

Master of All Trades

On taking office as Minister of International Trade and Industry for a second tenure in November, this time in the new Cabinet of Prime Minister Noboru Takeshita, Hajime Tamura outlined his views on key economic issues facing Japan and explained how he would cope with them. The following is a digest of his remarks, compiled by the *Journal of Japanese Trade & Industry*.

During the past 15 months at MITI, I grappled with such internal problems as the expansion of domestic demand, shifts in industrial structure, including the coal industry, and the recycling to the people of the exchange gains earned by electric power and gas companies as a result of the appreciation of the yen.

Externally, I made 10 official trips overseas, traveling a distance equivalent to six circuits of the Earth. I dealt with such specific problems as the semiconductor

and COCOM affairs, and multilateral problems like the Uruguay Round. I believe I did reasonably well in handling these matters, but certain aspects do remain to be solved in the future. Probably one reason I was reappointed was to settle these pending problems. At the moment of its launching, the Takeshita administration was greeted by the stock market crash and the plunge of the dollar. This only makes me more determined to grapple with these problems with fresh resolve. I would like to briefly explain my convictions on the occasion of my reappointment.

Problems to grapple with

Utmost efforts must be made to rectify Japan's external imbalance. MITI would like to address the problem from a medium-term perspective. The situation has recently begun to look up, with Japan's imports continuing to increase and exports to decline. However, the bilateral

imbalance with the U.S. has not improved at all. In solving this problem, I believe that Japan must not curtail exports, which would only lead to recession in Japan and the world. Rather, we should try to achieve an expanded equilibrium by increasing imports. It is also vital that we promote the recycling of funds to the developing countries, which are groaning under their cumulative external debts. This will be one of the pillars of our future policy.

Because exchange rate stability is absolutely essential for the sound development of the world economy, international policy coordination must be firmly maintained. While working to expand domestic demand and imports, MITI intends to grapple earnestly with this problem. We would also like to press the United States to resolve its twin deficits, the budget deficit in particular.

Although the fate of the omnibus trade bill under consideration by the U.S. Congress is still uncertain, I strongly

Minister of International Trade and Industry Hajime Tamura, 63, is a native of Matsuzaka city, the center of a region in Mie Prefecture, central Honshu, famous for its succulent—and highly expensive—beef. Sturdily built and standing 174 centimeters tall, he was a star sumo wrestler in his junior high school days. Physically tough, with a loud and powerful voice, he overwhelms his opponents in any debate.

Yet at the same time Tamura has a gentle heart and a delicate sensibility. He loves animals and enjoys gardening and photography. "We live only once," he habitually says. "Let's enjoy life and leave no regrets." He is widely held in high esteem for his deep sense of honor, his warm-heartedness and his ability to act quickly and decisively.

These attributes were fully displayed

when Tamura chaired the Committee on the Budget of the House of Representatives and the Diet Policy Committee of the Liberal Democratic Party (LDP). He refused to take the easy way out of deciding controversial matters by majority vote, but patiently steered opposing members toward consensus through thorough discussion and persuasion. His refusal to ever compromise on this approach was famous in the Diet. He is an influential force in Japanese politics, with wide-ranging connections not only within the LDP but also among members of the opposition parties, including Chairwoman Takako Doi of the Japan Socialist Party.

During his 15 months as MITI Minister in the Cabinet of Prime Minister Yasuhiro Nakasone, Tamura made 10 official trips overseas. He counts

among his acquaintances U.S. Trade Representative Clayton Yeutter, U.S. Secretary of the Treasury James A. Baker III, West German Federal Minister of Economics Martin Bangemann, former British Secretary of State for Trade and Industry Paul Channon, Canadian Minister for International Trade Patricia Carney, and Australian Minister for Industry, Technology and Commerce John Button. He was also a close friend of the late U.S. Secretary of Commerce Malcolm Baldrige.

Tamura and his wife Aiko have three daughters, all married, and six grandchildren. He is famous for being a doting husband, father and grandfather. He is an accomplished go player of the fifth grade and is also a film enthusiast, with a reputation for being well versed in foreign movies.



Hajime Tamura

hope the protectionist fever in the U.S. will subside.

The omnibus trade bill contains the so-called "Toshiba punishment clause" in connection with the violation of COCOM rules. I believe that punishment for COCOM violations should be meted out by the offender's own country in accordance with domestic laws. Japan has revised its Foreign Exchange and Foreign Trade Control Law to prevent a recurrence of such illegal exports. If the Toshiba punishment clause is adopted and the U.S. unilaterally punishes an offending Japanese company, it would result in a case of "double" punishment. Obviously this kind of legislation harbors many problems. I intend to press the U.S. more strongly than ever on this point.

Another external matter of vital importance is the promotion of full-scale negotiations on the Uruguay Round. Fortunately I established connections with many foreign leaders during my previous tenure and I intend to use these to help settle all pending matters one by one.

On the domestic front, it is essential that we take continuing measures to expand domestic demand in order to smoothly redress the trade imbalance by restructuring the economy. If the decline in external demand slows economic growth by about 1 percentage point, then we must strive to expand domestic demand by 5% and achieve a real growth rate of about 4%.

Another major domestic problem is

how to invigorate regional economic communities in the face of the widening economic disparity between big cities and smaller regional cities. It is urgently necessary to switch from the present unipolar concentration to multipolar dispersion. We need to immediately work out comprehensive measures to revitalize regional economies in order to encourage our nation's "industrial brains," that is, our R&D and information and service sectors, to relocate to outlying regions. These measures will not only contribute to solving the land problem in the Tokyo metropolitan area but will also be the principal pillars of the program to create dispersed, multipolar "home towns" envisaged by Prime Minister Takeshita.

Boldness and dispatch

The scaling down of industries which have gone into decline because of the sharp appreciation of the yen is progressing rapidly. In order to make up for the resulting loss of employment opportunities, it is imperative that we create new industrial fields by developing innovative technologies. The development of innovative technologies is an important pillar of Japan's efforts to contribute to international society, as important as official development assistance.

I am particularly eager during my current tenure to see the benefits of the strong yen reflected in the people's lives and to improve their living standards. The people have yet to feel the benefits of the strong yen because retail prices and import prices are so far apart. This disparity needs to be corrected. In a few fields, like electric power and city gas, the recycling of exchange gains to consumers is progressing. But not so in many other fields. I want to conduct a wholesale review of the situation. And at the same time, I would like to change consumer attitudes. I would like to replace the "sells well because the price is high" syndrome with a readiness to "sell good products at low prices." If this change can be accomplished, I will have left the people a worthwhile legacy.

I intend to grapple with all these problems boldly and with dispatch. ■