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**SERIES:** II: ECONOMIC SUMMIT FILES

**Folder Title:** France – Japan

(1 of 3)

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*Last Updated: 05/24/2024*

# WITHDRAWAL SHEET

## Ronald Reagan Library

**Collection Name** MCMINN, DOUGLAS: FILES

**Withdrawer**

SMF 2/25/2008

**File Folder** FRANCE-JAPAN (1)

**FOIA**

S2007-081

**Box Number** 13

NOUZILLE

185

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
51173	CABLE	RE MEETINGS OF TRADE FACILITATION COMMITTEE AND TRILATERAL TRADE COMMITTEE	4	9/10/1981	B1 B3
51174	CABLE	DUPLICATE OF 51173	4	9/10/1981	B1 B3
51175	CABLE	RE JAPAN'S EXPORT SURPLUS, YEN, AND BANKING SYSTEM	4	9/10/1981	B1 B3
51165	CABLE	240916Z NOV 81 <i>R 4/20/2010 M2007-081</i>	2	11/24/1981	B1
51166	REPORT	PAGES 9-10 ONLY RE JAPAN	2	12/11/1981	B1 B3
51167	CABLE	111003Z DEC 81 <i>R 4/20/2010 M2007-081</i>	4	12/11/1981	B1
51168	CABLE	170929Z DEC 81 <i>R 4/20/2010 M2007-081</i>	3	12/17/1981	B1
51176	CABLE	RE JAPAN-US TRADE AND NON-TRADE ISSUES	6	1/22/1982	B1 B3
51177	CABLE	DUPLICATE OF 51175	4	9/10/1981	B1 B3

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

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B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
51178	CABLE	VIEWS OF PM SUZUKI	5	1/25/1982	B1 B3
51169	MEMO	GREGG TO FRY RE ESAKI'S MEETING WITH THE PRESIDENT <i>R 4/23/2010 NLRRM2007-081</i>	1	2/24/1982	B1
51170	TALKING POINTS	FOR USE DURING MEETING WITH MASUMI ESAKI <i>R 4/23/2010 NLRRM2007-081</i>	1	ND	B1
51171	TALKING POINTS	ESAKI TALKING POINTS <i>R 4/23/2010 NLRRM2007-081</i>	1	ND	B1
51172	MEMCON	PRESIDENT'S MEETING WITH MASUMI ESAKI <i>R 4/23/2010 NLRRM2007-081</i>	3	2/23/1982	B1

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<i>ID</i>	<i>Document Type</i>	<i>No of</i>	<i>Doc Date</i>	<i>Restric-</i>
	<i>Document Description</i>	<i>pages</i>		<i>tions</i>
51173	CABLE	4	9/10/1981	B1
	RE MEETINGS OF TRADE FACILITATION COMMITTEE AND TRILATERAL TRADE COMMITTEE			B3

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<i>ID</i>	<i>Document Type</i> <i>Document Description</i>	<i>No of</i> <i>pages</i>	<i>Doc Date</i>	<i>Restric-</i> <i>tions</i>
51174	CABLE  DUPLICATE OF 51173	4	9/10/1981	B1  B3

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<i>ID</i>	<i>Document Type</i>	<i>No of</i>	<i>Doc Date</i>	<i>Restric-</i>
	<i>Document Description</i>	<i>pages</i>		<i>tions</i>
51175	CABLE	4	9/10/1981	B1
	RE JAPAN'S EXPORT SURPLUS, YEN, AND BANKING SYSTEM			B3

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INCOMING  
TELEGRAM

13

PAGE 01 TOKYO 21138 01 OF 02 248924Z  
ACTION EA-12

2719

TOKYO 21138 01 OF 02 248924Z

INFO OCT-00 ADS-00 AID-07 INR-10 SS-10 CIAE-00 EB-00  
H-01 NSC-05 NSAE-00 COME-00 LAB-04 DOE-10 OPIC-07  
CEA-01 OMB-01 STR-00 SIL-01 FRB-03 XMB-02 ICAE-00  
SP-02 /084 W

-----034024 241050Z /16

P 240916Z NOV 81  
FM AMEMBASSY TOKYO  
TO SECSTATE WASHDC PRIORITY 3552  
TREASURY/DEP WASHDC PRIORITY

~~C O N F I D E N T I A L~~ SECTION 01 OF 02 TOKYO 21138

E.O. 12065: GDS 11/24/87 (WILLIAM BARRACLOUGH) OR-E  
TAGS: OVIP (REGAN, DONALD), EFIN, JA  
SUBJECT: VISIT TO JAPAN OF SECRETARY REGAN NOV 19-20, 1981

1. (U) SUMMARY: FIRST OFFICIAL VISIT TO JAPAN BY SECRETARY REGAN IMPRESSED EMBASSY AS HIGHLY USEFUL, PARTICULARLY IN THAT IT PROVIDED OPPORTUNITY TO REITERATE TO GOJ AT HIGH LEVELS IMPORTANCE THAT U.S. ATTACHES TO PROMPT ACTION TO OPEN UP JAPAN'S MARKET FURTHER TO IMPORTS AND TO DO SO AT A TIME WHEN THE TRADE PROBLEM IS UNDER ACTIVE INTER-MINISTERIAL CONSIDERATION HERE. END SUMMARY.

2. (U) EMBASSY BELIEVES BRIEF VISIT TO TOKYO NOV 19-20 BY SECRETARY REGAN AND HIS PARTY WAS HIGHLY USEFUL. IN LESS THAN 24 HOURS ON THE GROUND HERE, SECRETARY REGAN TOUCHED MOST OF THE MAIN BASES, DINING WITH FINANCE MINISTER WATANABE ON THURSDAY EVENING AND THE FOLLOWING MORNING MEETING WITH PRIME MINISTER SUZUKI, FOREIGN MINISTER SONODA, AND ECONOMIC PLANNING AGENCY DIRECTOR GENERAL KOMOTO BEFORE ADDRESSING A LUNCHEON AT THE JAPAN NATIONAL PRESS CLUB. BANK OF JAPAN GOVERNOR MAEKAWA WAS AMONG THE GUESTS AT THE LUNCHEON, WHICH PROVIDED A BRIEF OPPORTUNITY FOR THE SECRETARY AND THE GOVERNOR TO MEET.

3. (U) BECAUSE OF LIMITATION ON NUMBER OF U.S. PARTICIPANTS IN MEETING WITH PRIME MINISTER, NOTES ON THAT MEETING WERE TAKEN BY THE SECRETARY'S PARTY. HOWEVER, MAJOR THEMES OF MEETINGS WITH FINANCE MINISTER AND EPA DIRECTOR GENERAL, AND TO A LESSER EXTENT THE FOREIGN MINISTER, WERE U.S. INTEREST RATES AND JAPAN'S TRADE SURPLUS.

