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1. JIAP NEWS

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Contents: COVER STORIES, JAPAN: Japan Banking, Japan Business, Japan-Economy, Japan-Foreign Policy, Japan-Politics, Japan-Security **JAPAN RELEVANT:** China-Economy, China-Foreign Policy, China-Politics, Economic Espionage, Energy, Foreign Policy, Global Economy, Indonesia, Iran, Iraq Issues, Leadership, North Korea Crisis, Science & Technology, South Asia, South Korea, Southeast Asia, Steel, Taiwan, Telecom, Trade, US Economy.

Contact

If you have any comments/suggestions please contact Japan Information Access Project (JIAP) Asia Policy Calendar & Weekly Editors Ms. Mindy L. Kotler, Mr. Seth D. Drewry, and Mr. Daisuke Okuyama at (202) 822-6040, or access@jiaponline.org <http://www.jiaponline.org>

About JIAP

JIAP is a Washington-based nonprofit, membership research center studying Japanese and Northeast Asian science, technology, security and public policy.

Established in 1991, the JIAP is a trusted member of the U.S. policy community interested in Japan and Asia. The Project specializes in introducing to Washington the best "outside-the-Beltway" scholarly research and analysis on critical Asia policy issues. The goal is to strengthen international understanding of Japanese and Northeast Asian science, technology, economic and security policy. Through a range of programs and publications, the Project educates its members, policymakers, and the public to use knowledge of Japan and Asia to increase national strategic competitiveness and security.

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2) MEMBER NEWS

JIAP Member **Chris Nelson** of the Nelson Report had a “Washington” day on Friday. He was quoted as an influential source on the op-ed page of the *New York Times*, in the cover story of the *New Republic*, and on PBS’s *NewsHour*. It barely gets any better than this in Pundit City! Congratulations Chris!

“**North Korea's Hidden Menace: Off Target**” by Michael Levi, Cover Story, *New Republic*, Post date 03.13.03, Issue date 03.24.03. <https://ssl.tnr.com/p/docsub.mhtml?i=20030324&s=levi032403>

“**George W. Queeg**,” Paul Krugman, Op-Ed, NYT3/14/03, A27. “The Nelson Report, an influential foreign policy newsletter, says: “It would be difficult to exaggerate the growing mixture of anger, despair, disgust and fear actuating the foreign policy community in Washington as the attack on Iraq moves closer, and the North Korea crisis festers with no coherent U.S. policy. . . . We are at the point now where foreign policy generally, and Korea policy specifically, may become George Bush's ‘Waco.’ . . . This time, it's Kim Jong Il (and Saddam) playing David Koresh. . . . Sober minds wrestle with how to break into the mind of George Bush.””
<http://www.nytimes.com/2003/03/14/opinion/14KRUG.html>

“**Unforeseen Consequences: Japan’s Emerging Nuclear Debate**,” Ayako Doi (JIAP Member), *Japan Digest Forum*, 3/12/03, p5. “The problem with all these arguments is that most Japanese and most of the current political establishment, have no desire to go nuclear. The Japanese in general still suffer from the ‘nuclear allergy’ they acquired in 1945, and so do a lot of the country’s defense thinkers. . . . But wars can change things. Just as Japan would never have started sending troops around the world on peacekeeping missions had it not been for the aftermath of the Gulf War, the twin crises with Iraq and North Korea may bring unforeseen consequences.”

One of our disaffected* members wrote in:

January balance of payments deficit with Japan	\$5.22 Billion
January balance of payments deficit with the EU	\$6.50 Billion
January balance of payments deficit with Nafta Partners	\$7.97 billion
January balance of payments deficit with China	\$9.4 billion
Neglect of US economy	Priceless

JIAP member, *The Oriental Economist*, has been purchased from Toyo Keizai America by a group of investors led by JIAP member **Richard Katz**. Gambatte!

*This seems to be the common denominator among JIAP members.

3) CRITICAL REPORTS

“**The Economic Costs of a War in Iraq**” by Warwick J. McKibbin, Nonresident Senior Fellow, Economic Studies and Andrew Stoeckel, Centre for International Economics, Brookings Institution, March 3, 2003, 8 pages. “We find that the likely costs of a war are significantly higher than just the impacts on government budgets of greater military spending. There are at least two ways to interpret these results. The first is that war with Iraq is likely to be expensive. This may well be justified depending on the expected benefits but it is important to have an understanding of the likely costs. Secondly, if a war with Iraq is inevitable then it is better to do it sooner rather than later so that the costs of uncertainty on equity markets and oil markets can be reduced.”
<http://www.brookings.edu/views/papers/mckibbin/20030307.htm>

“**Dissent At the Pentagon**,” Robert Novak, Op-Ed, WP3/13/03, A23. “Last week, [Army Sec.] White did not join the Pentagon’s civilian leadership in contradicting Shinseki’s estimate but endorsed the general’s credentials. Not only did this undermine Rumsfeld’s efforts to gain control of the officer corps that he felt ran wild during the Clinton days, it also raised the specter of a long and difficult occupation of Iraq. . . . If he is dismissed on the eve of war, it will happen because Don Rumsfeld insists on the symbolism of everybody at the Pentagon singing the same song without dissent.” [Ed. There are increasing reports that Rumsfeld is going the way of Forrestal.]

