subcabinet consultations will take place in the United States in the fall this year, according to Wallis.

CSO: 4100/305

ECONOMIC

NEW TELECOM TERMINAL STANDARDS OUTLINED

OWO11140 Tokyo KYOD in English 1048 GMT 1 Mar 85

[Text] Tokyo, 1 Mar (KYODO)--The Ministry of Posts and Telecommunications (MPT) Friday made public an outline of projected new technical certification standards for telecommunications terminal equipment.

The new standards are being prepared for enforcement under the newly enacted telecommunications enterprise law due to go into effect April 1 to demonopolize the telecom business, since the existing detailed standards are now a source of major friction between Japan and the United States.

MPT officials said they have drawn up the outline, paying due respects to the opinions of the interested parties, both Japanese and foreign.

The outline calls, in particular, for a reduction in the number of checks by an inspection institute in relation to such terminals to 30 from the present 53.

The officials said the standards concerning extension telephones and private branch exchanges would be abolished or eased as much as possible. Other minute details on telephone calls and the breakdown of terminals will be abolished, they said.

However, in regard to the speech quality of telephones, the outline calls for no change in the standards, despite requests by foreign makers for their abolition. The officials said that since the speech quality of Japanese telephones is excellent, the standards should be maintained.

The officials said the outline would be made available to anybody wishing to see it.

The ministry will quickly draw up a ministerial ordinance draft concerning the standards and method for certification of terminals on the basis of the outline.

The draft will be submitted to the American side at the Japan-U.S. vice minister-level meeting next week, the officials said.

CSO: 4100/269

ECONOMIC

ROK HITS JAPAN FOR REFUSING TECHNOLOGY TRANSFER

SK160247 Seoul YONHAP in English 0212 GMT 16 Mar 85

[Text] Seoul, 16 Mar (OANA-YONHAP)--South Korea has strongly called upon Japan and other industrial powers to transfer their advanced technology, as well as to open their markets, to developing countries, trade officials said here Saturday.

In a speech delivered in Tokyo on Friday, Korean Trade and Industry Minister Kum Chin-ho criticized some Japanese businessmen for their negative attitude toward technology transfer in reaction to a potential "boomerang effect," the officials said.

Entitled "Towards Revitalizing World Trade," Kum's speech came during a seminar sponsored by the Keidanren (Federation of Japanese Economic Organizations), the officials said. The minister is in Tokyo to participate in the Asian-Pacific Trade Conference March 15-17.

Saying that technology is constantly changing and progressing, the minister stressed that the transfer of technology stimulates development of other, newer technologies. "Moreover, increased or new demand for imports by the technology-receiving country, which follows on technology transfer, will bring benefits to the transferring country as well," Kum said.

Kum warned that if Japan declines to transfer technology to neighboring friends, they would then have to turn to the United States or Europe, forcing Japan to "risk losing the markets closest to it and most rapidly growing."

The minister noted that the share of imports in Japan's domestic market stands merely at 5 percent to 6 percent, compared with 16 percent to 17 percent for the United States and the European Community (EC). He pointed out that Japan's trade surplus soared from 2.1 billion U.S. dollars in 1980 to 44.3 billion dollars last year and called for Japan's effort to contribute to the international division of labor.

"If Japan is to prevent trade frictions with other countries that arise from her economic nationalism, she ought to change her so-called 'one-set' industrial structure and make really serious efforts to substantially open her markets, so that Japan's trade surpluses are cut," Kum said. In addition, Kum blamed protectionism, which is gaining further momentum in advanced countries, for increased international trade frictions.

CSO: 4100/305

ECONOMIC

JAPAN, AUSTRALIA AGREE ON RECIPROCITY IN BANKING

OW271233 Tokyo KYODO in English 1128 GMT 27 Feb 85

[Text] Tokyo, 27 Feb (KYODO)--Japan and Australia agreed Wednesday to allow commercial banks to do business in each other's country on the basis of reciprocity.

Under the agreement four Australian banks will be permitted to open their branches in Japan in return for similar steps for three Japanese and 13 other institutions.

The three Japanese banks are the Bank of Tokyo, the Industrial Bank of Japan and Mitsubishi Bank.

The Bank of Tokyo will be allowed to establish a wholly-owned subsidiary in Australia, while the Industrial Bank of Japan and Mitsubishi Bank are permitted to open institutions with equity of 50 percent and 75 percent, respectively.

The four Australian banks which will be allowed to do business in Japan under certain conditions are Westpac Banking Corp, Australian and New Zealand Banking Group. Ltd, National Australia Bank and Commonwealth Bank of Australia.

The agreement also allows Japanese banks to inaugurate wholly-owned merchant banks or increase their equity in existing institutions if they meet requirements for permission laid down by the Australian Government.

The agreement followed a decision late last year by the Australian Government to allow foreign banks to advance fully into the Australian market.

Other foreign banks involved in the agreement include five U.S., three British and an additional five banks of other nationalities.

The Australian decision was in line with a worldwide trend for liberalization of financial business.

CSO: 4100/269

ECONOMIC

ADVISERS URGE EUROYEN LOAN LIBERALIZATION

OW051023 Tokyo KYODO in English 0900 GMT 5 Mar 85

[Text] Tokyo, 5 Mar (KYODO)--A panel of advisors to the Finance Minister Noboru Takeshita Tuesday urged that Japan promptly allow medium- and long-term Euroyen lending by Japanese banks to foreign firms and other nonresidents.

The Foreign Exchange Council, however, said in a recommendation that Japan should continue a study on those lendings by domestic banks to residents in the direction of decontrol at an early date.

Based on the recommendation, the Finance Ministry is expected to liberalize medium- and long-term Euroyen loans for nonresidents in April that will accelerate the internationalization of the Japanese yen, ministry sources said.

The panel, headed by Yoshihiro Inayama, chairman of the Federation of Economic Organizations (Keidanren), has studied ways to liberalize the use of Japanese currency since the joint Japanese-U.S. report on yen-dollar committee was published last May.

The panel said it is also desirable to permit the issue of medium- and long-term Euroyen certificates of deposit (CDS) as a means for raising stable funds and for the healthy development of the Euroyen market.

The balance of short-term Euroyen lending by Japanese banks to nonresidents stood at 170 billion yen (654 million dollars) at the end of 1982 but soared to 780 billion yen (3 billion dollars) at the end of 1984.

The Finance Ministry has no choice but to admit the internationalization of the yen on increased international transactions of the Japanese money, the sources said.

On a deregulation of the Eurobond market, the panel said it is preferable to promote further liberalization of the Euroyen bond issues in overseas markets but certain conditions should be imposed for a balanced development of both the Euroyen bond market and the domestic bond market.

Japan should ease the current issuing conditions which allow the Euroyen bond issues only carrying fixed interest rates for a period of more than five years, the panel report said.

The panel also said its special committee will start studying creation of an off-shore money market in Tokyo where tax, foreign exchange and other regulations do not exist.

Concerning the present guideline giving preferential treatment to overseas subsidiaries of Japanese securities firms in underwriting residents' foreign currency-denominated bonds, the panel said it would review the guideline further but failed to annul it as strongly demanded by Japanese banks.

Chairman of the Federation of Bankers' Associations of Japan Hajime Yamada said it is regrettable that overseas subsidiaries of securities houses are continuing to enjoy treatment which is preferential to that accorded similar subsidiaries of Japanese banks.

Yamada said, however, on the whole the recommendation is satisfactory in content and it is important to proceed steadily with the internationalization of the yen so as not to drastically change the domestic financial system.

CSO: 4100/269

ECONOMIC

OPPOSITION PARTIES SUBMIT TAX CUT PROPOSAL

OW251408 Tokyo KYODO in English 1104 GMT 25 Feb 85

[Text] Tokyo, 25 Feb (KYODO)—Opposition parties Monday unveiled a 1.1 trillion yen tax cut proposal, but the prospect of government consent is virtually nil, political sources said.

"There is no way we can allow amendments to the budget under the severe financial situation," said Shin Kanemaru, secretary of the ruling Liberal-Democratic Party.

Kanemaru made the remark at a meeting of senior government and party leaders shortly before the opposition formally raised the proposal in a meeting of all-party Diet policy chairmen.

The opposition parties gave the LDP one day to come up with a satisfactory response, intimating that they may otherwise boycott all Diet deliberations starting Wednesday.

Both the government and the ruling party have insisted that there is no room for a tax cut for the coming fiscal year, as government is in a financial straitjacket.