4. (U) ON U.S. INTEREST RATES, SECRETARY POINTED OUT EXTENT TO WHICH OUR RATES HAD ALREADY COME DOWN AND EXPRESSED CONFIDENCE THAT THEY WOULD CONTINUE TO DECLINE. JAPANESE MINISTERS ALL EXPRESSED SATISFACTION THAT U.S. INTEREST RATES HAD DECLINED AND THAT THE YEN HAD BEEN STRENGTHENING. AT THE THURSDAY EVENING DINNER, MOF VICE MINISTER WATANABE EXPRESSED SOME CONCERN THAT IF THE U.S. BUDGET DEFICIT WERE TO INCREASE, IT MIGHT HAVE ADVERSE EFFECTS ON BOTH INFLATION AND INTEREST RATES IN THE U.S. IN RESPONSE THE SECRETARY POINTED OUT INTER ALIA THAT JAPAN'S PROPORTIONATELY MUCH LARGER BUDGET DEFICIT HAS NOT BEEN ASSOCIATED WITH HIGH INTEREST RATES OR INFLATION. AT EPA, KOMOTO PERHAPS SHOWED A LITTLE MORE CONCERN ABOUT U.S. INTEREST RATES, GIVEN HIS HOPES OF STIMULATING DOMESTIC DEMAND BY LOWERING JAPANESE INTEREST RATES, BUT HE TOO SHOWED APPRECIATION OF THE FACT THAT U.S. INTEREST RATES HAD COME DOWN.

5. (U) OTHER MAJOR THEME OF SECRETARY'S MEETINGS WAS JAPAN'S TRADE SURPLUS, WITH THE SECRETARY FORCEFULLY URGING THE GOJ TO MOVE PROMPTLY TO OPEN ITS MARKET

FURTHER TO IMPORTS. HE POINTED OUT THAT THE MONTHS IMMEDIATELY AHEAD, WHEN THE U.S. ECONOMY IS IN RECESSION, WOULD BE A PARTICULARLY DIFFICULT PERIOD, EXPRESSING CONCERN THAT THE CONGRESS COULD COME BACK AFTER NEW YEAR FROM ITS RECESS IN A MOOD TO PASS PROTECTIONIST LEGISLATION. JAPANESE MINISTERS ASSURED THE SECRETARY THAT THEY WERE ADDRESSING THE TRADE PROBLEM VERY SERIOUSLY. MINISTER WATANABE SEEMED TO BE COUNTING ON A STRONG YEN TO ASSIST IN REDUCING THE TRADE SURPLUS, ALTHOUGH HE WAS CAUTIONED BY UNDER SECRETARY SPRINKEL NOT TO RELY TOO HEAVILY ON THIS, SINCE WE EXPECT THE DOLLAR TO REMAIN FIRM DESPITE DECLINING U.S. INTEREST RATES. WATANABE SHOWED UNDERSTANDING OF THE NEED TO DO SOMETHING ABOUT JAPANESE NTB'S BUT HAD GREAT DIFFICULTY IN TREATING TARIFFS IN A BILATERAL CONTEXT OR AS A MATTER FOR UNILATERAL ACTION ON JAPAN'S PART. ALTHOUGH HE THOUGHT JAPAN ALSO HAD TO DEAL WITH THE FACT THAT JAPAN'S EXPORTS TENDED TO CONCENTRATE ON SPECIFIC MARKETS, HE ASSURED THE SECRETARY THAT THE PRIME MINISTER DOES WANT TO OPEN UP JAPAN'S MARKET FURTHER. ON OTHER POINTS OF INTEREST, WATANABE RECOGNIZED THE U.S.-JAPAN BILATERAL TRADE BALANCE PROBLEM BUT URGED THAT PEOPLE LOOK AT JAPAN'S GLOBAL CURRENT ACCOUNT POSITION (WHICH HE THOUGHT WOULD BE IN BALANCE EXCEPT FOR THE CUTS THAT HAVE BEEN MADE IN JAPAN'S OIL IMPORTS). HE RESTATED THE VIEW THAT OTHER COUNTRIES MUST ALSO DO MORE TO EXPORT TO JAPAN, EXPRESSING PARTICULAR CONCERN ABOUT FOREIGN EXPORTERS USE OF SOLE AGENTS FOR THEIR SALES IN JAPAN, WHICH HE BELIEVED WAS A MAJOR FACTOR IN HIGH IMPORT PRICES. MINISTER KOMOTO UNDERSCORED THE SERIOUSNESS WITH WHICH THE PRIME MINISTER IS SEEKING RESOLUTIONS TO THE TRADE PROBLEM. KOMOTO SEEMED TO PLACE EMPHASIS ON THE

*File*  
*Finance Summit*  
*(Japan)*

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*Department of State*

INCOMING  
TELEGRAM

14

PAGE 01  
ACTION EA-12

TOKYO 21138 02 OF 02 240924Z

2721

INFO	OCT-00	ADS-00	AID-07	INR-10	SS-10	CIAE-00	EB-08
	H-01	<u>NSC-05</u>	NSAE-00	COME-00	LAB-04	DOE-10	OPIC-07
	CEA-01	OMB-01	STR-00	SIL-01	FRB-03	XMB-02	ICAE-00
	SP-02	/084 W					

-----034025 241051Z /16

P 240916Z NOV 81  
FM AMEMBASSY TOKYO  
TO SECSTATE WASHDC PRIORITY 5553  
TREASURY/DEP WASHDC PRIORITY

~~C O N F I D E N T I A L~~ SECTION 02 OF 02 TOKYO 21138

EXPANSION OF DOMESTIC DEMAND AND A STRONG YEN AS  
MEANS OF ADDRESSING THAT PROBLEM.

6. (U) SECRETARY REGAN'S VISIT RECEIVED EXTENSIVE BUT FAIRLY STRAIGHT-FORWARD COVERAGE IN BOTH JAPANESE AND ENGLISH LANGUAGE PRESS HERE. MOST COVERAGE HIGHLIGHTED SECRETARY'S MESSAGE THAT TIME IS GROWING SHORT FOR REMOVING JAPANESE BARRIERS TO IMPORTS. WHILE GOJ COMMITMENT TO TAKE STEPS TO DEAL WITH THE TRADE PROBLEM COMES THROUGH CLEARLY IN THE COVERAGE, SO DOES GOJ RELUCTANCE TO DEAL WITH TARIFF QUESTIONS EITHER BILATERALLY OR AS A MATTER FOR UNILATERAL ACTION ON JAPAN'S PART. PRIME MINISTER IS ALSO CITED AS EXPECTING THAT A STRONG YEN WILL SERVE TO REDUCE JAPAN'S TRADE SURPLUS. EDITORIAL COMMENT HAS BEEN LIMITED AND NOT PARTICULARLY REVEALING.

7. (U) THIS MESSAGE WAS NOT CLEARED BY THE SECRETARY'S PARTY PRIOR TO DEPARTURE.

