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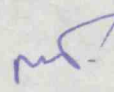
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VENICE SUMMIT : REACTIONS IN JAPAN 

SUMMARY

1. THE INITIAL REACTION OF JAPANESE GOVERNMENT SPOKESMEN AND THE MEDIA IS THAT THE VENICE SUMMIT WAS A SUCCESS FOR JAPAN. PRIME MINISTER NAKASONE IS GIVEN CREDIT FOR FENDING OFF CRITICISM OF JAPAN'S ECONOMIC POLICIES AND FOR PLAYING AN INTERMEDIARY ROLE BETWEEN THE AMERICANS AND THE EUROPEANS IN THE DISCUSSION OF INTERNATIONAL POLITICAL ISSUES, NOTABLY EAST/WEST RELATIONS. THE JAPANESE PRESS ARE SCEPTICAL ABOUT NAKASONE'S ABILITY TO CARRY THROUGH HIS ECONOMIC POLICY COMMITMENTS TO JAPAN'S SUMMIT PARTNERS DURING HIS REMAINING PERIOD IN OFFICE. BUT HIS SUCCESS AT VENICE SHOULD STRENGTHEN HIS POSITION AT HOME.

DETAIL

2. GOTODA, THE CABINET SECRETARY, ECHOING BRIEFING BY THE JAPANESE DELEGATION AT VENICE, TOLD THE PRESS ON 11 JUNE THAT THE SUMMIT HAD BEEN A SUCCESS FOR JAPAN. THE JAPANESE PRESS GENERALLY AGREE. THE ASAHI, NORMALLY CRITICAL OF THE GOVERNMENT, GOES SO FAR AS TO DESCRIBE VENICE AS NAKASONE'S SUMMIT. LIKE OTHER PAPERS, THE ASAHI PRAISES NAKASONE FOR HAVING PLAYED A MORE PROMINENT ROLE AT VENICE THAN ANY JAPANESE PRIME MINISTER AT PREVIOUS SUMMITS. SEVERAL PAPERS COMMENT THAT NONE OF HIS PUTATIVE SUCCESSORS COULD HAVE DONE SO WELL. NAKASONE HIMSELF IS QUOTED AS SAYING THAT VENICE DEMONSTRATED HOW IMPORTANT JAPAN'S VOICE IN THE WORLD HAS BECOME. COMMENTING IN THE MEDIA SUGGESTS THAT THIS CONCLUSION IS WIDELY SHARED BY THE JAPANESE JOURNALISTS COVERING THE SUMMIT.

3. THE JAPANESE PRESS ATTRIBUTE NAKASONE'S SUCCESS IN FENDING OFF ANY SERIOUS 'JAPAN BASHING' AT VENICE TO THE ANNOUNCEMENT ON 29 MAY OF THE PACKAGE OF MEASURES TO REFLATE THE JAPANESE ECONOMY. JAPAN, WRITES THE YOMIURI, WAS 'THE ONLY COUNTRY TO BRING DISTINCT POLICIES TO THE SUMMIT', AND THIS PREPARATION PAID DIVIDENDS. NOT ONLY WAS JAPAN ABLE TO WARD OFF CRITICISM BUT IT ALSO OBTAINED RECOGNITION THAT THE US FEDERAL DEFICIT WAS PARTIALLY RESPONSIBLE FOR THE US-JAPAN TRADE IMBALANCE (NIHON KEIZAI). THE MAINICHI COMPARES JAPAN'S APPROACH WITH THAT

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OF THE GERMANS, WHOSE ONLY CONCESSION WAS THE "REPACKAGING OF KOHL'S TAX CUT POLICY". HOWEVER, SEVERAL PAPERS COMMENT THAT JAPAN'S EXTRAORDINARY PREPAREDNESS INDICATED AN OVERSENSITIVITY TO THREE DAYS OF WORLD ATTENTION.

4. ALL PAPERS AGREE THAT JAPAN'S CREDIBILITY NOW DEPENDS ON THE FULFILLMENT OF THE ECONOMIC PACKAGE. ITS WELCOME AT THE SUMMIT PROVIDES ONLY A TEMPORARY RESPITE BEFORE "THE US AND EUROPE REVIEW THEIR VARIOUS DEMANDS OF JAPAN" (NIHON KEIZAI). THE NIHON KEIZAI ARGUES THAT REAGAN'S PARTIAL REMOVAL OF TARIFFS ON SEMI-CONDUCTORS WAS GIVEN IN RETURN FOR JAPAN'S LOWERING OF SHORT-TERM INTEREST RATES, AND REPRESENTS SIMPLY A TACTICAL PHASE IN THE US'S "CARROT AND STICK APPROACH". THE YOMIURI BELIEVES THAT, PARTLY DUE TO PROMISES MADE, IT WILL BE A "HOT SUMMER FOR JAPAN". IN HIS REMAINING MONTHS OF OFFICE NAKASONE WILL BE HARD PRESSED TO CARRY THROUGH THE SUPPLEMENTARY BUDGET TO LIBERALISE IMPORTS OF AGRICULTURAL PRODUCTS, FEND OFF THE COMPREHENSIVE TRADE BILL GESTATING IN THE US CONGRESS, AND PERSUADE PRESIDENT REAGAN TO REMOVE COMPLETELY US PENALTY TARRIFS ON SEMI-CONDUCTORS.