The national deficit is expected to top 133 trillion yen at the end of fiscal 1985, and the government has been considering proposals to raise revenues by implementing a major indirect tax.

Although the opposition tax proposal seems unrealistic, the LDP is reluctant to set off a direct confrontation in the Diet for fear that the opposition's obstructionist tactics may jeopardize the budget and other legislative programs.

The opposition, which is short of a majority in the Diet, has no power to block the government budget bill. However, they may—as they did last year—delay Diet proceedings and force the government to write a temporary budget if the main one is not passed in time for the new fiscal year starting this April.

The government's budget bill is currently in the hands of the budget committee of the lower house, which again ground to a halt Monday because of a stand-off between the LDP and the Japan Socialist Party over redundancies in Japanese National Railways operations.

CSO: 4100/269

ECONOMIC

GROSS NATIONAL PRODUCT RISES SHARPLY IN LATE 1984

OW151009 Tokyo KYODO in English 0916 GMT 15 Mar 85

[Text] Tokyo, 15 Mar KYODO--Japan's Gross National Product (GNP) in the October-December period of 1984 rose 2.3 percent from the previous quarter for the sharpest quarterly gain since the first quarter of 1977 to 228,540.9 billion yen (879 billion dollars) in real terms at 1975 prices, the Economic Planning Agency said in a preliminary report Friday.

It was up 6.1 percent in real terms from the same period a year earlier and translated into a 9.6 percent annual gain, the sharpest quarterly real growth since January-March 1977, when the GNP showed an 11.6 percent annual rise and a 2.8 percent quarterly advance, the agency said.

The real GNP figure for the last quarter of 1984 brought last year's overall real growth to 5.8 percent over a year earlier, the sharpest annual rise since the 8.8 percent gain in 1973, to 223,050.6 billion yen (857.9 billion dollars) at 1975 prices, it said.

The 2.3 percent real quarterly rise in the fourth quarter of last year, compared with the 0.6 percent rise recorded in the preceding quarter, was larger than expected but it was partly the result of technical adjustments following surging imports, including crude oil, in the July-September period and their reactional fall in the October-December quarter, agency officials said.

However, Japan's economy is moving steadily and the governmental forecast for a real GNP rise of 5.3 percent in fiscal 1984, ending this month, is expected to be fully realized, the officials said.

Japan's exports will slow down in the first quarter of 1985 but its private capital investment and other domestic demand factors will hold firm in the period, the officials said.

The current economic trend will enable the country to achieve government's forecast last January of a 4.6 percent real GNP growth for the 1985 fiscal year, starting April, they said.

Private capital investment rose 12.5 percent in real terms in the October-December period over a year ago, marking a double-digit year-to-year gain for the third straight quarter, the EPA report said.

Personal spending showed an inflation-adjusted gain of 2.2 percent over a year ago in the period while private housing investment rose 1.1 percent for the third straight rise, it said.

Exports in the period rose 17.6 percent over a year earlier, scoring a double-digit year-on-year rise for the fifth straight quarter.

Imports rose 7.2 percent over a year ago, compared with an 18.8 percent advance in the July-September period, on a fall of crude oil imports, the officials said. But imports in the second half of last year rose 12.7 percent over a year ago, compared with a 12.2 percent annual rise for the first half of 1984, and imports steadily increased toward the end of the year, the officials said.

Of the 5.8 percent real GNP growth for 1984, domestic demand accounted for 3.7 percent, the report said.

Private capital investment rose a real 11.1 percent in 1984 over a year ago, up sharply from the 3.4 percent year-to-year rise in 1983.

Exports increased 18.1 percent in real terms in 1984 over the previous year, compared with the 4.7 percent rise for 1983.

Imports advanced a real 12.5 percent last year over 1983, compared with the decline of 4.5 percent for 1983.

CSO: 4100/305

29 March 1985

ECONOMIC

GOVERNMENT URGED TO PROMOTE FREE TRADE SYSTEM

OW261440 Tokyo KYODO in English 1215 GMT 26 Feb 85

[Text] Tokyo, 26 Feb (KYODO)--The Federation of Economic Organizations (Keidanren) Tuesday decided to urge the government to play a central role in strengthening and reconstructing the free trading system of the world.

It also decided to ask the government to carry out more positive market-opening measures than other countries and to actively promote the planned new round of multilateral trade talks in order to roll back protectionism and establish new rules for international trade, Keidanren sources said.

These requests will shortly be placed before the government in the form of a basic proposal for reconstruction and strengthening of the free trading system.

Keidanren hopes that the proposal will be reflected in the government's seventh market-opening package to be announced next month, the sources said.

The proposal takes account of the results of the recent visits to the countries of the Association of Southeast Asian Nations (ASEAN) by Keidanren missions, they said. Keidanren groups Japan's big businesses [as received].

The proposal calls for abolishing import duties on high technology products and further lowering tariffs on products of developed countries (especially, lumber, liquors, health goods, dairy products and sporting goods) as well as those of developing nations (boneless chicken, plywood, fish and shellfish, palm oil, bananas and canned pineapples).

Keidanren will also demand simplification and streamlining of import approval procedures, especially for pharmaceuticals and medical apparatus, the sources said.

In view of strong overseas calls for increased imports of manufactured goods, Keidanren stresses the need to step up imports of high-tech products from developed countries, and apparel, household utensils and processed foods from developing nations.

Regarding the new round of multilateral trade talks, Keidanren will call for ultimate abolition of tariffs on not only services and high-tech goods, but also tropical and farm products of developing countries.

To promote self-sustained economic growth of developing countries, Keidanren will seek expansion of economic cooperation, such as technology transfer and improvement of investment climate, and greater access to the Japanese market for products of developing countries.

As to Japan's so-called "residual import curbs" on 27 commodities, Keidanren will propose further liberalization while taking steps to protect domestic industry.

It will also call for promotion of direct investment abroad and an early abolition of the U.S. "unitary tax" system.

Keidanren will oppose the so-called "voluntary export restraint" worked out on a bilateral basis as a violation of the spirit of the General Agreement on Tariffs and Trade (GATT).

Even if such a step is taken as an emergency measure, Keidanren thinks it necessary to set a firm expiration date and make industrial adjustment of the beneficiary country mandatory under the supervision of GATT.

Keidanren believes that if the affected industry of the importing country is considered to have recovered, such emergency measure should be more easily abolished.

This is an apparent reference to Japan's voluntary restraint on car exports to the United States. The U.S. auto industry has already achieved a substantial recovery.

Keidanren also decided Tuesday to ask the government for a thorough liberalization of domestic telecommunications services after the shift of Nippon Telegraph and Telephone Public Corp (NTT) to private status from April this year.

The government should see to it that the new NTT does not obstruct the entry of private firms into domestic communications services, it said.

Keidanren's stand will be conveyed to posts and telecommunications Minister Megumu Sato Wednesday.

CSO: 4100/269

ECONOMIC

JETRO REPORT ON JAPAN'S OVERSEAS INVESTMENT

OW180831 Tokyo KYODO in English 0822 GMT 18 Mar 85

[Text] Tokyo, 18 Mar KYODO--Japan invested 8.1 billion dollars overseas in fiscal 1983, the second highest in history and fifth in the world in outstanding investment volume, the Japan External Trade Organization (JETRO) said Monday in an annual report.

Japanese investment, based on Finance Ministry figures, accounted for 6 percent of the world total, exceeded only by the United States, Britain, West Germany and the Netherlands.

The JETRO report called for further investment by Japanese firms to help generate job opportunities in other countries and to enhance regional development. According to the report, the outstanding balance of Japan's direct overseas investment totaled 259 billion dollars worldwide in 1975, expanding to 515.2 billion dollars in 1983.

In recent years, the pace of U.S. global investment has declined, while that of Japan and Europe has climbed. Featured aspects of the world's investment climate were industrial cooperation on advanced technologies and technology transfers, the report noted.

Japan's overseas investment has remained high since 1981, it said, adding that the 1983 volume increased 5.7 percent from a year before. Japanese firms have invested actively in the United States, with 1983 investment pushing the accumulated total to 16.5 billion dollars, making Japan the third largest investor there after Britain and the Netherlands.

Overseas investment in Japan in the year hit a record high of 813 million dollars, up 8.5 percent, but Japan still registered a massive investment surplus, the report said.

Both Japanese and American investment in the Pacific area jumped as South Korea and Singapore sought foreign money. Investment was also drawn into the region as China opened its markets, it said.