MANSFIELD

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S2007-081

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13

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<i>ID</i>	<i>Document Type</i> <i>Document Description</i>	<i>No of</i> <i>pages</i>	<i>Doc Date</i>	<i>Restric-</i> <i>tions</i>
51166	REPORT	2	12/11/1981	B1
	PAGES 9-10 ONLY RE JAPAN			B3

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### Freedom of Information Act - [5 U.S.C. 552(b)]

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Department of State

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TELEGRAM

File 17

PAGE 01 TOKYO 22252 01 OF 04 111025Z 7946  
ACTION EA-12

TOKYO 22252 01 OF 04 111025Z

INFO OCT-00 ADS-00 AID-07 INR-10 EUR-12 SS-10 CIAE-00  
EB-08 H-01 10-15 NEA-06 NSC-05 NSAE-00 COME-00  
L-03 LAB-04 TRSE-00 OPIC-07 CEA-01 DOTE-00 OMB-01  
STR-13 SIL-01 AGRE-01 FRB-03 XMB-02 AGR-01 ICAE-00  
SP-02 /125 W

CABINET'S ECONOMIC MINISTERS WAS HELD ON NOVEMBER 17 TO CONSIDER THE TRADE PROBLEM. FOLLOWING THE PASSAGE OF THE ADMINISTRATIVE REFORM BILL AND THE RESHUFFLING OF THE CABINET, THE TRADE PROBLEM MOVED TO CENTER STAGE AS EXHIBITED BY SEVERAL PUBLIC STATEMENTS BY PRIME MINISTER SUZUKI OUTLINING HIS DETERMINATION TO CAREFULLY EXAMINE JAPAN'S TARIFF AND NON-TARIFF TRADE BARRIERS WITH THE INTENT TO FIND WAYS TO AMELIORATE THE SITUATION. WE BELIEVE THAT THE PRIME MINISTER HAS BECOME CONVINCED THAT HIS OWN DOMESTIC POLITICAL STANDING AND THUS HIS PROSPECTS OF BEING RE-ELECTED LDP PRESIDENT AND PRIME MINISTER DEPEND HEAVILY ON HIS RECORD IN MANAGING THE TRADE FRICTION ISSUE. A FURTHER INDICATION OF THE GOJ'S RECOGNITION OF THE PROBLEM WAS THE CENTRAL PLACE THAT TRADE ISSUES OCCUPIED IN THE FIRST CABINET MEETING (NOVEMBER 30) OF THE NEW SUZUKI CABINET.

France Summit (Japan)

P 111003Z DEC 81  
FM AMEMBASSY TOKYO  
TO SECSTATE WASHDC PRIORITY 6128  
INFO USMISSION GENEVA

LIMITED OFFICIAL USE SECTION 01 OF 04 TOKYO 22252

E.O. 12065: N/A  
TAGS: ETRD, JA  
SUBJECT: GOJ'S FIRST RESPONSE TO THE TRADE PROBLEM

4. THE GOJ IMMEDIATELY BEGAN TO ORGANIZE ITSELF TO DEAL WITH THE PROBLEM. AT THE DIRECTION OF PRIME MINISTER SUZUKI, THE LIBERAL DEMOCRATIC PARTY (LDP) HAS FORMED A RESEARCH COUNCIL CHAIRED BY FORMER MITI MINISTER MASUMI ESAKI MADE UP OF 33 PROMINENT POLITICAL LEADERS, INCLUDING 22 FORMER CABINET MINISTERS, TO FIND SOLUTIONS TO THE TRADE FRICTIONS WITH THE U.S. AND THE E.C. THIS IS AN IMPORTANT DEVELOPMENT SINCE ONLY WITH THE BACKING AND UNDERSTANDING OF THE POLITICAL LEADERSHIP WILL THE GOVERNMENT -- AND PARTICULARLY THE ENTRENCHED BUREAUCRACY IN DOMESTIC AGENCIES -- BEGIN TO ADDRESS THOSE NON-TARIFF BARRIERS AND ANTI-IMPORT BIASES WHICH HAVE THEIR ROOTS IN DOMESTIC SPECIAL INTEREST GROUPS. THE COMMITTEE MET ON DECEMBER 9 AND IT IS REPORTED THAT THEY WILL PREPARE MEASURES BY THE END OF JANUARY

1. SUMMARY. IN RESPONSE TO MOUNTING INTERNATIONAL PRESSURE (ESPECIALLY IN THE US AND EUROPE) THAT JAPAN FURTHER OPEN UP ITS MARKET TO IMPORTS, AND DUE TO JAPAN'S EXPANDING TRADE SURPLUS, ESPECIALLY WITH THE US, THE GOJ HAS RECENTLY TAKEN A RANGE OF ACTIONS TO DEMONSTRATE THE SERIOUSNESS WITH WHICH THIS ISSUE IS BEING TREATED IN JAPAN. THE GOJ SEES THESE MEASURES AS SETTING THE STAGE FOR IMPORT LIBERALIZATION, HOPING THEY WILL LEAD TO AN EASING OF TENSIONS BETWEEN JAPAN AND ITS TRADING PARTNERS, ESPECIALLY THE US. THIS CABLE CATALOGUES AND BRIEFLY DESCRIBES SOME OF THE MORE SIGNIFICANT INITIATIVES THAT ARE LIKELY TO AFFECT THE US. END SUMMARY.

2. DURING 1981 JAPAN'S MERCHANDISE TRADE AND CURRENT ACCOUNT BALANCES HAVE REGISTERED REMARKABLE TURN-AROUNDS FROM THEIR PERFORMANCES IN 1980. THE MERCHANDISE TRADE ACCOUNT, ON AN IMF BASIS, WENT FROM A SURPLUS OF \$1.8 BILLION FOR ALL OF 1980 TO A SURPLUS OF \$15.6 BILLION THROUGH JUST THE FIRST 9 MONTHS OF 1981, WHILE THE CURRENT ACCOUNT (WHICH WAS IN DEFICIT BY \$10.7 BILLION FOR 1980) HAS REGISTERED A SURPLUS OF \$3.7 BILLION DURING THE FIRST THREE QUARTERS OF CALENDAR YEAR 1981. THIS REVERSAL IS DUE TO A LARGE INCREASE IN JAPANESE EXPORTS OVER THE PAST YEAR WHILE IMPORTS HAVE BEEN GENERALLY STAGNANT. MUCH OF THE INCREASE IN EXPORTS HAS BEEN CONCENTRATED IN THE AMERICAN AND WESTERN EUROPEAN MARKETS WHILE IMPORTS FROM THOSE AREAS HAVE SHOWN LITTLE OR NO GROWTH. EXPORTS TO THE U.S. WERE UP 21.5 PCT DURING THE JANUARY-SEPTEMBER PERIOD WHILE IMPORTS WERE UP ONLY 2.2 PCT MAKING IT LIKELY THAT THE U.S. TRADE DEFICIT WITH JAPAN WILL TOP \$15 BILLION FOR ALL OF 1981. THIS GROWING TRADE IMBALANCE HAS RESULTED IN A WAVE OF PROTESTS FROM THE U.S. AND EUROPE. THE INAYAMA MISSION DURING ITS TRIP TO EUROPE THIS PAST FALL WAS SUBJECTED AT EVERY STOP TO DEMANDS FOR JAPAN TO OPEN UP ITS MARKETS AND RESTRAIN ITS EXPORTS OF "SENSITIVE" PRODUCTS TO THE E.C. ON THE OTHER SIDE OF THE ATLANTIC, THERE HAVE BEEN EXCEEDINGLY STRIDENT VOICES IN THE U.S. CONGRESS CALLING ON JAPAN TO IMPORT MORE GOODS FROM THE U.S., AND THREATENING PROTECTIONIST BARRIERS AGAINST JAPANESE PRODUCTS.

