

## Premier Urges More Imports

Prime Minister Yasuhiro Nakasone has called for further efforts to promote imports of manufactured products to reduce Japan's trade surplus. On June 25, addressing the fifth session of the Trade Conference, which he chairs, Nakasone also cited sustained economic growth without inflation and internationalization of the yen as contributions Japan should make to stimulate the world economy. In a related development, on June 22, Nakasone awarded prizes to four businessmen—two Japanese, an American and a Frenchman—during an annual ceremony to commend those who contributed to Japan's import expansion. The prize winners were Mitsuo Uemura, chairman of Sumitomo Corp., for his contribution to import expansion as head of a 1979 import promotion mission and other activities; Shozaburo Miyagi, president of Printing Machine Trading Co., for his service as a board member of the Japan Machinery Importers Association and leader of a group of printing machinery importers; Edson W. Spencer, chairman of Honeywell Inc., for his leadership as head of the U.S. delegation to an annual meeting with Japanese businessmen and for his congressional testimony contributing to improving bilateral relations; and François Berger, president of Pechiney Japon and of the French Chamber of Commerce and Industry in Japan, for his role in organizing an exhibition of French industry to be held in Japan this October.

## Recommendation by Administrative Reform Council

The Advisory Council on Enforcement of Administrative Reform, chaired by Toshiwo Doko, submitted a recommendation to Prime Minister Yasuhiro Nakasone on July 25, urging the government to severely restrict expenditures in order to promote administrative reform.

The recommendation will serve as a guideline for compilation of the fiscal 1985 budget.

It called on the government to sharply curtail issues of deficit-covering bonds in fiscal 1985, to fulfill a government promise to cease issuing of such bonds by 1991.

To cut expenditures, the panel urged tighter controls on budget appropriations for, among other things, public works, social welfare and education.

It also called for a reduction in subsidies to local governments.

On public sector wage increases, the recommendation said pay raises should be "appropriately decided," somewhat toning down the wording in an earlier subcommittee report, which called for "appropriate restraint."

## 1984 White Paper On Trade

In 1983, the world economy began to recover from a protracted slump, but it still faces two fundamental problems—a global shortage of savings and capital needed to keep the economy going, but also an inefficient use of those savings, according to Japan's 1984 white paper on foreign trade. The annual MITI report also points out that there are geographical gaps in the pace of recovery. Japan will continue to run a chronic current account surplus, it says, in view of the country's export-oriented economic structure and other factors. The report notes that Japan, a country with surplus savings, should not only seek expansion of domestic demand and promotion of imports to hold down its payments surplus, but also contribute to balanced development of the world economy by supplying capital to foreign countries, after the previous example of Britain and the U.S. In this connection, the report suggests that Japan could play the role of a capital supplier through industrial and economic cooperation, which would contribute to world economic development in a way acceptable to the international community.

## Completion of Nuclear Fuel Cycle Urged

A MITI advisory panel has come up with a report recommending early completion of Japan's nuclear fuel cycle—a comprehensive system of enriching uranium, reprocessing spent fuel and disposing of radioactive waste. The Nuclear Subcommittee of the Advisory Committee for Energy urged MITI to start up a commercial uranium enrichment plant by 1991, launch operations for commercial reprocessing of spent fuel around 1995 and begin mass storage of low-level radioactive waste outside nuclear plant compounds around 1991, thus completing its own nuclear fuel cycle to accelerate utilization of nuclear energy. The proposals are expected to spur on a plan by the Federation of Electric Power Companies to build Japan's first nuclear fuel recycling center in Aomori Prefecture, northern Japan. MITI intends to step up efforts to establish a nuclear fuel cycle based on the report. Japan now relies on France and the U.S. for all of its enriched uranium needs and on France and Britain for most of its reprocessing of spent fuel. The Japanese government has been pushing policies for early establishment of a domestic nuclear fuel cycle.

## Direct Investment Abroad Rises 5.7%

Direct investment abroad by Japanese corporations rose 5.7% to \$8,145 million in fiscal 1983, the second largest figure on record after \$8,931 million in fiscal 1981, according to a June 8 announcement by the Ministry of Finance. The strong increase resulted from stepped-up investment by manufacturing companies engaged in overseas production and increased investment by banks and insurance companies for creation of subsidiaries abroad. The ministry predicts overseas direct investment will continue to rise, led by manufacturing firms seeking to bypass trade protectionism in foreign countries. Of the fiscal 1983 total, acquisition of equity interests for the purpose of establishing local subsidiaries and joint ventures accounted for \$3,753 million, up 11.2%. New credits such as loans to subsidiaries and loans to local enterprises aimed at ensuring steady supply of resources leveled off, edging up 0.3% to \$4,192 million. The United States remained the largest host to Japanese investment, though the amount it took decreased 7.0% to \$2,701 million.