The report concluded that Japan and the United States will strengthen Pacific investment cooperation in the future, but competition between them in other areas will grow.

ECONOMIC

PANEL TO RECOMMEND MARKET OPENING EFFORTS

OW050651 Tokyo KYODO in English 0643 GMT 5 Mar 85

[Text] Tokyo, 5 Mar (KYODO)--A private panel agreed Tuesday to recommend to Prime Minister Yasuhiro Nakasone that the government push forward with market opening efforts.

The external Economic Policy Advisory Council, chaired by former Foreign Minister Saburo Okita, adopted the recommendation during its sixth and final round of discussions.

The panel agreed that Japan must press forward with the market opening program, regardless of how large or small its current account surplus may be.

The recommendation will provide a basis for the panels' final report to Nakasone on how best it considers Japan can open its markets to foreign goods and services.

The council is to write the report, presumably largely in general terms, after taking into consideration discussions its members plan to hold with U.S. business leaders and government officials later this week.

Okita, accompanied by council member Akio Morita, will visit the U.S. Tuesday-Friday. They are expected to hold talks with some 10 businessmen in New York Wednesday.

They will proceed to Washington Thursday for talks with government officials and business leaders, including Federal Reserve Board Chairman Paul Volcker, U.S. Trade Representative William Brock and House Energy and Commerce Committee Chairman John Dingell.

Separate talks with Commerce Secretary Malcolm Baldrige and State Secretary George Shultz are scheduled for Friday, officials said.

CSO: 4100/269

ECONOMIC

BRITISH LEADER ASKS FOR GREATER ACCESS TO MARKET

OW251203 Tokyo KYODO in English 1156 GMT 25 Feb 85

[Text] Tokyo, 25 Feb (KYODO)--J. Cleminson, president of the Confederation of British Industry (CBI), Monday urged Japan to open its market wider to British and other foreign products.

He specifically called for expansion of imports of manufactured goods, including space- and aviation-related equipment, stepped-up liberalization of Japan's financial markets, including permission for British trust banks to operate in this country, and accelerated exchanges in the fields of capital investment and technology.

Cleminson made the appeal at a meeting between a CBI delegation and leaders of the Federation of Economic Organizations (Keidanren), including Chairman Yoshihiro Inayama and Mitsuo Uemura, board chairman both of the Japan-European Community (EC) Committee and of Sumitomo Corp, a major trading house, Keidanren sources said.

Uemura said Cleminson's call was only natural, adding the problem is what specific steps should be taken to comply with the request.

Meeting the press afterward, Cleminson repeated his call to both the Japanese Government and private business to step up imports of manufactured goods.

He also termed the liberalization of Japan's financial markets inadequate, asking that world financial institutions be given reasonable freedom of action in the Tokyo market.

The CBI chief urged Japanese business to promote direct investment in Britain.

Japan should also take steps to make it easier for British business to invest in this country, he added.

CSO: 4100/269

ECONOMIC

TOYOTA DENIES REPORT OF COPRODUCTION WITH TAIWAN

OW251437 Tokyo KYODO in English 0932 GMT 25 Feb 85

[Text] Tokyo, 25 Feb (KYODO)—Toyota Motor Corp denied Monday a press report that Japan's largest automaker has been "in contact again" with Taiwan authorities for possible joint auto production on the island.

Hiroshi Yamada, assistant manager of Toyota's overseas public affairs staff, said the report was "totally groundless and has no foundation."

He was commenting on an official Taiwanese CENTRAL NEWS AGENCY (CNA) report on January 20 quoting a ranking official with the Ministry of Economic Affairs as saying, "The two sides have started contacts again and have already been talking over details."

But another highly placed official with the Council for Economic Planning and Development said in CNA's dispatch from Taipei on February 7 that Toyota has not expressed its willingness to join in Taiwan's auto development program, other than having occasionally inquired into the contents of a recent draft auto development program now being screened by the Executive Yuan.

The official did not rule out the possibility, however, of Toyota investing money in a Taiwanese plant, were regulations on required export ratios to be interpreted more liberally. The current regulations require that 50 percent of the products be exported.

Taiwan cancelled an agreement with Toyota Motor to set up a joint firm to produce small cars on the island last September 6 after Toyota failed to meet a September 4 deadline to start the venture.

Toyota signed a 265 million dollar agreement with 11 Taiwanese companies in December 1982, but later asked the Economic Ministry to revise a clause on the percentage of cars to be exported.

Taiwan had demanded a gradual transfer of technology, local production of 90 percent of spare parts and export of half the cars produced. Toyota agreed to the first two demands but said it did not want to commit itself to an export percentage. Toyota would have had a 45 percent stake in the project, with the rest shared among Taiwanese companies. It would have produced 300,000 cars a year.

CSO: 4100/269

ECONOMIC

BUSINESS LEADER URGES OPEN MARKET FOR ASEAN

OW260555 Tokyo KYODO in English 0517 GMT 26 Feb 85

[Text] Tokyo, 26 Feb (KYODO)--Yoshihiro Inayama, chairman of the Federation of Economic Organizations (Keidanren), requested in a letter addressed to Prime Minister Yasuhiro Nakasone that Japan open up its markets wider to products of the Association of Southeast Asian Nations (ASEAN).

Inayama made the request on the basis of his recent tour of five ASEAN nations--Malaysia, the Philippines, Indonesia, Thailand and Singapore--as leader of a high-powered Keidanren goodwill mission.

He told Nakasone the ASEAN countries are strongly discouraged by, or dissatisfied with, a package of Japanese market-opening measures announced last December.

These countries are asking Japan to improve its market-opening measures, including a cut in tariffs on plywood and boneless chicken, when the government formulates the next package of such steps in March, the seventh of its kind, the business leader said.

Unless Japan deals with the situation properly, he warned, the relationship between Japan and the ASEAN countries may be impaired.

Citing several individual problems, Inayama said Japan imposes higher tariffs on Indonesian broad-leaf plywood and boneless chicken from Thailand than on American needle-leaf plywood and chicken meat with bones.

Higher tariffs are also levied on palm oil than on animal fats and an import quota is imposed on bananas imported from the Philippines, he said.

CSO: 4100/269

ECONOMIC

NATION BACKS SOUTH ASIAN REGIONAL COOPERATION

OW140655 Tokyo KYODO in English 0632 GMT 14 Mar 85

[Text] Tokyo, 14 Mar KYODO--Japan expressed its support for regional economic and technological cooperation among South Asian countries during a 2-day meeting with Pakistan that ended here Thursday.

"Japan welcomes such a development," a Foreign Ministry official said after the two nations wound up their second Japan-Pakistan Joint Commission meeting at the ministry.

The South Asian regional cooperation concept, originally proposed in 1980 by the late Bangladesh President Ziaur Rahman, will be the main topic of a summit meeting in Dacca, possibly in December, of seven South Asian countries. The seven are Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. They have agreed not to address political issues in promoting regional cooperation in economic and technological fields.

The Japanese official said Pakistan mentioned the intention to improve its relations with neighboring India during the 2-day joint commission conference.

Both Japanese and Pakistani delegates reaffirmed their support for a United Nations resolution calling on the Soviet Union to pull its troops out of Afghanistan, the official said. A Foreign Ministry source said nearly 3 million Afghan refugees have poured into Pakistan as a result of the conflict.

The source said the Japanese and Pakistani officials also exchanged views on the new Soviet leadership under Mikhail Gorbachev, Japan's relations with the United States, China and South Korea and Pakistan's ties with America and China.

During the meeting, the Pakistani delegation, led by Foreign Ministry Secretary Niaz A. Naik, called on Japan to increase imports from the South Asian country to help trim its trade deficit of some 500 million dollars a year. The Japanese group was headed by former ambassador to Pakistan Shinichi Yanai.

The two countries agreed to set up the joint commission during President Mohammad Ziaul Haq's state visit to Tokyo in July, 1983. The commission

held its first meeting last May during Prime Minister Yasuhiro Nakasone's trip to Pakistan.

The Foreign Ministry official said the two countries agreed to hold the commission's third meeting in Pakistan at a mutually convenient time.

Commenting on the just-concluded Japan-Pakistan Joint Commission talks, Foreign Ministry spokesman Yoshio Hatano said Japan welcomed Pakistan's readiness to promote relations with India.

"Japan stressed," he said, "that India-Pakistan relationship is the key to peace and security in Asia.

