

Fukuda calls for support of dollar and fusion power

Prime Minister Takeo Fukuda opened a special session of Japan's Diet last week with a call for support of the U.S. dollar and for fusion power. Fukuda located his policies within the context of the agreements reached at the Bonn summit; observers said the speech represented more specifically the coordination on economic policy his government has had since July with West Germany and France. Fukuda's policy is aimed at arranging an informal Asian counterpart with the newly created European Monetary Fund, according to Japanese banking sources.

Fukuda has just returned from a highly successful tour of the Mideast — including Egypt, Iran and Saudi Arabia — in which he attempted to pool Japanese and OPEC funds to finance capital-intensive development projects in both Asia and the Mideast. Saudi Arabian Foreign Minister Prince Saud al-Faisal, currently in the U.S., is reported to have briefed the U.S. side on the close coordination his country has had recently with the West German, French and Japanese leaders. Fukuda's recent Mideast trip is a case in point.

While no specific announcements were made regarding this aspect of the trip, the Dubai-based Bank of Oman announced on the same day that Fukuda gave his Diet speech that it was opening a deposit-accepting branch in Hong Kong for just such projects. The announcement, reported in the Sept. 21 *Journal of Commerce*, said the Bank wants to use Japanese, South Korean and Philippine technology, as well as Japanese and OPEC funds for projects in both regions.

War avoidance has been a prime factor behind Japan's coordination with Germany's Chancellor Schmidt. In Saudi Arabia, Fukuda stated that the trade war resulting from the 1930s depression was the cause of World War II. In order to avoid a similar situation, "a stable dollar is needed more than anything else." Similarly, Fukuda posed fusion power as necessary to overcome presently limited natural resources, thereby avoiding an international scramble for such resources.

Both Fukuda's Diet speech and the West German industrial newspaper *Handelsblatt* emphasized that the time has now arrived for Japan to play a global political role commensurate with its economic strength. As part of Japan's new role at the UN on Sept. 25, Foreign Minister Sunao Sonoda announced that Japan "has decided to extend new grant assistance as a measure which will, in substance, be equivalent to the cancellation of the annual debt-servicing obligation of its least developed (govern-

ment-to-government) debtors or to a reduction in the obligations of its debtors which have been most seriously affected by the oil crisis."

Since Fukuda began coordinating with Schmidt and Giscard, his popularity has doubled from a dismal 20 percent support ratings to 40 percent according to the latest poll. He is now in very good position to retain his Prime Minister post against a challenge by Liberal-Democrat party Secretary-General and London-ally Masayoshi Ohira.

Excerpts from Fukuda's Diet speech follow.

'Bonn summit to put the world economy on the right track'

Following are excerpts from Japanese Prime Minister Takeo Fukuda's speech to the Sept. 20 joint session of the Diet:

On the occasion of the opening of the 85th Diet session, I would like to express my view as follows:

The treaty of peace and friendship between Japan and the PRC was signed in Peking on Aug. 12. In view of the fact that historically the relations between Japan and China have undergone many changes, I believe it is very significant that the treaty has laid a cornerstone for an everlasting relationship of amity and friendship between the two countries on the basis of the spirit of reciprocity and equality. . . .

Today interdependent relations in the international community have rapidly deepened and Japan's national power has been substantially strengthened. As a consequence, Japan is entering a new era, in which it no longer suffices simply to cope with world development in a passive way in the field of foreign affairs. Long-ending diplomatic issues have been settled. The time has come for our country to take the initiative and play an active role for the sake of world peace and prosperity. The international community strongly urges Japan to do so.

For the first time in our history, I, the prime minister of Japan, have recently paid official visits to Iran, Qatar, the United Arab Emirates and Saudi Arabia. This tour was part of such diplomatic efforts of our country.

Peace in the Middle East is the biggest focal issue facing world politics today. During the tour I clarified Japan's eager desire for the achievement of a fair and lasting peace in the Middle East and exchanged con-

structive views with the leaders of those countries. Those nations have long-standing cultural and historic traditions; and they are the suppliers of energy, which is indispensable to the development of the world today, and occupy an important position in the international economy as well. I reached a consensus with them on further promoting mutual relations in economic and technical cooperation and cultural exchanges, thus laying the foundation for lasting amity and friendship.