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“**2 US Officers Expect More North Korean ‘Provocations,’**” NYT3/13/03, A13. CINCPAC Adm. Thomas Fargo and Gen Leon J. LaPorte, Commander of Allied Forces-Korea, testified before House Armed Services Committee on 3/12. Gen. LaPorte said, “It’s highly likely they’ll continue to politically escalate the situation,” while Adm. Fargo said, “I would not be surprised to see further provocations of some variety.” Asst. Sec. of State James Kelly testified before the Senate Foreign Relations Committee that the North’s nuclear program could produce weapons grade materials in a short period of time, “The enriched uranium issue, which some have assumed is somewhere off in the fog of the distant future, is not...It is only probably a matter of months, not years, behind the plutonium [program].” See: Fargo testimony, <http://www.house.gov/hasc/openingstatementsandpressreleases/108thcongress/03-03-12fargo.pdf>; LaPorte Testimony, <http://www.house.gov/hasc/openingstatementsandpressreleases/108thcongress/03-03-12laporte.pdf>; Kelly Testimony, <http://www.state.gov/p/eap/rls/rm/2003/18661.htm>.

“**Lunch With The Chairman: Why Was Richard Perle Meeting With Adnan Khashoggi?**” by Seymour M. Hersh, *The New Yorker*, Issue of 2003-03-17, Posted 2003-03-10. The veteran journalist discusses Perle’s conflicts of interest between his role as chairman of the Defense Policy Board, a secretive group that advises Defense Secretary Donald Rumsfeld, and his private business activities as a manager of an entity incorporated in Delaware and somewhat ominously known as Trireme Partners, L.P. (a trireme was the ship of war whose invention allowed Athens to dominate the Mediterranean during the fifth century B.C.) which invests in “companies dealing in technology, goods, and services that are of value to homeland security and defense.”

“Perle, in crisscrossing between the public and the private sectors, has put himself in a difficult position—one not uncommon to public men. He is credited with being the intellectual force behind a war that not everyone wants and that many suspect, however unfairly, of being driven by American business interests. There is no question that Perle believes that removing Saddam from power is the right thing to do. At the same time, he has set up a company that may gain from a war. In doing so, he has given ammunition not only to the Saudis but to his other ideological opponents as well.” http://www.newyorker.com/fact/content/?030317fa_fact
>Richard Perle during an appearance CNN, described New Yorker writer Seymour Hersh as a “terrorist.” [Ed. Hey, Dick got any nice watches in your safe?]

“**White House’s Roving Eye for Politics; President’s Most Powerful Adviser May Also Be the Most Connected,**” WP3/10/03, p1. Reviews Karl Rove’s influential network of political advisers. [Ed. Misses his connections to the Lab School of Washington for learning disabled children which his son attends as does President Bush’s brother Neil. Rove is quite familiar with the Bush family’s auditory processing disabilities.]

4) OPINION, REPORTS & STATEMENTS

COVER STORIES

NATIONAL JOURNAL – “**Fractured Alliances:** The U.S. campaigns against terrorism and Iraq are shaking the very foundations of America's alliances. Can the Bush administration's embrace of ad hoc coalitions of expediency replace the old alliance structure?” 3/7/03, <http://nationaljournal.com/members/news/2003/03/0307nj1.htm> [Limited Access].

ECONOMIST – “**Taking on the World:** George Bush stands accused of over-reaching himself. America has had little choice...” 3/8/03, http://www.economist.com/printedition/displaystory.cfm?Story_ID=1622129.

FAR EASTERN ECONOMIC REVIEW - Survivor: Boom Or Bust, This Tech Company Is Factory To The World - From mobile phones to games consoles, Flextronics is the world's biggest manufacturer of electrical goods. It's a survivor, too, managing to grow through the tech slump. Now it wants more,” 3/20/03, http://www.feer.com/articles/2003/0303_20/p032innov.html.

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JAPAN

JAPAN-BANKING

“Banking on a Crisis; Nationalization May Be for Japan’s Banks,” Ed., FT3/14/03, p12. “Critics of nationalization caution that it would drive borrowers to the wall and result in mass unemployment. But corporate restructuring is necessary in any case and is indeed under way, as the rising bankruptcies show. And once they were under its control, the government could inject fresh management and funds into the banks and encourage them to start lending again. That still does not solve the problem of a lack of demand for new loans in the current deflationary environment. But a functioning financial system is a necessary first step towards getting the economy growing again.”