"We (Japan) expressed our hope that continued efforts will be made by Pakistan" in this direction, Hatano told reporters.

CSO: 4100/305

ECONOMIC

FISHERY SURVEY CONDUCTED IN SENKAKU WATERS

OW060031 Naha RYUKYU SHIMPO in Japanese 5 Mar 85 Morning Edition p 2

[Text] The Okinawa prefectural fishery experimental station has completed a summary report on the results of the fiscal 1985 experimental deep sea porgy (yellow sea bream) catches it launched last July in waters around the Senkaku Islands, its first fishery resources development and survey project. The experimental station is headed by Jiro Isa. The report says the future of deep sea porgy fishing around Senkaku Islands is promising, but it is cautious about the prospects for commercial fishing, saying, "a further survey of fishing grounds is needed before undertaking fishing on a commercial basis."

The deep sea porgy resources survey was launched by the prefectural government as part of efforts to expand fishery production by developing new fishery resources. Experimental catching was concentrated in Senkaku waters (continental shelf), where boats from mainland Japan have had good results in deep sea porgy fishing. The experimental station's survey ship, the "Tonan-maru" (216-ton class with a crew of 16) carried out the experimental catches using basket fishing. The ship sailed out for surveys five times between July and October last year. Each trip took 1 week. Over 28 actual operating days, the average catch per trip was 150 kilograms.

It was learned from this survey that "catches varied noticeably according to places," indicating the need for exploring fishing grounds. According to Hiroshi Kaneshiro, a researcher at the fishing station, this area has a promising future as a fishing ground, but "much depends on further surveys." Inoha, deputy chief of the prefectural government's agricultural and fishery department, indicated the prefectural government's desire to carry on the survey when he said, "We would like to see the survey lead to commercial deep sea porgy fishing without fail."

CSO: 4100/305

ECONOMIC

PRC SEEKS TO EXTEND FISHING LIMITATIONS

OW020503 Tokyo KYODO in English 0455 GMT 2 Mar 85

[Text] Tokyo, 2 Mar (KYODO)--A Chinese call for larger areas off the coast of eastern China to be closed to fishing will be the focal point of discussions at a five-day annual meeting of the Japan-China Joint Fishery Committee in Tokyo next week.

The meeting, the ninth in a series, will be held March 5-9 at the Foreign Ministry to discuss how to conserve fishery resources in the East China and Yellow Seas.

The annual meeting is held alternately in Tokyo and Beijing under a Sino-Japanese fishery agreement signed in 1975 covering fishing rights and territorial limits in the two seas.

China last year proposed the extension of the closed areas to about three times their original size, covering offshore areas in Shanghai and Jiangsu Province to preserve ribbon fish.

Originally, China proposed closed areas off the coast of Jiangsu Province for the August-October period to conserve ribbon fish and off the coast of Zhejiang Province for the January-February period to preserve yellow croakers.

If the proposed offshore closed areas are approved as now suggested by China, it will deal a serious blow to the fishing of seal eels and blue crabs off the coast of Western Japan by Japanese fishing fleets.

But Fishery Agency officials said they hope to reach an agreement at the meeting, citing the necessity of fishery conservation.

CSO: 4100/269

ECONOMIC

JAPAN, BRAZIL SIGN ACCORD ON FARMING COOPERATION

OW041058 Tokyo KYODO in English 1011 GMT 4 Mar 85

[Text] Tokyo, 4 Mar (KYODO)--Japan Monday agreed to share half the 69.8 billion yen (268.4 million dollar) cost of a project to turn 150,000 hectares of Brazilian jungle into farmland.

Under the agreement signed at the Foreign Ministry, the Japanese Government and private sector will pay 34.9 billion yen (134.2 million dollars) to finance the project in the Cerrado region of central Brazil.

The government agencies will provide 27.9 billion yen (197.3 million dollars)--19.7 billion yen (75.7 million dollars) from the Overseas Economic Cooperation Fund (OECF) and 8.2 billion yen (31.6 million dollars) from the Japan International Cooperation Agency (JICA). The OECF portion will be extended through Japan-Brazil Agricultural Development Co, a Japanese investor.

The remaining 7.0 billion yen (26.9 million dollars) will be provided by a syndicate of Japanese banks, officials said.

The project, whose total cost is estimated at 312 billion yen (1.2 billion dollars), is to improve the soil in the 500,000-hectare Cerrado region stretching over five states, including Minas Gerais, Goias and Bahia, where acid in the soil makes it unsuitable for farming.

The first phase of the project, started in 1976, has turned the barren land south of Brazilia into farms which began to produce soybeans, maize and wheat in 1981.

The Japanese private sector has spent about 7 billion yen (26.9 million dollars) on the project since 1979.

The government pledged its cooperation in the project, which also calls for the growing of coffee and citrus fruit, when Brazilian President Joao Baptista de Oliveira Figueiredo visited Japan last May.

CSO: 4100/269

ECONOMIC

JAPANESE BUILDERS EXPAND INTO CHINESE MARKET

OW040710 Tokyo KYODO in English 0702 GMT 4 Mar 85

[Text] Tokyo, 4 Mar (KYODO)--Japanese construction companies are expanding into the Chinese market, and orders from the communist country have risen from almost nothing a year ago to an expected 40 billion yen (153 million dollars) for the business year ending this month.

Domestic construction is soft due to few public projects, and demand from the Middle East is sluggish, so construction companies are working on their China strategies.

Taisei Corp received a 10 billion order last July for tunnel construction as part of an electric power development project in Yunnan Province.

The company also won an 8.8 billion yen (33 million dollar) contract in January to build a high quality hotel in Beijing.

Kajima Corp has set up a joint firm with China, and will soon start on a 43-story multi-purpose building in Shanghai worth 24 billion yen (92 million dollars). It has also prepared plans for a resort hotel on Hainan Island.

Among other firms seeking a share of the Chinese market is Shimizu Construction Co, which won an international bidding competition last autumn for a 50-story highrise for offices and housing in Beijing.

Along with Nissho Iwai Corp, a leading Japanese trading company, and the city of Beijing, Shimizu has established a specification firm to promote further deals.

Taking advantage of their proximity to the country, many other Japanese construction firms are also increasing their business in China, industrial sources said.

CSO: 4100/269

ECONOMIC

BRIEFS

STEEL STRUCTURES EXPORT CURBS--Tokyo, 28 Feb (KYODO)--Steel structures should be excluded from the Japan-U.S. steel agreement reached in Washington to decide specific items for Japan's voluntary curbs on steel exports to the U.S., the Japanese steel industry said Thursday. Saying otherwise the agreement is supportable, top industry officials are puzzled as to the U.S. intention since steel structures such as bridges and steel towers are not within the purview of the industry. They thus hinted the U.S. last minute insistence on inclusion of steel structures in the voluntary curbs will become the biggest issue in the next round of talks slated for mid-March. Domestically, the industry will focus its attention on allocation of item-by-item export shares among steelmakers. Both countries have agreed to limit Japan's steel exports to the U.S. to 5.8 percent of the U.S. market in six categories and seven sub-categories over a five-year period with the agreement expected to be reviewed twice during the way. [Text] [Tokyo KYODO in English 1221 GMT 28 Feb 85 OW]

DEEP-SEA SURVEY OFF MEXICO--Tokyo, 27 Feb (KYODO)--Japan will launch this summer an exploring survey of hydrothermal deposits, believed to contain rare metals such as copper, lead, zinc, gold and silver, in the Pacific Ocean off Mexico, according to the Ministry of International Trade and Industry (MITI). The 200 million yen (7,700 dollar) survey is to be conducted in open sea Southwest off Mexico between August and September by a deep ocean resource exploring ship--the No 2 Shiramine-maru--owned by a government-run body, the Metal Mining Agency of Japan (MMAJ), ministry officials said. The exploration of seabeds 2,000-3,000 meters deep using sophisticated tools including sonars, will last for five years and the results are expected to be made public, they said. The objective is to ensure for the future Japan's concessions for hydrothermal deposits in the area, where the United States, France and other industrial countries have been exploring metal-rich ocean beds, they added. Rules of exploration have not yet been established for the deposits, while eight nations including Japan have already set up their concessions to mine manganese nodules, lying on seabeds off Hawaii. [Text] [Tokyo KYODO in English 0408 GMT 27 Feb 85 OW]