On the basis of the outcome of my recent tour, the government will continue to strive to further expand our relations of friendship and cooperation with the Middle East countries and contribute to the stability and development of these relations. . . .

One of the major tasks of our diplomacy is to promote friendly relations with the Soviet Union on the basis of correct mutual understanding. I intend to continue to actively push ahead with broad exchanges between the two countries in various fields such as economic, cultural, trade and technical. However, to develop the Japan-Soviet relationship on a truly stable basis, it is essential to realize the early return of the four northern islands and then sign a peace treaty. To this end, the government is resolved to tenaciously continue negotiations with the Soviet Union. (applause)

It is of great significance to world peace for Japan and the European nations, which share a common sense of value as advanced industrial democracies, to strengthen their cooperative relations.

After attending the recent summit meeting of advanced nations, I went to France and visited the European Community headquarters where I keenly felt that the European nations are pinning great hopes on Japan and attaching great importance to our international obligations. (applause) I intend to further cement relations between Japan and Europe, which have historically maintained close relations, and to further strengthen the cooperative relations existing between Japan and Europe.

Our foreign policy, in a nutshell, is a policy of peace with all countries — a policy of pursuing peaceful and friendly relations with all countries of the world, all countries of all regions. I think that through these efforts Japan can help to maintain international conditions conducive to insuring peace and play an active and significant role in the interest of the world. (applause)

Needless to say, the unshakable Japan-U.S. relations are indispensable as the foundation which makes these diplomatic efforts of ours possible. The friendly and cooperative relations between Japan and the United States based on the Japan-U.S. security arrangement have played a major role in insuring the peace and security of our country and building our present prosperity. Relations between the two countries have been carried another step forward and enhanced so much that the two countries together can now contribute to construction of a peaceful and

friendly international community. In other words, these relations have been consolidated into relations of cooperation and partnership in the interest of the world.

In order to make the Japan-U.S. relations of friendship and trust still firmer, I intend to continue my best efforts in the future. (applause)

Economic problems are now the overriding ones facing the present international community. As you know, as a result of the oil crisis 5 years ago, the world economy as a whole has undergone a great change. All nations have made great efforts to overcome the difficulties caused by the oil crisis. But the pace of recovery in the major industrial nations is still slow, with the unemployment rate remaining high and trends toward protectionism rife. Moreover, the international monetary situation is highly unstable. What is still worse is that the world is faced with various restrictions and difficulties in oil supply. The settlement of the north-south question remains a major international task at present.

In order to overcome these manifold difficulties confronting the world economy, a summit conference of major industrial nations was held in Bonn, West Germany, in July. At the meeting, frank opinions were exchanged on an overall strategy designed to put the world economy on the right track, from the clear understanding that the participating nations in the conference share the same destiny, and in the spirit of what I call "cooperation and partnership."

As a result, each participating nation resolved to exploit its potential to the maximum to contribute to the stability and expansion of the world economy. The conference issued a joint declaration outlining concrete measures to be taken by each participating nation, such as growth, anti-inflation and energy measures, adapted to the actual economic condition of each participating nation. Despite overwhelming difficulties at home, leaders of the participating countries voluntarily offered to include their concrete measures in the declaration. I highly evaluate the significance of their determination to do so as a factor conducive to enhancing faith in the outlook for the world economy as a whole.

However, whether or not these concrete measures will stabilize the world economy depends on how each nation implements them. In view of the significant role which our country should play for the stability and development of the world economy, the government will execute various measures dynamically and actively and do its best to attain the goals agreed upon at the conference — for instance, by exerting further efforts to bring the Tokyo round of trade negotiations to an early conclusion. (applause)

To have these international efforts, including our own efforts, now bear fruit, a stable dollar is needed more than anything else. At the Bonn summit conference I urged the United States to take appropriate countermeasures. I welcome the series of dollar protection measures recently taken by the U.S. Govern-

ment and I look forward to their outcome. I hope that the United States will make further efforts. The government plans to strive for the stability of international currencies through continuing talks, including occasional exchanges of views among monetary authorities.