LARGELY  
AS A RESULT OF THIS GROWING STORM, A MEETING OF THE

File  
Trade

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NLRR 007-081 #51167  
BY [signature] NARA DATE 4/20/10

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Department of State

INCOMING  
TELEGRAM

18

PAGE 01 TOKYO 22252 02 OF 04 111017Z  
ACTION EA-12

7954

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INFO OCT-00 ADS-00 AID-07 INR-10 EUR-12 SS-10 CIAE-00  
EB-00 H-01 10-15 NEA-06 NSC-05 NSAE-00 COME-00  
L-03 LAB-04 TRSE-00 OPIC-07 CEA-01 DOTE-00 OMB-01  
STR-13 SIL-01 AGRE-01 FRB-03 XMB-02 AGR-01 ICAE-00  
SP-02 /125 W

-----233102 111052Z /21

P 111003Z DEC 81  
FM AMEMBASSY TOKYO  
TO SECSTATE WASHDC PRIORITY 6129  
INFO USMISSION GENEVA

LIMITED OFFICIAL USE SECTION 02 OF 04 TOKYO 22252

TO DEAL WITH THE TRADE FRICTION WITH THE  
US AND EC THROUGH CHANGES IN EXISTING LAWS.  
SEPTEL COVERS THIS DEVELOPMENT IN GREATER  
DETAIL.

5. IN ADDITION, KEY BUSINESS LEADERS ARE  
BEING MOBILIZED. THE SECOND PROVISIONAL  
ADMINISTRATIVE AFFAIRS RESEARCH COUNCIL (THE  
DOKO ADMINISTRATIVE REFORM COMMISSION) WILL  
STUDY THE PROBLEM OF NON-TARIFF BARRIERS AT  
THE DIRECTION OF PRIME MINISTER SUZUKI. THEY  
WILL INVESTIGATE STREAMLINING AND SIMPLIFYING  
IMPORT PROCEDURES FOR SUCH ITEMS AS MEDICINES,  
FOODS, AND AUTOMOBILE PARTS. THIS WILL BE  
EXAMINED FROM THE PERSPECTIVE OF MAKING  
CHANGES IN THE VERY COMPLICATED LAWS THAT  
GOVERN THE IMPORTATION OF THESE GOODS. THE  
CONCLUSIONS OF THIS STUDY WILL BE INCOR-  
PORATED INTO THE NEXT ROUND OF ADMINISTRATIVE  
REFORM RECOMMENDATIONS AND SHOULD BE COMPLETED  
BY JANUARY, 1982. THIS STUDY IS GETTING STAFF  
SUPPORT FROM THE FOREIGN MINISTRY WHICH RE-  
PORTEDLY PRESENTED IT WITH A LIST OF 24 AREAS  
IN WHICH THE US AND THE EC HAVE SOUGHT RELIEF.  
INTERESTINGLY, THIS GROUP PUT THE  
TRADE ISSUE IN THE CONTEXT OF ADMINISTRATIVE  
REFORM, THE OTHER HIGH PRIORITY OF THE SUZUKI  
ADMINISTRATION AND ON WHICH HE EARLIER SAID  
HE WAS STAKING HIS POLITICAL LIFE.

6. PRESUMABLY THE WORK OF THE DOKO COMMISSION  
WILL DOVETAIL AT SOME POINT WITH THAT OF THE  
MANUFACTURED PRODUCTS IMPORTATION COMMITTEE  
MEASURES CONFERENCE (A SUB-GROUP OF THE TRADE  
COUNCIL CHAIRED BY THE PM) WHICH WAS  
REACTIVATED RECENTLY TO ADVISE MITI ON IMPL-  
MENTING FORMER MITI MINISTER TANAKA'S JULY 14  
STATEMENT ON INCREASING JAPAN'S MANUFACTURED  
IMPORTS. IT IS CHAIRED BY YOSHIZO IKEDA  
OF MITSUI. ON DECEMBER 4 IT ISSUED ITS INTERIM  
REPORT ON MEASURES TO EXPAND IMPORTS OF  
MANUFACTURED GOODS AND TO ABOLISH NON-TARIFF  
BARRIERS. THE REPORT URGES THE GOVERNMENT  
AS IMMEDIATE MEASURES TO LOWER TARIFFS,  
EASE QUOTA RESTRICTIONS AND TO REMOVE  
NON-TARIFF BARRIERS THROUGH SUCH MEASURES  
AS SIMPLIFYING IMPORT INSPECTION PROCEDURES.  
THE REPORT CONCENTRATES ON SIX ITEMS WHERE  
IT BELIEVES NON-TARIFF BARRIERS COULD  
BE ELIMINATED: FOODSTUFFS, MEDICINE GOODS,  
HIGH PRESSURE GAS CONTAINERS, ELECTRICAL  
APPLIANCES, INSPECTION OF AUTOMOBILE EXHAUST  
GAS, AND AGRICULTURAL CHEMICALS. MITI, THE  
MINISTRY OF AGRICULTURE, FORESTRY AND FISHERIES  
AND THE WELFARE MINISTRY HAVE BEGUN THEIR  
REVIEW OF THE REPORT.

7. IT IS ALSO EXPECTED THAT THE ECONOMIC  
MINISTERS WILL MEET AGAIN DECEMBER 16 TO  
DISCUSS THE TRADE ISSUE, PRINCIPALLY  
THE TARIFF PROPOSAL AND PROBABLY ALSO  
EMERGENCY IMPORTS (SEE BELOW). THERE HAS  
ALSO BEEN TALK IN THE PRESS AND CONSIDERA-  
TION WITHIN THE GOVERNMENT ABOUT THE  
POSSIBILITY OF SENDING A SPECIAL TRADE  
ENVOY (PERHAPS THE CHAIRMAN OF THE LDP  
TRADE STUDY COUNCIL ESAKI - SEE BELOW)  
TO THE US AND EUROPE TO DISCUSS THE  
TRADE PROBLEM. THE PM STATED THAT  
THE ENVOY WILL BE DISPATCHED ONLY AFTER THE  
GOVERNMENT HAS DETERMINED ITS TRADE POLICIES  
SO THAT THE DISCUSSIONS WITH THE EUROPEANS  
AND AMERICANS CAN BE MEANINGFUL AND  
SUBSTANTATIVE.

8. GENERALLY SPEAKING, THE GOJ IS CONSIDERING  
FOUR TYPES OF MEASURES TO DEAL WITH THE  
TRADE PROBLEM. THE FIRST TYPE IS TARIFF  
MEASURES. AT THE FIRST CABINET MEETING FOLLOWING  
THE CABINET RESHUFFLE HELD ON NOVEMBER 30,  
IT WAS DECIDED TO ACCELERATE BY TWO YEARS  
THE TARIFF REDUCTIONS AGREED TO DURING THE  
TOKYO ROUND OF THE MTN. THIS ACTION WILL BE  
TAKEN UP BY THE TARIFF COUNCIL ON DECEMBER 21,  
AND IF PASSED BY THE DIET WILL TAKE EFFECT  
AS OF APRIL 1, 1982. ALTHOUGH THERE HAS BEEN  
SOME OPPOSITION FROM SPECIAL INTERESTS AFFECTED,  
IT SEEMS ALMOST CERTAIN THAT THE TARIFF COUNCIL  
AND THE DIET WILL APPROVE THE PROPOSAL WITHOUT  
EXCEPTION.