JAPAN-EC TRADE EXPANSION COMMITTEE--Tokyo, 26 Feb (KYODO)--Japan and the European Community began working-level talks on bilateral trade problems here Tuesday. The agenda for the first meeting of the Japan-EC trade expansion committee includes government procurement of goods and services, import certification and standards, distribution mechanisms and control of counterfeit

name-brand goods. The meeting will continue Wednesday and also Friday. Japanese delegates include Takashi Onda, deputy director of the Economic Affairs Bureau of the Foreign Ministry, while the EC side is represented by Raymond Phan Van Phi, director general for external relations, and other officials of the EC commission. Japan and the EC decided to set up the trade committee in May last year for regular consultations on ways to redress a trade imbalance now heavily in Japan's favor. [Text] [Tokyo KYODO in English 0218 GMT 26 Feb 85 OW]

'VOLATILE' YEN-DOLLAR RATE--Tokyo, 25 Feb (KYODO)--Vice Finance Minister Tomomitsu Oba said Monday that "an excessively strong dollar" won't last long and the present yen-dollar exchange rate will be corrected in due course. He made the remark at a press conference following his briefing of Prime Minister Yasuhiro Nakasone on the international financial situation, including the volatile yen-dollar rate. "The current exchange rate of over 260 yen to the dollars seems a bit excessive," Oba said. "I'm not sure whether the dollar has hit a peak against the yen, but correction of the current exchange rate will be seen in exchange markets." He also said, "A concerted intervention in exchange markets, which was agreed on at a meeting of the finance ministers of five major countries in mid-January, will prevent a strong dollar from persisting too long." As the biggest reason for a strong dollar against the yen, Oba cited a gap of around 4 percent in long-term interest rates between Japan and the U.S. [Text] [Tokyo KYODO in English 1140 GMT 25 Feb 85 OW]

CORRECTIVE PHASE OF DOLLAR--Tokyo, 28 Feb (KYODO)--A top Finance Ministry official Thursday told Prime Minister Yasuhiro Nakasone the dollar has reached its peak in value against the yen and entered a corrective phase. Explaining the background of the recent rise of dollar against other major currencies Toyoo Gyoten, director general of the Finance Ministry's International Finance Bureau, said the dollar's lopsided strength against other currencies got on a corrective course since mid-February. Gyoten voiced opposition to the idea of reducing Japan's huge trade surplus with other countries by curbing its capital outflows, saying such action goes against the tide of internationalization of the Japanese capital market. Nakasone agreed. [Text] [Tokyo KYODO in English 1133 GMT 28 Feb 85 OW]

OFFICIALS CRITICIZE TRADE SURPLUS--Bonn, 3 Mar (KYODO)--Strong criticisms against Japan's huge trade surplus with other countries were made at a three-day unofficial meeting of trade officials from 14 nations that ended Sunday in a Stuttgart, a southern city of West Germany, Japanese Government sources said. Most trade officials, especially French Trade Minister Edith Cresson and West German Economics Minister Martin Bangemann, criticized Japan for its lack of effort to correct trade imbalance, the sources said. The meeting, which was also attended by representatives from the General Agreement on Tariffs and Trade (GATT), the World Bank and European Community (EC), also discussed such pressing problems as rectifying the higher dollar and accumulated international debts of developing countries. On a new round of multilateral trade negotiations, Japan and the United States hoped its starts in 1986, but France and Italy strongly opposed the idea. Japan was represented by Deputy Foreign Minister Reishi Teshima and the U.S., by Special Trade Representative William Brock. [Text] [Tokyo KYODO in English 0315 GMT 4 Mar 85 OW]

JAPAN-ROK CONTINENTAL SHELF--Tokyo, 4 Mar (KYODO)--Japan and South Korea will hold two days of talks here Wednesday and Thursday on joint development of their continental shelf, the Foreign Ministry said Monday. The ministry said the Tokyo meeting will tackle technical aspects of the joint project in connection with past explorations and test drillings in the shelf between the two countries. [Text] [Tokyo KYODO in English 0314 GMT 4 Mar 85 OW]

SATELLITE TRADE DISCUSSION WITH U.S.--Tokyo, 1 Mar (KYODO)--Top Japanese businessmen and U.S. Congressmen Friday discussed bilateral trade problems via communications satellite linking the two countries. The Japanese side cited the current higher dollar against the yen as the chief cause of Japan's huge trade surplus with the U.S., while the U.S. side, brushing aside that notion, called for further opening of the Japanese market in such fields as telecommunications equipment and forest products. Commerce Secretary Malcolm Baldrige then demanded equal treatment in standard certification for American communications equipment, adding Japan's certification procedures should be simplified. Participants in the second such discussion, co-sponsored by the Federation of Economic Organizations (Keidanren) and the U.S. Chamber of Commerce, Rep Sam Gibbons and Sen John Heinz from the U.S., and Keidanren chairman Yoshihiro Inayama and Toshikuni Yahiro, president of Mitsui and Co, from Japan. [Text] [Tokyo KYODO in English 0923 GMT 1 Mar 85 OW]

TV PRODUCTION IN CHINA--Tokyo, 5 Mar (KYODO)--Hitachi Ltd announced Tuesday its Chinese affiliate will boost production of color television sets to meet fast expanding demand there. The company said that work on a new assembly plant will begin in May adjacent to the existing one in Fujian Province, run by a joint venture since 1981. The additional plant should go into operation in 1986, turning out 400,000 sets in the year and 700,000 sets in 1987. The Fujian unit's total annual output would reach 900,000 sets in 1978, Hitachi said. The joint firm's capitalization will be increased to 15.6 million yuan (5.38 million dollars) from the present 3.6 million yuan (1.23 million dollars). Hitachi officials said that color TV set demand in China has been explosive, rising 3.5-fold to 2.8 million last year and expected to soar 2.3-fold to 6.5 million this year. [Text] [Tokyo KYODO in English 0912 GMT 5 Mar 85 OW]

TV PLANTS SELL TO PRC--Tokyo, 4 Mar (KYODO)--Victor Co of Japan (JVC) will supply China with two color television set plants and technological assistance worth 3 billion yen (11.5 million dollars), the company announced Monday. One factory will be established in Nantong, in the northeastern province of Jiangsu, with 14-inch kits and facilities for their assembly, along with technical knowhow, worth 2 billion yen (7.6 million dollars). The other plant, worth 1 billion yen (3.8 million dollars), will go to Dantong in the northern province of Liaoning, to make 18-inch sets. The announcement said that the Nantong plant would begin production of 210,000 color TV sets annually in late September, while the Dantong plant would start production of 150,000 units a year after mid-October. JVC signed agreements late last year with Guangxi Import Corp and Wuhan television set factory of China to supply color TV sets plants and technological assistance worth 4.5 billion yen (17.3 million dollars). The combined annual production capacity of these plants is 200,000 units--150,000 units at the Wuhan factory and 50,000 at the Guangxi plant. [Text] [Tokyo KYODO in English 0832 GMT 4 Mar 85 OW]

PRC SHIPBUILDING MODERNIZATION--Nagasaki, 2 Mar (KYODO)--Two Japanese shipbuilding companies Saturday signed an agreement on technical cooperation with a Chinese provincial corporation to help modernize its shipbuilding industry. The accord was signed by Osaka Shipbuilding Co of Osaka, Western Japan, and its subsidiary here, Oshima Shipbuilding Co, and Fujian Shipbuilding Corp. The signing took place at the Nagasaki prefectural government office which helped arrange the deal. Nagasaki has a friendly linkup agreement with Fujian Province. Osaka Shipbuilding has previously provided technical assistance to shipyards in Shanghai and some other Chinese cities. Under the agreement, Oshima Shipbuilding will send engineers to shipyards in Fujian as technical instructors while Osaka Shipbuilding will receive about 120 Chinese engineers for training. [Text] [Tokyo KYODO in English 0747 GMT 2 Mar 85 OW]

SMALL BUSINESS TIES WITH PRC--Beijing, 1 Mar (KYODO)--Members of a Japanese economic mission and Chinese officials agreed Friday to promote relations between small businesses of the two countries, a mission spokesman said. The agreement was reached during talks between members of the Japan Chamber of Commerce and Industry (JCCI) mission and officials of the China International Trust and Investment Corp. Under the agreement, the Japanese organization and the Chinese corporation will help each other find companies and other groups interested in investment and joint ventures in the respective country. The Japanese group will also aid local chambers of commerce and industry in sending mission to China, while the corporation will introduce such missions to the Chinese authorities and organizations concerned, according to the spokesman. At the talks, corporation chairman Rong Yiren asked delegation leader Noboru Goto, JCCI president, to conduct a professional seminar in China on management of supermarkets, the spokesman added. The 100-member Japanese mission arrived here earlier in the day on a nine-day tour of the country. [Text] [Tokyo KYODO in English 1254 GMT 1 Mar 85 OW]

