

BULLETIN

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JAPAN/JAPON

- Kyodo reports that PM Kaifu's addition to the G-7 Summit Communique recommends Moscow extend its "new thinking" diplomacy to Asia by reducing naval activity. In a meeting with the German Chancellor, Kaifu repeated Japan's position that it will not supply massive aid to the Soviets until more market reforms are implemented and Moscow returns the Northern Territories to Japan.
- Mitsubishi announced it will buy 5.6% of Iron Ore Co. of Canada from US-based M.A. Hanna for US\$ 66 million. Mitsubishi and Hanna will establish a joint company to market IOC ore, but Hanna will continue to manage IOC.
- The Export-Import Bank of Japan plans to form a foundation of trading houses, manufacturers and financial institutions to promote direct investment, mainly in developing countries. Kyodo says the organization will provide information on conditions ranging from taxation to employment, sponsor seminars on foreign investment, and accept trainees from foreign countries.
- Nihon Keizai reports that major Japanese securities firms will stop guaranteeing the purchase of US Treasury bills for their Japanese customers. Many brokers are considering dropping the practice as part of their review of excessive services offered to customers.
- JETRO's survey of foreign investment intentions of 730 Japanese companies found that East Europe's newly market-oriented economies are diverting attention away from Southeast Asia.
- Le ministère du Commerce extérieur a dévoilé un plan visant la formation en matière de sécurité de 1000 techniciens de centrales nucléaires de l'URSS, de l'Europe de l'Est et

des pays en voie de développement.

- Press reports state that former Deputy PM Shin Kanemaru has dropped an invitation offered to Taiwanese President Lee to visit Japan. Kanemaru withdrew his offer after the Chinese Foreign Minister told him the visit would be tantamount to Tokyo's adoption of a "two Chinas policy" an anathema to Beijing.

CHINA/CHINE

- China has officially appealed to the international community for urgent relief assistance as floods continue to devastate large areas, and damage and casualties mount. Eighteen provinces have been swept by heavy rains and floods, especially the eastern provinces of Anhui and Jiangsu, where 70% of the population have been affected by the floods and 2 million residents are homeless.
- PM Li Peng has stated that Israel should withdraw from the Occupied Territories, the legal rights of the Palestinians should be restored, and China is willing to join in the rebuilding of Kuwait. According to news sources, the comments were made during the PM's Middle East six nations tour.
- China's industrial production continued to increase in the first half of 1991. Mid-year statistics show industrial output rose by over 13% to US\$ 208 billion. The state statistical bureau said the growth is a result of strong market demand, and a higher-than-average cash flow to companies that had been hit by recent austerity measures and mounting stockpiles of unsold goods.
- "This is a gross interference in China's internal affairs which the Chinese government firmly rejects" was the Ministry