



Japan Joining Moves To Protect Ozone Layer

Japan is joining the international campaign to control the production and use of chlorofluorocarbons (CFCs). The chemicals, widely used in aerosol spray cans, air conditioners and hundreds of other consumer products, are believed to deplete the atmospheric ozone that protects the Earth from ultraviolet rays from the sun. A thinning of the atmosphere's ozone layer could result in a sharp increase in cases of skin cancer, smaller agricultural harvests and other health and environmental problems.

The Central Council for Environmental Pollution Control has submitted recommendations to the director general of the Environment Agency calling for measures to protect the ozone layer, while the Ministry of International Trade and Industry has revealed plans to submit a CFC control bill to the Diet. The new bill would set ceilings for CFC production and consumption and establish a licensing system for producers. Users would be obligated to control CFC emissions and try to recover the harmful gases. The government, meanwhile, would monitor the state of the ozone layer.

The threat of CFC to stratospheric ozone was first pointed out by scientists in the U.S. in 1974. The pros and cons of CFC were hotly debated, but recent studies by NASA and other scientific groups have not only confirmed the depletion of the ozone belt but also shown that it could be happening even more rapidly than predicted earlier. The United Nations Environment Program calls for cutting CFC consumption by half between 1989 and 1999. Japan is a signatory to the program, as it is to the Montreal Protocol calling for reduced CFC consumption.

Total world CFC production is now running at some 1 million tons a year, of which 120,000 tons are produced in Japan. Japan's electric and electronic machinery industries, heavy users of the chemicals, are under pressure to quickly come up with new and harmless substitutes for CFC.



Government to Relocate 150 Tokyo Offices

The government has decided to relocate a number of its central functions outside of Tokyo in an attempt to hold down skyrocketing land prices in the overcrowded capital.

The Cabinet Secretariat, the Finance Ministry, the National Land Agency, the Management and Coordination Agency and the newly created interministerial Liaison Council for Promotion of Relocation of Government Organs are now studying what offices should be moved. Some 150 offices will be targeted under the relocation plan.

Under the original plan, the government bodies to be relocated were to be chosen from among regional offices, excluding those either administering Tokyo or for other reasons best located in the capital city. Governmental research institutes, national universities and government-affiliated organizations were also to be considered.

However, critics charged that the scheme was too small in scale to be effective, and the liaison council has now extended its study to all regional offices located in Tokyo. All ministries and other government agencies must now justify why offices under their control should not be considered for relocation. The council says it will focus its screening on government agencies which fail to provide a list of candidates for relocation.

The Cabinet will formally decide in July which government bodies are to be moved.



More Help Urged For Third World

Japan, as the world's largest creditor country, should do more to strengthen its economic cooperation with developing countries, according to an annual report by the Ministry of International Trade and Industry.

The white paper on economic cooperation for fiscal 1987 noted that Japan has become the world's No. 1 capital supplier thanks to the higher yen and continuing trade surplus. It pointed out that in 1986—for a second successive year—Japan ranked first in the amount of economic cooperation offered at \$14.8 billion, and came in second only to the United States in official development assistance (ODA) at \$5.63 billion. But it said that the country now must play a role commensurate with its economic strength.

The MITI report proposed that Japan should provide comprehensive economic cooperation to developing countries comprising assistance, direct investment and imports of their manufactured goods. It also called for a further expansion in the supply of funds to developing countries following the plan to recycle \$20 billion over three years announced in 1987.

Regarding financial assistance, the report called for expanding ODA and improving the conditions under which it is provided. It said the ratio of Japan's ODA to gross national product, only 0.29%, is smaller than that of other advanced countries, and its credit conditions are much stricter.

Analyzing conditions in developing countries, the report said the NICs of Asia are doing well, but cumulative debts in Latin American countries still pose a serious problem. Arguing that short-term financing will not solve the problems facing developing countries, it urged development through industrialization.



Advertising Spending Rises by ¥600 Bil.