PRC TOP STEEL IMPORTER--Tokyo, 4 Mar (KYODO)--China replaced the United States as the No 1 importer of Japanese steel products last year, the Japan Iron and Steel Federation said Monday. Shipments to China rose 18.8 percent to a record 8.61 million metric tons last year, topping the 7.25 million tons of 1983. Exports to the U.S. increased 39.5 percent to 6.42 million tons, but with the trade imbalance in mind, Japanese steel producers held down shipments there, especially in the last months of 1984. The U.S. was followed by South Korea, the Soviet Union and Saudi Arabia, the federation said. Shipments to the Middle East, once an expanding market for Japanese steel, fell 38.4 percent to 3.13 million tons. Japan's total steel exports in 1983 were 32.84 million tons, up 2.6 percent on the year before. Japanese steel imports last year totaled 3.72 million tons, up 42.5 percent for the fourth straight year-to-year increase, the federation added. [Text] [Tokyo KYODO in English 1131 GMT 4 Mar 85 OW]

KAWASAKI STEEL PRC OFFICE--Tokyo, 26 Feb (KYODO)--Following the lead of four other major steelmakers, Kawasaki Steel Corp is moving to open an office in Beijing this summer. The office will be charged with the task of exploring for plant engineering business opportunities in the potentially lucrative Chinese market, company officials said. Kawasaki, the last holdout among Japan's top five steel producers, is stepping up marketing efforts in China in

search or orders that could make up for part of a slump in global plant construction contracts. The company appears counting on increasing Chinese demand for machinery and equipment to replace aging facilities at steelworks and heavy-duty machinery plants. Nippon Steel Corp opened an office in the Chinese capital six years ago, becoming the first Japanese steelmaker to do so. Nippon Kokan K.K. and Kobe Steel Ltd soon followed suit. Early this year, Sumitomo Metal Industries Ltd opened an office there. [Text] [Tokyo KYODO in English 0736 GMT 26 Feb 85 OW]

PRC FLUORESCENT LAMP PLANT--Tokyo, 26 Feb (KYODO)--Toshiba Corp said Tuesday that it and a wholly-owned fluorescent-tube subsidiary have jointly won a 1 billion yen (4 million dollars) Chinese order for a ring type fluorescent lamp plant. The announcement said that the plant, the first of its kind in China, will be completed in July next year, and will produce 2 million tubes annually in Fujian Province in southeastern China. It said that the Fujian Foreign Trade Corp placed the order with Toshiba, Japan's second largest electrical machinery maker, and its subsidiary, Toshiba Glass Co for the integrated automated plant that will produce tubes, coat them with fluorescent materials and assemble parts. China is replacing incandescent lamps with fluorescent lamps in cities to conserve energy. A plant in the province now produces 2.3 million incandescent lamps and 100,000 straight type fluorescent lamps a month. [Text] [Tokyo KYODO in English 0100 GMT 26 Feb 85 OW]

PRC 'FRIENDLY FACTORY' CONTRACT--Osaka, 25 Feb (KYODO)--Kawasaki Heavy Industries Ltd of Kobe said Monday it has signed a "friendly factory" contract with a Chinese rolling stock works. Under the contract, Kawasaki and Sifang Rolling Stock Works in Qingdao, Shandong Province, will promote technological and personnel exchange. Kawasaki will also cooperate in modernizing the Chinese works. The Sifang works is one of the top-rate rolling stock factories in China, Kawasaki officials said. The officials said Kawasaki expects the agreement to lead to sales of rolling stock, particularly diesel locomotives. [Text] [Tokyo KYODO in English 0829 GMT 25 Feb 85 OW]

JAPAN, FRANCE COAL DEVELOPMENT--Paris, 8 Mar (KYODO)--The state-run French coal corporation has exchanged memoranda with two Japanese banks on technological and financial cooperation in coal resources development, it was revealed here Friday. The Bank of Tokyo and the Industrial Bank of Japan are to take part in developing coal resources in Canada, Australia and other countries, redevelopment of coal mines in southern France and the advance of Japanese business into France. The French Government is said to be hoped for Japanese investment in France to create jobs for surplus workers in the French coal industry, which is suffering from a persistent business decline. It is hoped that Japanese capital and French technology will be linked through the agreement to better utilize world coal resources. [Text] [Tokyo KYODO in English 0048 GMT 9 Mar 85 OW]

JANUARY INDUSTRIAL OUTPUT DROPS--Tokyo, 27 Feb (KYODO)--Mining and manufacturing output in January fell 0.3 percent from December for the second straight monthly decline, the Ministry of International Trade and Industry said Wednesday. Industrial output dropped 0.7 percent in December. [Text] [Tokyo KYODO in English 0614 GMT 27 Feb 85 OW]

POWER COMPANY IN PRC--Tokyo, 8 Mar (KYODO)--Electric Power Development Co (CPD), a firm owned jointly by the government and nine regional electric power companies, will open its representative office in Beijing Saturday, an EPD official said Friday. The company, which started importing Chinese coal in 1973, is now conducting a feasibility study for construction of a big hydroelectric power plant in Zhenjiang Province in cooperation with Japan International Cooperation Agency (JICA), the official said. EPD plans to cooperate with China in other areas such as coal-fired and hydroelectric power plants and ultra high-voltage electric transmission cables, he added. [Text] [Tokyo KYODO in English 0835 GMT 8 Mar 85 OW]

GRANT AID TO THAILAND--Tokyo, 7 Mar (KYODO)--Japan and Thailand Thursday exchanged notes on aid grants totaling 2.38 billion yen (9.2 million dollars). The Foreign Ministry said 1.79 billion yen (6.9 million dollars) will be granted in kind for construction of a national animal hygiene institute and 589 million yen (2.3 million dollars) will go to finance construction of a regional agricultural cooperative training center. [Text] [Tokyo KYODO in English 1200 GMT 7 Mar 85 OW]

JAPAN, PAKISTAN TRADE DISCUSSION--Tokyo, 11 Mar (KYODO)--Japan and Pakistan will hold a two-day meeting here Wednesday and Thursday on trade and international situations, the Foreign Ministry said Monday. It said economic and political developments will be reviewed during the second meeting of the Japan-Pakistan joint committee. The two countries reached agreement on creation of the committee at the time of President Mohammad Ziaul Haq's visit to Japan in July, 1983. The joint committee held the first meeting in Pakistan during Prime Minister Yasuhiro Nakasone's May, 1984 trip to that country. A Foreign Ministry official said Pakistan will raise the trade issue in connection with its chronic trade deficit with Japan during the two-day conference at the ministry. [Text] [Tokyo KYODO in English 0326 GMT 11 Mar 85 OW]

MULTILATERAL TRADE CONFERENCE--Tokyo, 11 Mar (KYODO)--Trade negotiators and business leaders will discuss a new round of multilateral trade negotiations during a three-day meeting here later this week, the Foreign Ministry announced Monday. Foreign Minister Shintaro Abe plans to deliver a keynote address at the meeting which opens at a Tokyo hotel Friday. The ministry said the Tokyo trade conference sponsored by the London-based trade policy research center is a follow-up to two previous trade meetings in Australia in 1983 and in South Korea in 1984. Representatives of Australia, Canada, the European Community, Hong Kong, Indonesia, South Korea, Malaysia, New Zealand, the Philippines, Singapore, Thailand, the United States and Japan will attend the meeting. In addition, the General Agreement on Tariffs and Trade (GATT), the United Nations and the UN Conference on Trade and Development (UNCTAD) will dispatch delegates to the Tokyo meeting, the Foreign Ministry said. [Text] [Tokyo KYODO in English 0355 GMT 11 Mar 85 OW]

JANUARY VTR EXPORTS--Tokyo, 28 Feb (KYODO)--Japan's exports of videotape recorders (VTR's) in January jumped 59.0 percent over a year ago to 1,640,927 units, the Electronic Industry Association of Japan said Thursday. Association officials attributed the booming exports to continuously favorable exports to the U.S., up more than two-fold to 1,062,421 units. But exports

to European Community (EC) were as sluggish as ever at 148,760 units, down 19.4 percent, they said. Domestic shipments of household videotape recorders (VTR) in January rose 6.1 percent over a year earlier to 259,000 units, the association said. If VTR's mounted with cameras were taken into account, total shipments would have increased by nearly 10 percent, association officials said. [Text] [Tokyo KYODO in English 0819 GMT 28 Feb 85 OW]

