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YOUR TELNO 487: JAPANESE IDEAS ON DEBT

1. KASHIWAYA (DEPTUY DIRECTOR GENERAL, INTERNATIONAL FINANCE BUREAU, MINISTRY OF FINANCE) ADMITTED THAT THE MOF HAD OUTLINE PLAN ALONG THE LINES DESCRIBED IN TUR, BUT WAS MOST CONCERNED TO HEAR THAT IT HAD LEAKED IN A REUTERS REPORT. HE STRESSED THAT THINKING WAS STILL AT A VERY PRELIMINARY STAGE, AND THAT, IN PARTICULAR, THE MOF HAD NOT YET DISCUSSED THE IDEA WITH THE IMF, WHICH WOULD OF COURSE HAVE A KEY ROLE IN THE PLAN.

2. KASHIWAYA WAS RELUCTANT TO SAY WHETHER THE PLAN WOULD BE UNVEILED AT THE SUMMIT. OUR IMPRESSION IS THAT THEY MIGHT FLOAT THE IDEA ON AN INFORMAL BASIS AMONGST FINANCE MINISTERS AND, IF REACTIONS WERE FAVOURABLE, PRODUCE MORE SUBSTANTIVE PROPOSALS AT THE IMF ANNUAL MEETINGS IN SEPTEMBER. MIYAZAWA MAY BE KEEN TO ENSURE THAT HE RATHER THAN TAKESHITA, GETS THE CREDIT FOR THE INITIATIVE.

FIELD

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