




White Paper On Agriculture

Further improvement of agricultural productivity is indispensable to cope with slowing consumption and growing foreign pressure to open Japan's farm produce market, according to the government's annual report on agriculture for 1985. The report said agricultural output in fiscal 1984 was generally better than the previous year, with rice enjoying the first bumper crop in five years. Farmers' incomes in April-December 1984 increased 9% over a year before. But food consumption has reached a saturation point, offering little hope for future growth.

Given that prospect, the report said, farmers must try to meet the "qualitative diversification" of consumption by providing people with a healthy, rich food life, consisting of more nutritious, low-fat, and low-calorie foods.

Farming communities also face various problems, the report said, including the growing weight of non-agricultural jobs, and a declining and aging population. To resolve these, the report pointed to the need to improve agricultural structure by strengthening crop farming and introducing biotechnology. But it reiterated that it is still important to maintain minimum measures to adjust the trans-border flow of agricultural products, while taking into account possible solutions to current problems in agricultural policy.



Boost ODA: Keidanren

The business community has recommended a sweeping increase in Japan's official development assistance (ODA) to developing countries on a long-term basis. The proposal, prepared by the Federation of Economic Organizations (Keidanren) for submission to the ruling Liberal-Democratic Party and the government, was based on questionnaires on economic cooperation distributed to Keidanren's member companies.

The resulting report, entitled "Seeking Positive Extension of Japan's Economic Cooperation," calls on the government to drastically raise its aid target. Noting that the present ODA budget is prepared annually, it proposes switching to a multi-year budget to increase

aid efficiency. It also urges the government to seek revision of the export credit guidelines set by the Organization for Economic Cooperation and Development (OECD) in favor of softer credit terms, and to extend help for private-sector economic cooperation by, for example, improving the export insurance system.

Japan has pledged to double its ODA between 1981 and 1985, but this target is unlikely to be achieved. In this connection, Keidanren suggested that the government set a new target aimed at doubling the ODA budget in not more than seven years. It also recommended lowering interest rates on Export-Import Bank of Japan loans for financing exports on a deferred payment basis, which are now higher than market levels, and abolishing the export certification system for such exports.



Equal Job Opportunities Law Passes Diet

A bill designed to give both sexes equal opportunities at the work site was enacted by the House of Representatives in mid-May. The equal employment opportunities law is the first attempt ever in Japan to systematically eliminate sexual discrimination in employment. It is a pillar of the domestic legislation needed for Japan to be able to ratify the United Nations Convention on the Elimination of All Forms of Discrimination against Women.

Despite the enactment of the law, details on how to handle overtime hours for women have yet to be worked out. The confrontation between management and labor will likely continue to smoulder as the Labor Ministry tries to formulate the ordinance.

The law, which incorporates a sweeping revision of the existing Women Workers Welfare Law and a partial revision of the Labor Standards Law, is scheduled to take effect in April 1986.

The new law makes it mandatory for enterprises to ensure equal opportunities for both sexes in recruitment, employment, job assignment and promotion. It also prohibits discriminatory treatment vis-à-vis retirement age, resignation, dismissal, education, training and welfare.

The law abolishes provisions of the Labor Standards Law restricting work for women on holidays for management personnel and specialists, and eases them for the service industry.

The law further deregulates midnight work by management staff, specialists and part-time workers.



Japan Posts Record Current Account Surplus

Japan chalked up a record current account surplus of \$36,991 million in fiscal 1984 (April 1984-March 1985), up sharply from the previous record of \$24,232 million in fiscal 1983, according to a preliminary report published by the Finance Ministry on April 30.

The current account surplus mirrored a record \$45,621 million trade surplus, compared with the \$34,546 million trade surplus in fiscal 1983. The report attributed the huge increase to a steep rise in exports to the United States.

The fiscal 1984 current account and trade surpluses far exceeded the respective \$34 billion and \$44 billion projections contained in the government's economic outlook for the year.

Exports in fiscal 1984 jumped 11.3% to a record \$167,793 million. Imports rose 5.1% to \$122,172 million.

The long-term capital account was \$54,438 million in the red, also a record, and more than double the \$20,797 million deficit of the previous year. This was due to a sharp increase in investments in U.S. securities induced by high interest and a strong dollar—a clear indication that Japan is investing its trade surplus overseas.

The overall balance of payment was \$14,544 million in the red, a sharp reversal of the \$2,415 million surplus in fiscal 1983.



More Foreigners Visiting Japan

Foreigners visiting Japan on business have more than trebled over the past decade, while those staying for longer than three months have declined by more than a third.

This interesting fact, apparently a reflection of foreign "sell-to-Japan" efforts, came to light in a recently-published Justice Ministry report.

According to the study, foreigners visiting Japan for business purposes and their dependents totaled 445,300 in 1984. But only 6,900 stayed for more than three months, down 38% from 10 years ago. Whereas there were 14,600 long sojourners and their families in Japan as of last September, an Autumn 1983 survey by the Foreign Ministry found 150,000 Japanese and their families working abroad for more than three months, for a ratio of 1 to 10.

Of the foreigners who came to Japan last year, the ministry report said 6,900 came for long stays of three months or more, 4,400 were dependents, and the remaining 434,000 came for short stays of less than three months.