FASTEST GENERAL-PURPOSE COMPUTER--Tokyo, 28 Feb (KYODO)--NEC Corp Thursday started marketing what it claims to be the world's biggest and fastest general-purpose computer. The ACOS 1540 has a main memory capacity of 256 megabytes, compared with the 128 megabytes claimed by the International Business Machines Corp (IBM) for its top general-purpose computer, IBM 3090-400, an NEC official said. The new NEC computer has a processing speed of 130 MIPS (million instructions per second), compared with the IBM 3090-400's claimed 46-52 MIPS, according to the official. He said the new computer has double the main memory capacity and about two and a half times the processing speed of its existing top general-purpose computer, ACOS 1000-40. The ACOS 1540 is one of four ACOS system 15000 series models announced and marketed Thursday. These products were developed jointly by NEC and NEC-TOSHIBA Information Systems, Inc, a joint venture of the two electrical manufacturers. The spokesman said the four new models will be pitted against the IBM 3090-400 and 3090-200 general-purpose computers announced in mid-February by IBM and IBM Japan, Ltd. Hitachi, Ltd said it planned to unveil general-purpose computers as rivals to the IBM 3090-400 and 3090-200 later in the year. NEC hopes to sell the new models mainly to Japanese financial institutions, government offices and research institutes. [Excerpts] [Tokyo KYODO in English 1053 GMT 28 Feb 85 OW]

JAPAN, U.S. TELECOMMUNICATIONS TALKS--Tokyo, 15 Mar KYODO--Japan and the United States resumed subcabinet-level talks on the opening of the Japanese market wider to American telecommunications equipment manufacturers here Friday morning. At the talks taking place at the Foreign Ministry, the Japanese side will present its formal reply to nine requests made by the United States during the previous round of negotiations on Wednesday, government officials said. The talks will be followed later the same day by a joint meeting of Japanese and U.S. officials taking part in bilateral negotiations on Japan's import liberalization in four areas--telecommunications equipment, electronics, pharmaceuticals and medical equipment and forestry products. The two nations will also hold another round of subcabinet consultations on overall bilateral economic and trade issues after the joint meeting. [Text] [Tokyo KYODO in English 0051 GMT 15 Mar 85]

DISMISSAL OF TRADE CRITICISM--Los Angeles, 15 Mar KYODO--Outgoing Japanese Ambassador Yoshio Okawara, dismissing U.S. criticism of Japan's closed markets, said Friday that the Japanese Government is taking necessary steps to promote imports from the United States. Okawara, on his way home after serving for 5 years as ambassador to Washington, spoke at a dinner held in his honor at the Japan-U.S. Culture Hall. While arguing that U.S. criticism of Japan is based on misunderstanding, Okawara also contended that Japan's efforts to open its markets wider have made steady progress. He cited the

dollar's appreciation as one of the factors in the massive trade deficit incurred by the United States. "The Japanese Government has been taking necessary measures to promote imports of U.S. products and I am convinced that the efforts are making steady progress toward the goal," he said. Okawara chose the economic issue as the main theme of his 15-minute speech and stressed the importance of close ties between Japan and the United States as members of the free world. When Okawara bade farewell to U.S. President Ronald Reagan on March 11, he was asked to help bring about the opening of Japanese markets. [Text] [Tokyo KYODO in English 0847 GMT 16 Mar 85]

JAPAN, U.S. SUBCABINET TRADE CONSULTATIONS--Tokyo, 14 Mar KYODO--Japan and the United States opened subcabinet-level consultations on overall trade and economic relations here Thursday. During the two-day consultations, delegates of the two countries will also exchange views on international economic issues, such as the outlook for the world economy and the monetary situation, in connection with a ministerial council meeting of the Organization for Economic Cooperation and Development (OECD) in April and the Seven-Nation Economic Summit in May. Discussions, however, will center on major trade issues pending between the two countries, including the further opening of the Japanese market to American products, such as telecommunications equipment, government sources said. The meeting will last until Friday morning under the joint chairmanship of Japanese Deputy Foreign Minister Reishi Teshima and Allen Wallis, U.S. under secretary of state for economic affairs. [Text] [Tokyo KYODO in English 0126 GMT 14 Mar 85]

MINING, MANUFACTURING FIGURES DECLINE--Tokyo, 15 Mar KYODO--Japan's production index for mining and manufacturing in January dropped a seasonally-adjusted 0.2 percent from the previous month for the second consecutive monthly decline, the government said in a revised report Friday. The Ministry of International Trade and Industry (MITI) put the January index at 120.00 against 100 for 1980. It earlier estimated the index will fall 0.3 percent from last December. The shipment index rose 0.7 percent to 115.6 while the inventory index stood at 102.2, down 0.7 percent. A MITI official said the production index dropped in both general and electric machinery and steel but transportation machinery, foods and tobacco rose. [Text] [Tokyo KYODO in English 0927 GMT 15 Mar 85]

'HIGH-LEVEL' TALKS WITH PRC--Tokyo, 13 Mar KYODO--Japan and China will hold an annual high-level working session in Tokyo March 26-27 to exchange views on the economic situation in each country, the Ministry of International Trade and Industry announced Wednesday. Ministry officials said the Chinese delegation is expected to brief Japanese officials on the Seventh 5-Year Plan (1986-90) and plans for modernization of industrial facilities. Japan will explain its policy for promotion of electronics and information industries and plans to enhance technological interchanges between medium- and small-sized industries of both countries. The annual consultations were decided in April 1980 when then international trade and industry minister Yoshitake Sasaki visited China. The forthcoming meeting is the sixth since the first session was held in Beijing in September 1980. The Chinese delegation will be headed by Ma Yi, deputy chairman of the State Economic Commission while the Japanese team will be led by Keiichi Konaga, vice minister of international trade and industry. [Text] [Tokyo KYODO in English 1214 GMT 13 Mar 85]

TRADE OFFICE IN SHANGHAI--Osaka, 13 Mar KYODO--The Osaka Prefectural Government announced Wednesday that it will establish a trade office in Shanghai on November 1. To be called the Osaka Merchandise Center Shanghai Office, it will be the prefectural governments third overseas trade office. The other two are in the Netherlands and Singapore. The Shanghai office will be established on the fifth anniversary of the establishment of friendly relations between Osaka Prefecture and Shanghai. It will serve as a base for enterprises in the prefecture doing business with China and also for friendship between Japan and China. The office will have floor space of about 200 square meters in a new building to be completed in May in the heart of Shanghai, according to prefectural government officials. It will be equipped with telex and a commonly shared office for small and medium enterprises in Osaka. It will also serve as a window for bilateral friendly interchanges involving industrial technology and medical science. Officials said more than 20 companies in Osaka Prefecture have expressed interest in utilizing the projected office. [Text] [Tokyo KYODO in English 1149 GMT 13 May 85]

TOYOTA URGES EXPORT POSITION--Tokyo, 13 Mar KYODO--A top Toyota Motor Corp executive Wednesday suggested the need for Japan to clarify it will not be responsible for any auto export surge to the United States if it is caused by exports requested by American automakers. The executive, who asked for anonymity, was commenting on what would happen after the current Japan-U.S. agreement on voluntary auto export restraints expires on March 31. Under the agreement, Japanese automakers are holding down their U.S.-bound exports to 1.85 million units a year. After the agreement expires, such Japanese auto firms as Isuzu Motors Co and Suzuki Motor Co plan to increase sharply their exports to the United States at the request of their American partners, raising a possibility of a big jump in total Japanese exports. The Ministry of International Trade and Industry is now studying what measures to take to prevent such an export surge. The Toyota executive's remark was echoed by a Nissan Motor Co executive. [Text] [Tokyo KYODO in English 1139 GMT 13 Mar 85]

TOYOTA MISSION TO PRC--Nagoya, 14 Mar KYODO--An 11-member mission led by Eiji Toyoda, Toyota Motor Corp president, left Thursday morning for China via Hong Kong. The mission organized by Toyota Motor and its affiliates also included Seizo Ezaki, president of Toyoda Tsusho Kaisha Ltd. Members of the mission are to hold meetings with Vice Premier Yao Yilin and other Chinese leaders in Beijing after visiting auto plants at Shenzhen, Guangzhen, Shanghai and Tianjin cities. [Text] [Tokyo KYODO in English 0300 GMT 14 Mar 85]

