

# Japan outlines its growing economic role

by Kathy Wolfe

The Japanese government has challenged the Bush administration's right to run the world economy into the ground in a series of blunt new reports on world trade and production issued June 8-10.

To the "Report on Unfair Trade Practices" issued on June 8 which denounced the United States for trade violations (see *EIR*, June 19, p. 6), has now been added another major report by the Ministry of International Trade and Industry (MITI). The second MITI report issued on June 10 is called "Challenges for Asia and Japan's Economic Cooperation—Asia as a Nucleus for World Economic Growth." It states that Asia can't depend on the United States any more, and that Japan will have to take leadership in Asian economies.

A third report by Japan's Ministry of Agriculture on June 10, entitled "The Basic Direction of New Policies for Food, Agriculture and Rural Areas," tells Bush to take a walk on demands that Japan open its rice markets. "Japan needs to keep a steady supply of rice throughout the year by depending basically on domestic products," the plan says. Another Agriculture Ministry report just out predicts a shortage of over 900,000 tons a year of rice and of major grains and oilseeds by the year 2000.

Although the first report was roundly denounced by White House spokesman Marlin Fitzwater, there has been no subsequent comment on it or the other reports in the U.S. or British press, a sure sign that London and Washington are worried. "For America to be told the truth is not pleasant," said MITI Minister Kozo Watanabe on June 9, "but our position is that from now on, Japan will say the things that must be said, and do the things which must be done." His comments have caused shocked silence.

## Asian economic locomotive

As the United States drops off the world economic map, Japan must take the leading role in improving the economy of Asia, to help the whole world, says the new MITI 1992 white paper, "Challenges for Asia." Asia can't trust the United States as a trade partner, since the United States may hit Asia any day with protectionist measures. The reason for this is that Bush has bankrupted America, MITI points out. "Asia's continued dependence on the U.S. market may add

fuel to American trade protectionism, considering America's twin deficits in finance and trade," the report says.

"In order to act as a locomotive for the world economy, Asian countries should make efforts to expand their own markets. Asia achieved a 5.8% growth in real production in 1991 when world production dropped 0.3%. . . . If economic developments in the NIEs [newly industrializing economies] and ASEAN [Association of Southeast Asian Nations] nations expand to China, Indochina, and even to South Asia, Asian nations can help expand the world economy." NIEs include Korea and Taiwan. ASEAN includes countries such as Thailand and Malaysia. Japan has invested extensively in heavy industry in all these countries.

Japan should increase imports from Asian countries, invest more in them, offer them yen loans to improve their infrastructure, and train more of their people, it said.

## Food is a national security issue

The Ministry of Agriculture meanwhile published a blueprint for the future on June 10 entitled "The Basic Direction of New Policies for Food, Agriculture and Rural Areas."

The report argues that self-sufficiency in rice is a matter of national security, despite Bush administration demands to be allowed to dump rice on Japan and bankrupt Japan's small farmers. The answer is "No," says the report. "Japan needs to keep a steady supply of rice throughout the year by depending basically on domestic products," the plan said. Japan consumes 10 million tons of rice a year.

Japan's overall food self-sufficiency rate is exceptionally low, it says, noting that rice is the only food in which Japan is self-sufficient. Since stable food imports cannot always be guaranteed in the future, "Japan should use its own resources first in order to maintain a stable supply of food for itself."

There is likely to be a shortage of major grains and oilseeds by the year 2000, the Agriculture Ministry said, and forecast that world rice consumption is likely to exceed production by 900,000 tons in the year 2000.

The Agriculture Ministry's new plan for the 21st century, entitled "Basic Directions," also calls for modernization of Japanese rice production. Agriculture Minister Masami Tanabu in a May speech said, "I don't think consumers will continue to support farmers if farmers are kept away from competition, and rely on the government for subsidies." Clearly he meant domestic competition.

The Agriculture Ministry proposes to support farms financially and encourage smaller farms to incorporate into larger groups, to help create business-minded rice farmers. Farms of over 10 hectares now account for only 0.4% of Japan's 3.8 million farms. Under the plan, farms with 10-20 hectares of paddy fields will account for 80% of rice production, and the total number of farms will fall to 2.5-3.0 million by the year 2000. Costs on the average farm will decline by 40-50% as farms increase in size over the next decade, it says.