Three Billion Yen In Cash Lost

A record ¥3,027 million (\$12.1 million) in cash was lost in trains and stations of the Japanese National Railways (JNR) in fiscal 1984, up ¥174 million from the previous record set in fiscal 1983, according to a JNR lost property report for fiscal 1984.

Of the total, ¥2,459 million (81%) was returned to owners and ¥190 million which was left unclaimed went into the coffers of the deficit-ridden railway. The remainder is still in the custody of JNR.

In the biggest single case, an employee of a jewelry shop in Urawa near Tokyo left a bag containing ¥42.5 million (\$170,000) in cash on the rack of a train this January. The previous record single loss was ¥17 million (\$68,000) in 1975.

There were 1.83 million incidents of lost property, down some 30,000 from the previous year.

Umbrellas topped the list for the 14th consecutive year at 522,000. Tokyo Central Station was the mecca of the absent-minded with 107,000 cases.

Records at 29 key stations showed that losses were most common in August, the hottest month of the year.



Demand for Leased Land Seen Rising

Purchasing land will no longer be a powerful means of building assets, if the forecasts of a new government white paper hold true. Instead, demand for leased land that investors can use at little cost is likely to grow.

The "White Paper on National Land Utilization," approved at a Cabinet meeting on April 19, says the rapid rise in land prices has slowed markedly for five years in a row.

At the same time, it points to the growing importance of the so-called land trust system whereby landlords can profit by entrusting banks with the management and operation of their property. It stresses the need for trust banks to develop and accumulate know-how on real estate operations and for investors to study ways to make positive use of the land trust system.

According to the white paper, there were 2,220,000 land transactions in fiscal 1984, down 1.8% from the previous year. It was the

fifth straight drop since 1979, when the figure reached its peak.

Deals in residential land have also fallen since the peak year of 1979. In fiscal 1983, there were 923,000, down 6.8% from the preceding year.

Meanwhile, the number of house-to-let construction starts has risen abruptly after touching bottom in fiscal 1981. With land prices now stable, landlords are apparently turning to more steady means of profiting from their property than waiting for land prices to go up.



Tourist White Paper

Japanese traveling abroad in 1984 totaled a record 4,660,000, up 10% from the previous year, according to an annual white paper on tourism recently issued by the government. It was the third consecutive record year for overseas travel.

Japanese spending at least one night on the road within Japan during the year totaled 153 million, up 9% from 1983.

The number of foreigners visiting Japan during the year was also a record, up 7% from the previous year at 2,110,000. It was the first time the number of foreign tourists topped the 2 million mark.

Of Japanese international travelers, 66% were men and 34% were women. The ratio of women has been rising year by year, with a particularly noticeable increase in the number of young women tourists in their 20s. Last year, women in that age bracket accounted for 43% of female overseas tourists.

Broken down by destination, Hawaii topped the list for Japanese tourists with 800,000, followed by Taiwan with 630,000, and South Korea and Hong Kong with 580,000 each.

Duration-wise, Japanese overseas tourists spent an average of 8.5 days abroad, while domestic tourists traveled an average 1.28 times during the year, spending 2.36 nights away from home.



Japanese Car Makers On the Defensive

While American and European car makers are regaining their old pizzazz, their Japanese counterparts are increasingly on the defensive. This trend comes out clearly in Toyota Motor Corp.'s 1984 report on car production.

By maker, General Motors of the United States topped the list with 5,670,000 units,

while Toyota remained the runner-up with 3,430,000. But Nissan Motor, in third place since 1980, slipped to fourth, giving way to Ford Motor of the U.S. Another U.S. maker, Chrysler, off the top 10 list for three years from 1980, surged to seventh place from 10th in 1983. It was yet another manifestation of the spectacular comeback by the American Big Three.

The report also showed that West Germany's Golf (VW) bounced back as the top mass-production car for the first time in six years after a 1983 model change. Last year's leader, Nissan's Sunny, fell to third place, while Toyota's Corolla stayed in second.

Other changes underscored the rise by American and European makers. For instance, Italy's Uno (Fiat) jumped to fourth place from ninth, while GM's Chevrolet Cavalier copped fifth.

The results indicate that American and European car makers are finally beginning to arm themselves with merchandise development and production capabilities that can match their Japanese rivals.



Employment at Japanese-Owned Factories

About 440 Japanese-owned manufacturing plants in the United States were employing some 80,000 workers at the end of March, according to a study by the Japan External Trade Organization (JETRO).

The survey was conducted by JETRO offices in New York, Los Angeles, San Francisco, Chicago and Houston, amid rising American anxiety over a massive influx of Japanese capital and the prospect that the United States is rapidly becoming the world's largest debtor nation.

The figures indicate that factories owned 50% or more by Japanese corporations are contributing far more to U.S. employment than is alleged by the American side. The latest U.S. Commerce Department statistics announced last December put the number of workers employed at Japanese-owned factories in 1981 at only 47,726.

JETRO officials say the Commerce Department figures seems too low even considering that they are several years old. They emphasize that Japanese-owned factories contribute to the U.S. economy despite their concentration in certain states.