In this connection, many nations pin their strong hopes on the Tokyo summit conference of major industrial nations scheduled for next year. This indicates that our responsibility in the world community is becoming heavier. Conscious of our country's responsibility as a member of the international community, I am determined to do my best to see that our country plays its role and meets world expectations. (applause) . . .

The government has already drawn up a third comprehensive national development plan and is making steady preparations for its implementation. This plan, with the building of permanent settlement zones as its central theme, is designed to develop localities into wholesome, well-balanced local communities with the participation and cooperation of the local populace, while coping with population concentration from the countryside into cities — that is, to build permanent settlement zones which are rich and rooted in history and traditions, in a planned manner.

With this plan in mind, the government plans to begin drawing up a mid-range economic plan at an early date, to present a clear direction to our economic community. I believe that in order to have a bright prospect for the 21st century we must pool all the wisdom at home and abroad and bring about a new era of technical innovation. We should not submit with folded arms to the fetters of limited resources on mankind. To actively cope with this problem, we must develop science and technology and use resources more rationally while promoting the development of new energy sources.

As in the study of "big science" such as space and marine development, there are many uncharted fields in the development of the technology that affects the lives of our people, such as technology needed to conserve our beautiful land, energy-saving technology, new traffic technology, and technology on recycling of wastes.

I believe that we should aim to realize nuclear fusion in the early part of the 21st century, at the latest. I plan to take comprehensive measures, including an increase in investments in research, in order to achieve leaping strides in research and development. To do so, international cooperation is needed. Specifically in regard to Japan-U.S. cooperation, we plan to promote Japan-U.S. joint studies in nuclear fusion and other energy fields in line with the agreement reached during the last Japan-U.S. summit conference.

I believe that the exploration of new fields through the development of science and technology is a new goal of our nation on its way toward the 21st century,

and the attainment of this goal will enable our country to contribute to the progress and development of mankind on its own initiative.

Since early spring I have had many occasions to meet with various leaders in the world. Through these meetings I have keenly realized that this is an age of great transformation and that countries in the world are taking pains to search the way to find a bright prospect for the new era.

Japan is no exception. For 110 years since the Meiji era we, the Japanese nation, strove under the slogan, "Let us catch up with them and outpace them," and have today reached a point where we stand abreast with the advanced nations at last. Japan's responsibility to the international community is now very heavy and, on the threshold of the 1980s, it is being strongly urged to play a leading role. (applause)

The world is now at a turning point. At this juncture, I feel anew the importance of our political responsibility. I think that the greatest task facing our government now is to establish the basic direction for our national development. I am resolved to tackle this task with all my energy. (applause)

I am convinced that with a correct understanding of the present internal and external situations, we must consolidate our defense posture, prepare against possible, large-scale disaster, maintain a stable supply of resources, energy and foods, take fisheries and maritime safety measures to cope with the era of the 200-mile limit, improve the environment of society and life, and maintain law and order. Thus, we must vigorously push ahead with the policy of defending the security of our country and the stability of national life which we inherited from our forefathers. (applause)

At the same time, I think that to promote the lasting development of our nation, we must go back to the starting point — the development of human resources, the foundation for our national prosperity — and make redoubled efforts to that end.

In the course of modernization which took a century, our Japanese nation has waded through several ages of changes. Of course we were lucky because the international environment was favorable to us. However, basically it was attributable to the fact that importance was attached to education at individual homes, schools and in society, with the result that Japanese of outstanding qualities characterized by diligence and rich creativity were turned out.

At this juncture of entering a new age of change, I believe that we should find the source of our nation's new vitality in the very same thing. (applause) I firmly believe that, regardless of any changes, the creative ability and virile spirit of the nation will turn into national potential and bring bright prospects for the future of the nation. I intend to put my heart and soul into developing human resources and building the nation. (applause)

I ask for your understanding and cooperation. (applause)