9. THE SECOND GROUP OF MEASURES ARE NON-  
TARIFF MEASURES. THE GOJ HAS ALREADY TAKEN  
ACTIONS TO FACILITATE THE ENTRY OF IMPORTED

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BATS AND TENNIS BALLS. THE RECOMMENDATIONS OF THE DOKO COMMISSION, THE TRADE CONFERENCE SUB-GROUP, AND THE LDP STUDY COUNCIL WILL LIKELY FORM THE BASIS OF FURTHER MEASURES IN THIS AREA. IN ADDITION, THE US-JAPAN TRADE SUB-GROUP AGREED TO CONVENE A MEETING ON STANDARDS EARLY NEXT YEAR. THE TRADE SUB-GROUP ALSO AGREED THAT A CONCRETE PLAN FOR OPENING THE JAPANESE MARKET WOULD BE CONSIDERED AT THE GROUP'S NEXT MEETING IN LATE FEBRUARY.

10. THE THIRD GROUP OF MEASURES ARE EMERGENCY IMPORTS. THE GOJ HAS BEEN TOLD AND PROBABLY REALIZES THAT THE US DOES NOT CONSIDER EMERGENCY IMPORTS A VIABLE LONG-TERM SOLUTION TO THE TRADE IMBALANCE PROBLEM. HOWEVER, THERE ARE SOME IN THE GOJ WHO BELIEVE THE TRADE QUESTION TO BE SUCH A SERIOUS AND IMMEDIATE PROBLEM THAT SOME ACTION NEEDS TO BE TAKEN RIGHT AWAY. AS OTHER MEASURES WILL PROBABLY NOT BE READY UNTIL JANUARY OR FEBRUARY OF 1982, EMERGENCY IMPORTS ARE ATTRACTIVE AS A STEP THAT CAN BE TAKEN IMMEDIATELY. IN FACT, THE JUST RELEASED NOVEMBER EXPORT STATISTICS SHOW A \$340 MILLION DOLLAR INCREASE IN NUCLEAR REACTOR COMPONENTS AND URANIUM, PRODUCT CATEGORIES WHERE THE JAPANESE HAVE MADE EMERGENCY IMPORTS IN THE PAST.

3

11. THE FOURTH MEASURE IS STIMULATION OF THE DOMESTIC ECONOMY. THE GOJ REALIZES THAT ONE OF THE MAJOR UNDERLYING CAUSES OF THE RAPID INCREASE IN THE EXTERNAL SURPLUS IS THE SLUGGISH STATE OF THE DOMESTIC ECONOMY WHICH HAS PERSISTED SINCE EARLY 1980. EPA MINISTER KOMOTO IN PARTICULAR HAS ACTIVELY CALLED FOR MEASURES THAT WOULD STIMULATE DOMESTIC DEMAND. THE GOJ IS NOW BEGINNING TO MAKE CONCRETE MOVES TOWARDS THAT END. ALTHOUGH THE STATE OF THE GOVERNMENT'S FINANCES DO NOT ALLOW MUCH IN THE WAY OF EXPANSIONARY FISCAL POLICIES, WITH THE EASING OF INFLATIONARY PRESSURES AND THE RECENT APPRECIATION OF THE YEN THE BANK OF JAPAN HAS DECIDED TO LOWER THE DISCOUNT RATE BY 0.75 PCT TO 5.5 PCT. HOWEVER, THIS IS LESS THAN THE 1.0 PCT CUT THAT WAS GENERALLY EXPECTED AND INDICATES THAT THE GOJ IS STILL ACTING VERY CAUTIOUSLY. IN THE SHORT TERM, A REDUCTION IN THE DISCOUNT RATE COULD EXACERBATE THE PROBLEM BY CAUSING A DECLINE IN THE EXCHANGE VALUE OF THE YEN. HOWEVER, IN THE LONG RUN, IT SHOULD REDUCE THE EXTERNAL SURPLUS IF IT IS SUFFICIENTLY LARGE TO STIMULATE THE DOMESTIC ECONOMY AND INCREASE THE DEMAND FOR IMPORTS. THIS IS OF PARTICULAR IMPORTANCE FROM THE STANDPOINT OF US-JAPAN BILATERAL TRADE AS OUR EXPORTS TO JAPAN CONTAIN A HIGH PERCENTAGE OF GOODS SUCH AS FOREST PRODUCTS AND OTHER RAW MATERIALS THAT ARE VERY SENSITIVE TO ECONOMIC CONDITIONS.

4

12. COMMENT: IT IS, OF COURSE, MUCH TOO EARLY TO SAY THAT THIS FLURRY OF ACTIVITY WILL ACTUALLY LEAD TO A SIGNIFICANT OPENING OF THE JAPANESE MARKET AND THUS "SOLVE" THE TRADE PROBLEM. HOWEVER, THE AMOUNT OF ACTIVITY, MUCH OF IT AT THE PM'S DIRECTION, COMING AFTER THE CABINET RESHUFFLE, IS SIGNIFICANT, AND THUS INDICATES A SERIOUS ATTEMPT ON THE PART OF THE GOJ TO DEAL WITH THE ISSUE. PERHAPS EVEN MORE SIGNIFICANT IS THE TYPE OF ACTIONS THAT HAVE BEEN UNDERTAKEN. OBVIOUSLY, THE REPORTED STATEMENTS BY THE PRIME MINISTER AND THE CABINET CONSIDERATION OF THE ISSUE AT ITS FIRST MEETING IS SIGNIFICANT. THE ESAKI GROUP INVOLVES THE CREAM OF THE LDP. THE DOKO COMMISSION INVOLVES THE CREAM OF THE BUSINESS COMMUNITY. PAST JAPANESE EFFORTS TO ELIMINATE NON-TARIFF BARRIERS HAVE FREQUENTLY BEEN DILUTED OR FRUSTRATED BY THE VESTED INTERESTS WHICH DOMINATE THE VARIOUS COMMITTEES IN THE DIET AND THE LDP TO WHICH THESE PROPOSALS HAVE BEEN TRADITIONALLY REFERRED. BY PLACING RESPONSIBILITY FOR DEALING WITH TRADE FRICTION IN SUCH SPECIAL BROAD-BASED BODIES AS THE ESAKI COUNCIL AND THE DOKO COMMISSION THE PRIME MINISTER IS ATTEMPTING TO ENSURE THAT THE THRUST OF THEIR DELIBERATIONS WILL BE IN THE DIRECTION OF REFORM RATHER THAN PROTECTIONISM. THIS IS A TECHNIQUE WHICH WORKED SUCCESSFULLY IN THE DELIBERATION OF ADMINISTRATIVE REFORM IN THE JUST-COMPLETED DIET SESSION. IT REMAINS TO BE SEEN WHETHER THE TECHNIQUE WILL WORK

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AGAIN. WE, OF COURSE, SHOULD DO ALL WE CAN  
TO ENCOURAGE THE DEVELOPMENT OF THIS  
CONSENSUS AND THE US-JAPAN TRADE SUBCOMMITTEE  
MEETING HELD HERE THIS WEEK SHOULD BE SEEN  
AS PART OF THE PROCESS. THE JAPANESE WILL  
HOLD A SIMILAR MEETING WITH THE EC IN LATE  
JANUARY AND THAT, AS WELL, MAY PLAY A ROLE  
AS WELL AS DETERMINE THE TIMING OF WHATEVER  
THEY DO.  
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TAGS: ETRD, JA -  
SUBJECT: GOJ ANNOUNCES EXTERNAL ECONOMIC MEASURES (EEM)  
PROGRAM TO REDUCE THE TRADE SURPLUS

1. ON DECEMBER 16, THE MINISTERIAL CONFERENCE FOR  
ECONOMIC MEASURES ADOPTED A FIVE POINT PROGRAM TO  
REDUCE THE TRADE SURPLUS AND EASE TRADE FRICTION  
WITH THE U.S. AND THE EC. SUMMARY AND ANALYSIS OF  
PROGRAM FOLLOWS. ROUGH TRANSLATION OF DOCUMENT  
ANNOUNCING DECISION OF MINISTERIAL CONFERENCE IS  
CONTAINED IN PARAGRAPH 3.

