

BULLETIN

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JAPAN/JAPON

- PM Kaifu, en route to his Kennebunkport summit with President Bush, said the US and Europe need to understand the importance of food security to Japan. Bush is expected to raise the issues of rice and auto trade. Kyodo reports that Kaifu needs the political cover of an international trade agreement to liberalize rice imports.

- The government cut its purchase price for rice 0.65% to US 89.2¢/lb despite protests from farmers and LDP politicians representing farm districts.

- Japan will offer the Soviet Union US\$ 200 million in bank loans so Moscow can pay debts to Japanese firms covered by government trade insurance. Yomiuri reports that Kaifu will make the offer to Gorbachev in London.

- According to media sources, MITI will ask Japan's largest firms to increase imports by at least 10% annually for the next two years, or face export restrictions. The move is in response to an expanding trade surplus. MITI will closely monitor those companies with extensive export and import operations.

- The cabinet has approved a US\$ 505 million contribution to the Persian Gulf war fund for "maintenance of postwar stability." The monies, to be given to the Gulf Cooperation Council, will make up the shortfall in Japan's original US\$ 9 billion war pledge.

- Kyodo reports that the Thai Foreign Minister told visiting LDP Diet members that Bangkok would welcome Japanese troops in a peacekeeping force in Cambodia, as long as they are under UN auspices.

- The LDP's Executive Council approved PM Kaifu's political reform package, but only after

Chairman Takeo Nishioka made a commitment to have the proposal debated in the Diet. The reform package, which includes changes to Lower House electoral districts, may be defeated. Success of the reform plan is seen as essential to providing PM Kaifu with a second term.

- Finance Minister Hashimoto claims he will give back 10% of his pay for three months, and discipline four top aides with similar pay cuts, as penance for recent securities scandals. The minister stated that a lack of supervision of the industry was responsible for the scandals.

- NEC disclosed that it will swap its 15% interest in a US joint venture for 4.7% of the financially troubled state-owned French computer maker Compagnie des Machines Bull. In May, French PM Cresson ordered a reexamination of the initial agreement.

- According to U.S. automakers' data, Honda surpassed Chrysler in the first half of 1991 to become number three in US auto sales for the first time. Toyota is also expected to surpass Chrysler by the end of the year.

- Media sources report that JAL pilots and cockpit crews struck on July 9 to protest the company's plan to hire 180 foreign pilots and flight engineers in the next two years.

- Japanese computer display producers rejected the US Commerce Department's finding that some of them are dumping on the US market. 62.67% anti-dumping duties have been ordered by Commerce on high resolution active-matrix LCD's.

- Mitsubishi has begun exporting US coal to Kyushu Electric Power Co. Mitsubishi bought 15% interest in Cyprus Orchard