## Stockpiling of Genetic Resources Urged

The Resources Council, an advisory body to the Director General of the Science and Technology Agency, has proposed that the government collect and stockpile genetic resources, such as potentially useful species in danger of extinction, as part of a package of measures to promote biotechnology.

In a recommendation to Michiyuki Isurugi, director general of the agency, on June 26, the advisers said Japan's existing genetic resources are insufficient, both in quantity and quality, and that the country urgently needs to establish a genetic resources policy to collect useful botanical, zoological and microbial species.

It is the first time a recommendation has been made on genetic resources from such a wide perspective.

The recommendation suggested that potentially useful species in danger of extinction be collected first.

It also urged government, industry and academic collaboration in establishing an overall system to promote genetic resources.

## HAND '84 KYOTO

An international exhibition of traditional handicrafts will be held in Kyoto October 6-December 9 under the auspices of MITI, the Kyoto Prefectural Government and other organizations.

The exhibition, called HAND '84 KYOTO, will mark Traditional Craft Promotion Month, commemorating the 10th anniversary of the enactment of the Law Concerning the Promotion of Traditional Craft Industry. HAND stands for Handicraft and Neo-traditional Dream.

The 65-day exhibition will be the biggest event ever held by the Japanese handicraft industry. It will cost ¥800 million, and is expected to draw between 800,000 and 1.2 million spectators.

Handicrafts will be displayed in the exhibition pavilions, and traditional performing arts showcased in the Festival Plaza.

Among the pavilions will be the "Kyoto Artisan Town," reproducing the lives of Kyoto artisans in past centuries, the "Japan Handicraft Village," where leading artists from across Japan will demonstrate their skills, and a foreign pavilion which will display the traditional handicrafts of Europe. Five to six European countries are expected to join the exhibition.

## Population White Paper

The Council of Population Problems, an advisory body to the Health and Welfare Minister, has issued a white paper on population trends confirming that Japanese society is aging fast.

According to the white paper, the first of its kind in 10 years, Japan's population as of October 1983 stood at 119.48 million, the seventh largest in the world. The paper said the annual growth rate, now 0.7%, will continue to sag, accelerating the aging process. The population will begin to level off toward the end of the 21st century, after peaking at 130 million.

The study forecast that the ratio of persons over 65 to total population will more than double from 9.8% in 1983 to 21% in 2015. Japan will take only 26 years for the ratio to climb from 7% to 14%. In contrast, France took 115 years and West Germany 45.

The white paper urged the government to quickly formulate social policies to deal with the shift.

## JETRO Purchasing Missions Active

The Japan External Trade Organization (JETRO) is sending a total of 20 purchasing-consulting missions to the United States and Europe in the current fiscal year ending next March.

The missions, organized by officials of Japanese department stores, supermarkets, other distribution businesses and manufacturers, are aimed at promoting Japan's imports of foreign goods.

Visiting overseas trade fairs in search of commodities suitable for the Japanese market, mission members also share their expertise with fair officials and local exporters on how to develop goods which appeal to Japanese consumers.

Mission size ranges from 10 to 30 members, all of whom, except for the mission leader and a consultant, participate at their own expense. However they are assisted by JETRO's overseas networks.

The trade fairs to which missions have been sent include household and computer graphics fairs in the United States and furniture and interior fairs in Denmark and Belgium.

In October, JETRO will break further new ground with an all-woman buying and consulting mission. The group, led by Ms. Kazuko Ishihara, a managing director of Takashimaya Department Stores, will visit children's and ladies' wear, furniture and household goods fairs in the United States.

## White Paper on Labor Economy

Japan's economic situation in 1983 remained severe on the labor front, with such factors as high unemployment, but was gradually improving. The sign of improvement was seen in, among others, the rising job offers rate toward the end of the year, according to an annual white paper on labor economy.

The report, published by the Labor Ministry on June 6, also says that since 1975, wages have been rising at a lower rate than during the earlier high-growth period. But with commodity prices rising at a low rate, the rate of real wage increase was not as low as that of nominal wage increase.

Workers' real income is continuing to rise faster than in the United States, West Germany and other industrialized countries, but the rate of increase is slowing.

But increased expenditures for education of children are putting heavy pressure on household budgets.

Spending on education begins to rise sharply when householders reach their late 40s. Householders in their 50s who have two children attending university spend more than ¥2 million (\$8,300) a year on education.

The white paper also notes that the difference in size of retirement payments is widening between big companies and smaller enterprises.

While retirees of big companies receive an average of ¥11.38 million (\$47,400) in retirement pay, those of smaller firms get only one-third to one-half that amount. The latter are facing a harder life upon retirement.

To help, the report proposed that a retirement pay mutual aid system be set up for workers of smaller firms.

For information on where to obtain the papers and materials referred to, please write to or call the Editor of the *Journal*.