2. THE PROGRAM, ENTITLED EXTERNAL ECONOMIC MEASURES  
(EEM) BY THE GOJ, CONTAINS THE FOLLOWING PROVISIONS.  
1. MEASURES TO FURTHER OPEN THE MARKET:  
- 1) IMPROVEMENT OF IMPORT INSPECTION PROCEDURES.  
- COMMENT: UNDER THIS ITEM VARIOUS STANDARDS  
NTBS WILL BE REVIEWED INCLUDING FOR PROCESSED FOOD,  
DRUGS, COSMETICS, HIGH PRESSURE GAS CONTAINERS,  
AEROSOL SPRAYS, ELECTRICAL APPLIANCES, AUTOMOBILES,  
AND CHEMICALS. A DECISION WILL BE MADE BY THE END  
OF JANUARY, 1982, IT IS NOT YET CLEAR WHAT TYPE OF  
ACTION IS BEING CONSIDERED WITH REGARD TO THE NTB  
STANDARDS AREAS LISTED ABOVE.  
2) EASING IMPORT RESTRICTIONS.  
- -- REVIEW OF 27 IMPORT QUOTAS.  
- COMMENT: A REVIEW WILL BE MADE OF 27  
RESIDUAL IMPORT QUOTAS (MOSTLY AGRICULTURAL AND  
LEATHER ITEMS). SOME MAY BE DROPPED BUT MOST WILL  
PROBABLY REMAIN. A DECISION IS DUE BY THE END OF JANUARY,  
1982, BUT THE DECISION ON THIS POLITICALLY DIFFICULT  
ISSUE WILL PROBABLY BE DELAYED UNTIL MARCH IF NOT  
INDEFINITELY.  
- -- ACCELERATED STAGING OF MTN TARIFF CUTS.  
- COMMENT: THE MTN CUTS SCHEDULED FOR 1983  
AND 1984 WILL BE MADE AT THE SAME TIME AS THE 1982 CUTS  
(APRIL 1, 1982). THE SCHEDULE FOR THE REMAINING CUTS  
(85, '86, '87) WILL REMAIN UNCHANGED. IN ADDITION THE  
TARIFF ON WHISKY AND PROBABLY BANANAS WILL ALSO BE  
LOWERED. THE DECISION ON THIS ITEM WILL BE MADE FINAL  
BY DECEMBER 21.  
11. IMPORT PROMOTION MEASURES:

- 1) FOREIGN CURRENCY LENDING FOR EMERGENCY IMPORTS.  
- COMMENTS: ALTHOUGH DECISIONS ARE NOT FULLY  
WORKED OUT, THE PROGRAM IS EXPECTED TO INCLUDE SAMURAI  
LEASING OF AIRCRAFT AND WILL BE AVAILABLE TO PURCHASE  
SHIPS, ETC. \$500 MILLION WILL BE MADE AVAILABLE FOR  
THIS PROGRAM AT INTERNATIONAL INTEREST RATES. THE  
PROGRAM WILL BEGIN JANUARY 15, 1982 (FURTHER DETAILS  
FOLLOW SEPTEL).  
- 2) STOCKPILING.  
- -- INCREASING GOJ OIL STOCKS BY 1.5 MILLION  
KILDLITERS IN FY 82. THIS IS PART OF AN ONGOING  
PROGRAM (SEE TOKYO 19233) AND FUNDS ARE ALREADY  
INCLUDED IN THE FY 82 BUDGET. ORIGINAL PURPOSE WAS  
TO REMOVE SOME OF THE PRESSURE ON PRIVATE FIRMS OF  
HIGH STOCKPILES BY HAVING GOJ PURCHASE SOME OF THE  
CONTRACTED FOR OIL.  
- -- STOCKPILING RARE METALS. A TOTAL OF ABOUT  
\$50 MILLION OF FIVE MINERALS WILL BE PURCHASED IN FY 82.  
DETAILS ARE GIVEN IN SEPTEL.  
- -- PURCHASE OF FOREIGN GRAIN TO BE USED AS FOOD  
AID. COMMENT: A REPORTED \$90 MILLION WILL BE USED TO  
BUY U.S. AND OTHER FOREIGN GRAIN TO IMPLEMENT THE KENNEDY  
ROUND FOOD AID BUDGET.  
- 3) IMPORT FAIRS AND MISSIONS.  
111. EXPORT POLICY.  
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- EXPORTING COMPANIES WILL BE TOLD TO AVOID EXCESSIVE SURGES OF EXPORTS OF SPECIFIC PRODUCTS TO SPECIFIC MARKETS.  
IV. INDUSTRIAL COOPERATION.  
- THE GOJ WILL PROMOTE INDUSTRIAL COOPERATION SUCH AS INVESTMENT, EXCHANGE OF TECHNOLOGY, JOINT R&D, CO-OPERATION IN THIRD COUNTRY MARKETS.  
V. AID.  
- IT IS NOT CLEAR WHAT THIS ITEM MEANS. IT MAY MEAN THAT THEIR AID BUDGET WILL NOT BE CUT THIS YEAR.

3. EXTERNAL ECONOMIC MEASURES (PROVISIONAL TRANSLATION)  
MINISTERIAL CONFERENCE FOR ECONOMIC MEASURES  
DECEMBER 16, 1981  
- THE MINISTERIAL CONFERENCE FOR ECONOMIC MEASURES DECIDED ON OCTOBER 2 OF THIS YEAR ON ITS "ECONOMIC POLICY MANAGEMENT AND TENTATIVE ESTIMATE OF THE ECONOMIC OUTLOOK" SETTING FORTH THE FOUR BASIC DIRECTIONS OF PRICE STABILITY, RECOVERY IN BALANCED DOMESTIC DEMAND, PROMOTION OF MEASURES FOR RECESSION-BESET INDUSTRIES, AND BALANCED EXPANSION OF TRADE.  
- HOWEVER, IN LOOKING AT THE SUBSEQUENT TRENDS IN THE JAPANESE ECONOMY, THE CONTINUING STAGNATION IN DOMESTIC DEMAND PERSISTS AND THE CURRENT ACCOUNT IS TENDING TO SURPLUS.  
- AT THE SAME TIME, THE COUNTRIES OF THE WORLD, OVERALL, HAVE YET TO RECOVER FROM THE SECOND OIL CRISIS, AND MANY COUNTRIES IN EUROPE AND NORTH AMERICA, IN PARTICULAR, FACE THE PROBLEMS OF INFLATION AND UNEMPLOYMENT.  
- IN VIEW OF THIS SITUATION, JAPAN, FOR ITS PART, SEEKING TO PROMOTE THE MAINTENANCE AND STRENGTHENING OF FREE TRADE PRINCIPLES, WILL MAKE STILL GREATER EFFORTS AS NOTED BELOW TOWARD THE OBJECTIVE OF BALANCED EXPANSION OF WORLD TRADE WITH EMPHASIS ON THE RECOVERY OF DOMESTIC DEMAND.  
I. MEASURES FOR FURTHER OPENING THE MARKET.  
- 1. IMPROVEMENT OF IMPORT INSPECTION PROCEDURES, ETC.  
- IN LIGHT OF THE INTERMEDIATE REPORT OF THE TRADE CONFERENCE (COMMITTEE FOR MANUFACTURED GOODS IMPORT MEASURES) AND OTHER STUDIES, THE MINISTRIES AND AGENCIES CONCERNED WILL CONDUCT A REVIEW OF THE PROCEDURES FOR DOMESTIC TESTING, ETC. AND PUT TOGETHER BY THE END OF JANUARY NEXT YEAR SPECIFIC MEASURES FOR THEIR IMPROVEMENT WITH A VIEW TO PROMOTING IMPORTS AND IN PRINCIPLE

