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# Japan nears another revaluation of the yen

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## Tokyo.

Japan appears to be inching its way still closer to another revaluation of the yen. The Trade and Finance ministries again failed to agree on any quick-acting measures to reduce the country's trade surplus.

One such measure that has been proposed specifically because it would pack a quick punch—an export surcharge—was apparently vetoed Friday by Kakuei Tanaka, the prime minister.

### No help on imports

He was quoted as expressing strong doubts about the surcharge idea in a meeting yesterday with Koshiro Ueki, the finance minister and main sponsor of the proposal.

According to government officials, Mr. Tanaka sided with the Trade Ministry, which argues that since a surcharge would raise export prices, but do nothing to lower import prices, it would be worse than an outright revaluation.

A Cabinet-level agreement on new measures to limit exports, originally scheduled for yesterday, was put off until tomorrow, when Mr. Tanaka will meet with Mr. Ueki and with the trade minister, Yashiro Nakasone. The latter also has hinted that the export surcharge was dead.

### Will take its time

But other new measures, even if they are agreed to at tomorrow's meeting, are expected to have no immediate impact on the trade balance.

A supplementary budget was proposed by the Finance Ministry as a way of stimulating the economy still further

and theoretically promoting imports. It requires approval by the Diet (parliament), which will not be called into session until late this month, and which, even then, will take its time approving the proposal.

Similarly, further tariff cuts, proposed by the Trade Ministry, also require Diet approval, and, therefore, would also take time to have an effect.

### Shunning responsibility

Stepped-up imports of farm products, though proposed by the Trade Ministry, are strongly opposed by the Agriculture Ministry and the leaders of the ruling Liberal Democratic party, who depend heavily on the farm vote.

Meanwhile, no other quick-acting measures to bring the trade surplus closer to equilibrium have been seriously proposed.

In effect, as some Japanese officials acknowledge in private conversations, the various ministries are each unwilling to take the responsibility for drastic and effective measures to curb the surplus.

Thus, these officials admit, a revaluation is the easy way out, provided it can be blamed on so-called "foreign pressures."

### "Early next year"

The Japanese press has helped foster this impression by discussing revaluation as a move desired by other countries, particularly the United States, but not as a move that might be avoided if the government took more decisive action to prevent it.

Even the English-language *Japan Times*, normally the newspaper least likely to describe events in nationalistic terms, said in a news article yesterday that "Japan may be forced to revalue the yen upward by around 10 per cent early next year."

# On Reading the Japanese

This country's relationship with Japan is something of a curiosity. The exchange of trade is now the largest between any two nations in history with the exception of our Canadian trade. Even apart from economic interests, millions of Americans have lived in Japan in the course of the occupation and the cooperative defense that followed. There is a substantial population of Japanese descent in this country. But there are not many Japanese who speak English well and the number of Americans who speak Japanese, other than those who learned it from immigrant parents, is miniscule. If there are few Americans who know the language, there are not many more who have any real sense of Japanese culture at all.

The Japanese government inaugurated last week a new fund, the Japanese Foundation, to underwrite exchanges of teachers and scholars, as well as supporting the Japanese Language Center in Tokyo and Japanese studies in American universities. This welcome initiative is analagous to the Fulbright fellowship program, one of the wisest investments that this country ever made. The Japanese, an island people whose national life has never been easily accessible to foreigners, are to be congratulated for taking this step.

The phrase "international understanding" usually connotes a rather sentimental and unfocused

good feeling. That kind of good feeling dissolves very quickly when national interests collide. But there is another level of comprehension that, in bad times as well as good, provides insurance against misreadings of national purpose. There have already been enough examples of crucial misunderstandings in the Pacific politics of this century. Particularly with the present rise of Japanese wealth and influence, Americans can no longer leave it to a few diplomatic specialists to follow the internal dialogue in Japan.

The advent of the Japan Foundation brings attention to the meager state of Asian studies in this country. Senator Javits recently observed that "Japanese studies are available in only four per cent of all American colleges and universities, have an unfortunately low priority, and have suffered thereby." The senator offers an extremely useful proposal. In the reversion of Okinawa to Japan earlier this year, the Japanese agreed to pay the United States some \$320 million for our investment, during the long occupation, in public facilities on Okinawa. Senator Javits has introduced legislation to devote one tenth of that compensation to "scholarly educational and cultural interchange." It would be a modest down payment on a reservoir of competence for which the need is already evident.