5. THERE IS EXTENSIVE COVERAGE OF PARTNERS' CONCERN THAT BOOSTED DOMESTIC DEMAND MAY NOT EVENTUALLY REDUCE THE SURPLUS OR BOOST IMPORTS. MRS THATCHER'S "THRUST" (MAINICHI) AT NAKASONE ON THIS IS WIDELY REPORTED. THE ASAHI SUGGESTS THAT "INFECTED BY MRS THATCHER'S FIRMNESS REAGAN AND SHULTZ TOO ... RAISED THE QUESTION OF WHETHER THE SURPLUS REALLY WOULD DROP". YOU ARE REPORTED AS SAYING, IN CONNECTION WITH THE FAILURE OF JAPAN TO OPEN ITS MARKETS AND PROVIDE WHAT THE CONSUMER WANTS, "DEMOCRACY DOESN'T, DO TOO WELL IN JAPAN" (SANKEI). THE REINFORCEMENT OF THE SURVEILLANCE MECHANISM, PARTICULARLY THE ADDITION OF DOMESTIC DEMAND TO THE LIST OF ECONOMIC INDICATORS, IS WIDELY REPORTED. WHILE THE YOMIURI IS SCEPTICAL AT THE SPEED WITH WHICH THE NEW ARRANGEMENTS CAN BE BROUGHT INTO FORCE, THE MAINICHI CALLS THE AGREEMENT ON SURVEILLANCE "EPOCH-MACKING".

6. AGRICULTURE, ON WHICH THE NIHON KEIZAI SAYS "PARTICIPANT OPINIONS MOST CLEARLY DIVERGED", PRODUCES LITTLE COVERAGE OF SUBSTANCE. "THE US HOP, STEP, JUMP TACTICS - HOP AT THE OECD, STEP AT VENICE, AND JUMP AT URUGUAY - WERE NOT SUCCESSFUL. JAPAN AND EUROPE CONTINUE TO REGARD THE US APPROACH AS THAT OF AN ECONOMIC THEORETICIAN RATHER THAN A PRACTITIONER".

7. BY CONTRAST TO THE ECONOMIC ASPECTS OF THE SUMMIT, THE DISCUSSION OF POLITICAL SUBJECTS GETS LESS COVERAGE IN THE JAPANESE MEDIA. NAKASONE IS REPORTED TO HAVE PLAYED A CRUCIAL ROLE IN SECURING A REAFFIRMATION OF WESTERN SOLADARITY ON EAST/WEST RELATIONS. THE PRESS BELIEVE THAT THIS SHOULD BE HELPFUL TO THE AMERICANS IN THE ARMS CONTROL NEGOTIATIONS, ESPECIALLY ON INF. THERE IS SOME RELIEF THAT JAPAN WAS NOT PRESSED TO MAKE ANY SPECIFIC CONTRIBUTION TO SUPPORT AMERICAN EFFORTS IN THE PERSIAN GULF. NAKASONE HAS HOWEVER PUBLICLY REPEATED JAPAN'S WILLINGNESS TO BACK THE AMERICANS DIPLOMATICALLY. HE HAS HINTED (AND THE MFA HAVE CONFIRMED TO US) THAT FOREIGN MINISTER KURANARI IS CONSIDERING VISITING IRAQ FOLLOWING HIS TRIP TO IRAN ON 14-16 JUNE.

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8. MOST COMMENTATORS CONCLUDE THAT NAKASONE'S APPARENT SUCCESS AT VENICE SHOULD STAND HIM IN GOOD STEAD AT HOME. NAKASONE STILL FACES CONSIDERABLE OBSTACLES TO THE IMPLEMENTATION OF HIS ECONOMIC POLICIES, ESPECIALLY ON TAX REFORM. BUT THE ENDORSEMENT OF THOSE POLICIES AT THE SUMMIT SHOULD HELP NAKASONE TO OVERCOME THE RESISTANCE OF HIS CRITICS. NOT FOR THE FIRST TIME SINCE BECOMING PRIME MINISTER, HE SHOULD BE ABLE TO CONVERT WHAT IS GENERALLY PERCEIVED AS A FOREIGN POLICY SUCCESS INTO A DOMESTIC POLITICAL GAIN. THIS WILL ENHANCE THE PROSPECT OF NAKASONE REMAINING IN OFFICE UNTIL THE END OF HIS TERM ON 30 OCTOBER.

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