BRINGING THEM IN LINE WITH INTERNATIONAL STANDARDS. FOR THOSE WHICH REQUIRE LEGAL AMENDMENTS, THE NECESSARY AMENDMENTS ARE TO BE SUBMITTED TO THE NEXT ORDINARY SESSION OF THE DIET.  
- IMPORT INSPECTION, ETC. SHOULD BE CONDUCTED IN A PROPER MANNER WITH DUE CONSIDERATION TO THE AIM OF FURTHER OPENING THE MARKET.  
- 2. EASING OF IMPORT RESTRICTIONS.  
- WHILE CONSIDERING THOSE PRODUCTS OF INTEREST TO OTHER COUNTRIES, A REVIEW IS TO BE MADE, AS APPROPRIATE, OF RESIDUAL IMPORT RESTRICTIONS. THE RESULTS OF THIS REVIEW WILL BE REPORTED TO THE MINISTERIAL CONFERENCE FOR ECONOMIC MEASURES.  
- N.B. LOWERING OF TARIFF RATES.  
- A DECISION WILL BE MADE SOON ON IMPLEMENTING ACROSS THE BOARD REDUCTION OF TARIFF RATES TWO YEARS AHEAD OF THE SCHEDULED STAGING IN THE TOKYO ROUND AGREEMENTS AND ON REDUCING THE TARIFF ON WHISKY, ETC. COMMENSURATELY.  
II. IMPORT PROMOTION MEASURES.  
- 1. IMPLEMENTATION OF FOREIGN CURRENCY LENDING FOR EMERGENCY IMPORTS.  
- FOREIGN CURRENCY LENDING BASED ON CURRENT INTERNATIONAL INTEREST RATE WILL BE INTRODUCED AS A  
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TEMPORARY MEASURE WITH RESPECT TO THE IMPORTS OF  
IMPORTANT GOODS CONDUCIVE TO EASING OF TRADE FRICTIONS,  
WHILE PAYING DUE ATTENTION TO THE EXCHANGE RATE OF THE  
YEN, ETC.

- 2. PROMOTION OF STOCKPILING, ETC.  
- (I) THE GOVERNMENT-OWNED OIL STOCKS WILL BE  
INCREASED BY APPROXIMATELY 1.5 MILLION KILOLITERS IN FY  
1982.

- (II) NECESSARY MEASURES WILL BE TAKEN IN  
ORDER TO PROMOTE PRIVATE STOCKPILING OF RARE METALS.

- (II) FOREIGN-GROWN GRAINS WILL ALSO BE USED  
IN IMPLEMENTING THE KR FOOD AID BUDGET.

- 3. DISPATCH OF IMPORT MISSIONS, HOLDING OF PRODUCT  
EXHIBITIONS, ETC.

- IN COOPERATION WITH THE PRIVATE SECTOR, THE  
DISPATCH OF IMPORT MISSIONS, HOLDING OF PRODUCT  
EXHIBITIONS, JOINT SPONSORING OF INTERNATIONAL SYMPOSIUMS,  
ETC. WILL BE POSITIVELY PROMOTED. EFFORTS WILL ALSO BE  
MADE TO IMPLEMENT THE STATEMENT "ON THE EXPANSION OF  
MANUFACTURED IMPORTS", UTILIZING THE TRADE CONFERENCE  
(COMMITTEE FOR MANUFACTURED GOODS IMPORT MEASURES).

III. EXPORT POLICY.

- WITH THE BASIC POLICY OF BALANCED EXPANSION  
IN TRADE, EFFORTS WILL BE MADE TO AVOID EXCESSIVE CON-  
CENTRATION OF EXPORTS OF SPECIFIC PRODUCTS. IN LINE  
WITH THIS POLICY, APPROPRIATE CARE WILL BE TAKEN IN  
THE FUTURE HANDLING OF MEASURES CURRENTLY BEING TAKEN.

IV. INDUSTRIAL COOPERATION POLICY.

- INDUSTRIAL COOPERATION WITH THE EC COUNTRIES,  
ETC. WILL BE POSITIVELY PROMOTED IN SUCH FORMS AS EXCHANGE  
OF INVESTMENT, TECHNOLOGY EXCHANGE, JOINT TECHNOLOGY  
RESEARCH AND DEVELOPMENT, COOPERATION IN THIRD-COUNTRY  
MARKETS, ETC.

V. ECONOMIC COOPERATION POLICY.

- EFFORTS WILL BE MADE TO FULL IMPLEMENT THE  
MEDIUM-TERM TARGET ON OFFICIAL DEVELOPMENT ASSISTANCE  
(ODA) DECIDED UPON IN JANUARY OF THIS YEAR.

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51176	CABLE  RE JAPAN-US TRADE AND NON-TRADE ISSUES	6	1/22/1982	B1  B3

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51178	CABLE  VIEWS OF PM SUZUKI	5	1/25/1982	B1  B3

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- B-1 National security classified information [(b)(1) of the FOIA]
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MEMORANDUM

NATIONAL SECURITY COUNCIL

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February 24, 1982

File  
France  
Summit  
(Japan)

MEMORANDUM FOR MIKE FRY

FROM: DON GREGG *DG*

SUBJECT: Esaki's Meeting with the President

The President's meeting with Esaki did not go as well as I think it should have. The main problem was that Esaki did too much talking and too little listening. I had been taken in to see the President before the meeting and, along with Bill Brock, had urged him to speak forcefully on the need for Japan to open its market. We went over the attached talking points with him, and he seemed determined to go through them.

In the actual meeting, the President got through only the first two points before Esaki more or less took over the meeting.

Following the meeting, Esaki spoke to the press and made it appear that what Japan has already done will suffice to handle the problem. This is clearly not the case.

I suggest that prior to this afternoon's meeting with the Vice President you urge him to plow right through the talking points and make them all before giving Esaki a chance to gain conversational momentum.

If you want to talk about this, give me a call. I do not plan to attend the meeting due to a double-barreled conflict.