Japanese advertising expenditures increased by ¥600 billion in 1987 to ¥3,944.8 billion, up 8.1% over the previous year. The upturn, coming after two years in the doldrums, reflected expanding domestic demand fueled by active financial and realty dealings.

Spending on ads in 1987 was on a par with outlays in 1980 and 1981, when the country's economy was booming. However, the annual survey by leading advertising agency Dentsu Inc. also included advertising production costs for the first time, pushing up spending figures.

Realty advertisements increased by 25.4% year-on-year due to active housing starts and skyrocketing land prices. Advertising by financial institutions and insurance companies shot up 20.1%, reflecting the extended stock market boom that lasted until the Black Monday market crash in October.



Welfare Workers Need To Increase by Half

The Japanese government should increase the number of welfare workers, including doctors, nurses and volunteer helpers, by 50% by the beginning of the next century to cope with the rapid aging of Japan's population, a government white paper on welfare said.

The annual report by the Health and Welfare Ministry said 4.72 million welfare workers will be needed, up from the present 3.26 million, to care for the elderly.

The report particularly stressed the need for more volunteer workers to provide home services in light of a sharp increase in the number of elderly single people, partly a result of urbanization. The number of elderly single households in Japan is expected to triple to 3.8 million by 2025, it said, while volunteer services for the elderly already lag behind those in other advanced countries.

The report warned that an increase in the financial burden on the Japanese people is inevitable as welfare needs grow. The 1988 welfare white paper also discussed for the first time the deadly disease AIDS, emphasizing the need to disseminate information on AIDS prevention.



Crackdown Planned On Insider Trading

Japan is getting ready to crack down on insider trading. It presently has no legal restraints on securities trading by individuals with access to inside information about the enterprises whose stock they are dealing in. But support for a legal ban has gathered momentum since a major insider trading case surfaced last fall.

The Finance Ministry has submitted to the Diet a bill to revise the Securities and Exchange Law to ban insider trading. The amendment includes criminal punishment for offenders. The ministry is seeking Diet approval of the bill during the current session.

The law revision is based on a recommendation by the Securities and Exchange Council, an advisory body to the Finance Ministry.

Inside information is defined as important information about a company that has not been made public but would affect investment decisions if it were. Examples include plans for new stock issues, corporate mergers and take-over bids. "Insiders" can include corporate directors, shareholders, banks dealing with a corporation, underwriters, securities analysts and journalists.

In line with the internationalization of Japan's financial markets, U.S. authorities have strongly pressed Japan to do something about insider trading. The ministry's proposed steps could go a long way toward forestalling insider trading and improving trust in Japan's stock markets.



Optimism among Firms Growing, Survey Shows

Japanese corporations are increasingly optimistic about their business prospects, according to a Bank of Japan survey.

The "Short-Term Economic Survey of Enterprises in Japan," conducted in February, polled 6,933 companies throughout the country, including 649 major corporations capitalized at ¥1 billion or more. The quarterly survey is aimed at finding out how Japanese companies view prevailing economic conditions and their prospects for the future.

The optimism shown in the February survey resulted from the recovery of export-oriented industries previously hard hit by the higher yen, bank analysts said. They said the business recovery is accelerating, with further expansion in sight.

According to the latest survey, the diffusion index (the percentage of companies which consider prevailing business conditions favorable minus those which consider them unfavorable) for major manufacturing companies stood at 11 compared with minus 4 in the last survey, conducted in November 1987.

It was the first time in two years that the index finished on the plus side, and topped the 8 registered in August 1985. Bank analysts said the index up to June was an even stronger 16.

Business continued to improve for industries dependent on domestic demand. The chemical and paper-pulp industries, for example, had diffusion indexes of 53 and 31, respectively, compared with 32 and 15 in the previous survey.

Export-oriented industries, hard hit by the higher yen, rebounded thanks to expanding domestic demand. The steel industry registered 20, compared to minus 32 in the previous survey. The automobile industry came in at zero (minus 10 in the previous survey), as did the electric machinery industry (minus 15 in the previous survey).