JAPAN, U.S. ENERGY COOPERATION TALKS--Tokyo, 13 Mar KYODO--Japan and the United States will hold a meeting on bilateral energy cooperation in Tokyo Thursday, the Foreign Ministry announced Wednesday. At the fifth session of the Japan-U.S. Energy Working Group, officials of the two nations will exchange views on the possibility of the United States lifting the current ban on Alaskan crude oil exports, expansion of Japan-U.S. coal trade and Japan-U.S. cooperation in development of natural gas resources in Alaska. The meeting will be co-chaired by Deputy Foreign Minister Reishi Teshima and Kazuo Wakasugi, vice minister of international trade and industry for international affairs, and Allen Wallis, U.S. under secretary of state for economic affairs. [Text] [Tokyo KYODO in English 0501 GMT 13 Mar 85]

NEW TELEPHONE COMPANY HEAD--Tokyo, 16 Mar KYODO--Hisashi Shinto, president of the Nippon Telegraph and Telephone Public Corp, will head the company after it is privatized on April 1, sources said Saturday. The sources said Yasusada Kitahara, NTT vice president, and Yuzuru Abe, president of Nissin Steel Co, will both become vice presidents. Selection of the new executives was made at separate meetings which Hiroki Imazato, chairman of the new NTT Preparatory Committee, held Saturday with Prime Minister Yasuhiro Nakasone and Megumu Sato, minister of posts and telecommunications. Shinto, 75, former president of Ishikawajima-Harima Heavy Industries Co, Ltd, has been president of NTT since January 1981. Kitahara, 70, joined NTT on its inauguration after World War II. He was appointed as vice president in January 1977. Abe, 69, former vice president of Nippon Steel Corp, has held the post of president of Nissin Steel Co since June 1980. The appointments of the three executives will be made formal at a meeting of the board of directors scheduled for March 28. [Text] [Tokyo KYODO in English 1154 GMT 16 Mar 85]

GRANT AID TO MICRONESIA--Tokyo, 15 Mar KYODO--The government Friday decided to grant 930 million yen in gratis aid to Micronesia to help improve that country's traditional fishing industry. The governments of the two countries exchanged a letter to this effect Friday. The grant will be used to purchase refrigerators and to construct ice plants needed in Micronesia's project to improve its traditional fishery industry. Micronesia, an island country lying below the equator in the Pacific, is blessed with such coastal fishery resources as sea bream and prawns as well as with pelagic fishery resources including tuna and bonito. [Text] [Tokyo KYODO in English 1150 GMT 15 Mar 85 OW]

FEED FROM TREES--Tokyo, 15 Mar KYODO--The Agriculture, Forestry and Fisheries Ministry said Friday that it has successfully produced crude feed from beech and other broad-leaf trees widely seen in Japan and from bamboo grass growing in Hokkaido under a joint experimental project with Hitachi Zosen Corp. This is the first test production of crude feed from trees other than white birch, the ministry said. Crude feed, made by the newly developed technique, can be digested by cattle and goats as easily as rice straw and grass, the ministry said. Hitachi Zosen, a major engineering and shipbuilding firm, is developing a test plant with an annual output capacity of 700 tons preparatory to the use of the technique for mass production. When mass-produced, the new feed will be priced at about 50 yen per kilogram--lower than the 60 to 70 yen for grass, but higher than the 20 to 30 for rice straw. The ministry is hopeful that in the near future, the new technique will enable the supply of large quantities of crude feed to those areas where self-sufficiency of feed is impossible. The development of crude feed forms part of the ministry's research project for "biomass transformation." [Text] [Tokyo KYODO in English 1151 GMT 15 Mar 85 OW]

FOOD AID TO BANGLADESH--Tokyo, 14 Mar KYODO--Japan will provide Bangladesh with up to 1,313 million yen in food aid under an agreement concluded Thursday in Dacca. The Foreign Ministry said the Japanese food aid consists of Thai and Pakistani rice to help ease the food shortage aggravated by last year's massive floods. [Text] [Tokyo KYODO in English 0404 GMT 14 Mar 85 OW]

ULSI MATERIAL DEVELOPMENT--Tokyo, 15 Mar KYODO--Matsushita Electric Industrial Co announced Friday the development of a new material for Ultralarge Scale Integrated Circuits (ULSI), such as 4 to 16 megabit dynamic random access memory chips (4 m to 16 m DRAM). A spokesman said the new material, Water Soluble Photopolymer (WSP), permits submicron pattern rule photolithography. WSP is a compound of starch plastics, pullulan, developed by the Okayama-based Hayashibara Biochemical Laboratory through a biotechnological process, and a photobleaching agent, he said. He added that the surface of the convention silicon substrate, made up of silicon plus photoresist is coated with WSP to increase its function. The spokesman said WSP has a contrast-enhancing function, making possible submicron contrast enhanced photolithography. He said a Matsushita research team succeeded in drawing a line with a minimum width of 0.5 micron, using contrast enhanced photolithography technology. This opened the way for the development of 4 m to 16 m DRAM's, he said. [Text] [Tokyo KYODO in English 0209 GMT 15 Mar 85 OW]

1984 ELECTRONICS PRODUCTION SURGE--Tokyo, 15 Mar KYODO--Japan's electronics production last year was valued at 16,776 billion yen, up 31.4 percent from the previous year and the first rise of over 30 percent in 8 years, the Electronic Industries Association of Japan said Friday. The surge was mainly supported by a sharp 39.8 percent hike in the production of electronic parts to 6,053 billion yen. Exports rose 31.6 percent to 8,999 billion yen, partially a reflection of active videotape recorder shipments to the United States. [Text] [Tokyo KYODO in English 1110 GMT 15 Mar 85 OW]

AID TO YAR--Tokyo, 10 Mar KYODO--Japan will give the Yemen Arab Republic 600 million yen to help the Mideast country boost food production, the Foreign Ministry said Sunday. Japan has also pledged up to 250 million yen for the Arab country's reconstruction program in connection with a December 1982 earthquake that caused heavy damage in Dhamar and other areas. An exchange of notes took place in Sana, the capital of Yemen, on Sunday. [Text] [Tokyo KYODO in English 0902 GMT 10 Mar 85 OW]

GRANT TO MARSHALL ISLANDS--Tokyo, 13 Mar KYODO--Japan will extend a 380 million yen (1.46 million dollar) grant to the Republic of Marshall Islands under notes exchanged between the two countries Wednesday. The Oceanian republic will use the grant for construction of a fishery base as part of its effort to promote the local fishery industry, government officials said. [Text] [Tokyo KYODO in English 0303 GMT 13 Mar 85 OW]

PRC OFFICIALS TOUR PLANTS--Tokyo, 13 Mar KYODO--A group of Chinese officials will fly to Tokyo March 19 for a 2-week tour of steelworks, auto plants, shipyards and consumer electronic plants, industry sources said Wednesday. The 13-man mission, led by the China National Metals and Minerals Import and Export Corporation's adviser, Zhang Jichuan, is coming at the invitation of the Japanese steel industry. The team will include economic and industrial policy planners and officials in charge of steel-using industries. Mission members are expected to hold talks with top executives of Nippon Steel Corp and other leading steel producers before leaving for home April 2. [Text] [Tokyo KYODO in English 0520 GMT 13 Mar 85]

PACIFIC BASIN ECONOMIC COUNCIL--Tokyo, 15 Mar KYODO--The Pacific Basin Economic Council, which promotes private-level economic cooperation in the Pacific, held its Second International Symposium on a New International Economic Order in Tokyo Friday with about 300 Japanese and foreign delegates taking part. Noboru Goto, chairman of the Japanese committee, told the conference that the 21st century will be characterized by Pacific cooperation and countries in the area need to promote a new regional economic order. F.B. Whittemore, the council's international chairman, made a keynote address on the present and future of the Pacific. Among the other delegates were R.M. Fairbanks, a U.S. roving ambassador responsible for the Pacific, who stressed a steady economic cooperation rather than rapid formation of an economic community among such different countries without any common security threat. A. Panyarachum, vice president of the Chamber of Commerce and Industry of the Association of Southeast Asian Nations (ASEAN), said the Pacific countries will have to make efforts to provide more profits to developing nations in the area than to advanced countries. [Text] [Tokyo KYODO in English 1212 GMT 15 Mar 85]

CSO: 4100/305

END