Attachments

- Tab I Talking Points
- Tab II 3x5 talking points

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Review on February 24, 1988

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NLRR M07-081 2/25/69

BY CH NARA DATE 4/23/10

TALKING POINTS FOR USE DURING THE MEETING WITH  
MASUMI ESAKI ON FEBRUARY 23

- Welcome Mr. Esaki and note that you are glad to see that Prime Minister Suzuki has sent such a close and trusted friend on this vitally important mission.
- Extend thanks and regards to Prime Minister Suzuki for what is being done in terms of increased defense spending and sanctions against Poland and the Soviet Union.
- Express appreciation for what has been done so far to remove non-tariff barriers, but state that much more needs to be done.
- Note that Japan and the United States are full partners in many ways but not yet in the trade area. The problem is that the Japanese market is not open to American goods in the same way that the American market is open to products from Japan.
- Stress that this situation must be changed. We know this may be a difficult process for Japan, but it must be done if our relations are to remain as strong as they have become.
- Express our determination to revitalize our economy, and stress that we want to be able to sell to Japan as easily as Japan sells to us. This we cannot do now.
- Express appreciation for Esaki's personal efforts in this regard and urge him to make a sustained effort until the problem of market access is resolved.

ESAKI TALKING POINTS

- WELCOME TO TRUSTED FRIEND OF SUZUKI, WHO WILL HANDLE TOUGH PROBLEM.
- THANKS FOR INCREASED DEFENSE SPENDING & SOVIET SANCTIONS, WE LOOK FOR PROGRESS IN THE TRADE AREA.
- WHAT HAS BEEN DONE SO FAR IS GOOD, MUCH MORE MUST BE DONE.

- WE ARE NOT FULL PARTNERS IN TRADE. JAPAN'S MARKET MUST BE OPENED, PAINFUL AS THIS MAY BE.
- WE ARE DETERMINED TO REVITALIZE OUR ECONOMY, AND WANT TO SELL TO YOU AS EASILY AS YOU SELL TO US.
- WE APPRECIATE YOUR EFFORTS, AND URGE A SUSTAINED EFFORT UNTIL THE TRADE PROBLEM IS RESOLVED.

DECLASSIFIED / 24/578577  
 NLRR M17-181 \* 51171  
 BY CU NARA DATE 9/13/10

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THE WHITE HOUSE

WASHINGTON

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MEMORANDUM OF CONVERSATION

SUBJECT: Summary of the President's Meeting with Masumi Esaki, Japanese Chairman of the Liberal Democratic Party Special Committee on International Economic Measures

PARTICIPANTS: President Ronald Reagan  
Secretary of State Alexander M. Haig, Jr.  
Ambassador William Brock, United States Trade Representative  
Edwin Meese III, Counsellor to the President  
William P. Clark, Assistant to the President for National Security Affairs  
Lionel Olmer, Under Secretary of Commerce  
John Holdridge, Assistant Secretary of State for East Asian Affairs  
Donald Gregg, NSC Senior Staff Member (Notetaker)

Masumi Esaki, Japanese Chairman of the Liberal Democratic Party Special Committee on International Economic Measures  
Tadashi Kuranari, Japanese Member of the House of Representatives  
Ambassador Yoshi Okawara  
Shotaro Oshima, First Secretary of the Japanese Embassy (Interpreter)

DATE, TIME February 23, 1982  
AND PLACE: 2:15-2:30 p.m., Oval Office

Mr. Esaki opened the meeting by presenting Prime Minister Suzuki's personal letter to the President.

The President read the letter, thanked Mr. Esaki for bringing it, and said that he was glad that Prime Minister Suzuki had sent such a trusted friend to deal with the very difficult trade problem.

Mr. Esaki responded by thanking the President for taking time to see him. He said that Suzuki sent the President his best regards and added that the Prime Minister was looking forward to his meeting with the President at the Economic Summit. Esaki reiterated Suzuki's open invitation to the President to visit Japan.

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Classified and Extended by William P. Clark  
Review on February 23, 2012  
Reason: NSC 1.13(f)

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NLRB 107-001 #51177

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BY CL NARA DATE 9/23/16

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The President responded that he hoped to be able to visit Japan again at some time in the future and noted that he had found all of his previous visits to Japan to be most enjoyable.

Mr. Esaki replied that his view and that of the Prime Minister is that United States-Japanese relations are very important. He stated that as long as the Liberal Democratic Party is in power, Japan will act as America's loyal and trusted friend.

The President replied that he shared Esaki's view of the importance of US-Japan relations. He then thanked Esaki for the increases which have been made in Japan's defense spending and that he looked for equal progress to be made in the trade area. The President stated that the trade imbalance is a very serious problem and that he was glad that Mr. Esaki had been designated to deal with it.

Mr. Esaki stated that from the US viewpoint it might appear that progress on the defense issue had been slow. He said that Mr. Suzuki is a sincere man and that he will continue to move forward. Esaki mentioned that he had been Director of the Japan Defense Agency twice and that he had a strong personal interest in the peace and stability of Asia.

The President noted that Suzuki's letter had mentioned the rise of protectionist sentiment in Europe and the United States. The President noted that while progress had been made in removing obstacles to US goods being imported into Japan, the US still cannot sell as easily to Japan as Japan can sell to us. The President commented that bureaucratic problems appear to be the same all around the world, in that bureaucrats try their best to resist changes proposed to them by their leaders. He added that in the United States, as a result of pressures within Congress, protectionist legislation may come forward which the White House might be unable to stop. The President stated that Japan needs to give an "impression of fairness" in its trade policies and that the need for this must be impressed upon the bureaucrats who carry out Japan's trade policies.

Mr. Esaki nodded vigorously as this point was interpreted. He thanked the President for expressing this viewpoint and agreed as to the strength of Japanese bureaucrats. He said that each organization was set up vertically with its own clearly defined area of "turf." To deal with the resistance which comes out of this set up, the Liberal Democratic Party had set up a special committee made up of ex-cabinet ministers. Esaki is the head of this committee and his objective has been to study in depth ways in which the Japanese bureaucracy can be moved to implement a more

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open trade policy. Esaki stated that as a result of hard work, 67 of 99 non-tariff barriers had been eliminated. He said that this was only the first step, designed to improve the facilitation of imports. Esaki said that Japan wants the same sort of open market that the United States has. He stated that particularly in the service and distribution sectors they would seek to improve their performance and that they would work to get bureaucrats to agree to the plans that they were proposing.

Mr. Esaki stated that as part of the first step an Office of Trade Ombudsman had been set up. He noted that there had been opposition to the establishment of this office but that it was designed to respond quickly to complaints about trade matters. He urged the United States to use this office and promised responses to inquiries within five to ten days.

As the meeting drew to a close, Mr. Esaki mentioned the sanctions against Poland which Tokyo had announced that day and also urged the President to keep in mind the possibility of selling the Japanese oil from Alaska.

The President responded noncommittally.

In conclusion, The President stated that he looked forward to Japan making progress on the trade front in the hope that this would make his task of dealing with our Congress easier than it had been.

The meeting ended at this point.

Following the meeting, Esaki met with the Japanese press outside the White House. His account of his meeting with the President laid most stress on what the Japanese have been doing, as opposed to what they have not yet done. He also did not make any general comment on the need to change bureaucratic attitudes within Japan.

(COMMENT: Representatives from State and Commerce stated that they would reemphasize to Esaki at subsequent meetings the need for Japan to do more in terms of opening its market to our goods.)

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