“Mizuho Shelves Overseas Issue,” FT3/13/03, p20. Mizuho was forced to pull the ¥150bn (\$1.3bn) international offering of a ¥1.1tn capital offering after it was seen as too risky by overseas investors. See: <http://www.mizuho-fg.co.jp/english/index.html>.

“As the Nikkei Slides and Nationalization Looms, Wall Street Buys Into Japan’s Banks; US Lenders are Pouring in Billions of Dollars. Does This Mark a Much-Needed Recapitalization of a Troubled Sector or are Western Investors Simply Being Drawn Into the Quagmire,” David Ibisson, Commentary, 2/13/03, p13. “[I]f Wall Street is wrong, its gamble could cost it dearly.”

JAPAN-BUSINESS

“Japanese Managers ‘Must Woo Foreign Capital,’” FT3/13/03, p9. Interview with Taizo Nishimuro, Chairman of the Japan-US Business Council and Toshiba. Mr. Nishimuro said, “We cannot wait for the government to do something for us. We are the ones in charge of making changes, making the company more effective, more agile and competitive. That is our responsibility.”

“Japan Business Failures ‘Due to Rise Sharply,’” FT3/13/03, p9. Katsuyuki Kumagai, General Manager of Teikoku Databank which produces Japan’s most authoritative bankruptcy statistics, said, “People who say a soft landing is possible are kidding themselves. With the stock market at these levels, I think an explosion could well be about to occur.”

JAPAN-ECONOMY

“A Perfect Storm,” Country Briefing From The Economist Intelligence Unit, 3/12/03. “The latest developments amount to what is almost a “perfect storm”: the worst possible combination of circumstances arriving in unison at the worst possible moment. The seemingly irresistible slide in the Nikkei negates banks’ recent efforts to bolster their balance sheets. Meanwhile, a strong yen--largely the result of US dollar weakness--is hurting general confidence and worrying policymakers (exports are one of the few areas of the economy that have shown any promise of late, and would benefit from a weaker yen)...Even if emergency measures have an effect, there is an increasing likelihood that over the next financial year several major banks will fall below the 8% capital-reserve ratio. In the interim, efforts to prevent that from happening are making the fundamental problem worse and increasing systemic financial risk.” http://www.viewswire.com/index.asp?layout=display_article&doc_id=243373

“Government Pledge of ‘Bold Action’ Fails to Halt Nikkei Slide; Fear of War Spurs Selling,” FT3/12/03, p6. Nikkei closes at 7,862.43 on fears of war and continued economic malaise despite pledge by Chief Cabinet Secretary Fukuda that, “We will take bold actions if the situation calls for them.”

“Nikkei Hits 20-Year Low as Yen Strengthens,” NYT3/11/03, W1.

“Tokyo Moves to Bolster Confidence in Stock Market,” FT 3/14/03, p7. FSA introduces new rules to make it easier for companies to buy back their own shares, and to make securities firms adopt voluntary codes to reduce

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short selling and said it would step-up market surveillance in order to crack-down on market manipulations. See: <http://www.fsa.go.jp/news/newse/e20030313-1.pdf>.

“**Specter of March Crisis Looming Again Following Stock Plunge**,” Asahi Online, 3/13/03 [FBIS Transcribed Text JPP20030313000065].

“**The Impact of Japanese Economic Policies on the Asia Region**” by Callen T. and W.J. McKibbin (2003) in T. Callen and J. Ostry (eds) Japan's Lost Decade: Policies for Economics Revival, pp251-271, International Monetary Fund, Washington DC. (ISBN 1-58906-187-X). This paper is not on the web although a draft version can be found at: www.sensiblepolicy.com under Japan.

“**Japan’s Population Grows by Smallest Margin on Record**,” Kyodo News, 3/14/03 [FBIS Transcribed Text JPP20030314000146]. MPHPT releases population estimates as of 10/1/02. Japan’s population increased 0.11% from a year earlier, a postwar record-low increase. See: <http://www.stat.go.jp/english/data/jinsui/2002np/index.htm> (E) <http://www.stat.go.jp/data/jinsui/2002np/index.htm> (J)

JAPAN-FOREIGN POLICY

“**Diplomatic Effort for the Solution of Iraq Issue; Lion Heart – The Message of Prime Minister Koizumi [Iraq Mondai no Kaiketsu ni Muketa Gaikou Doryoku; Lion Hato - Koizumi Souri no Messeige]**.” Koizumi Email Magazine – No. 86, 3/13/03. JIAP Summary: The US and UK submitted a new proposal to the UN Security Council. Chile, Mexico and other nations consider this alternative plan one that match the interest [balance the interests] among US, UK, France and German. From peace or war, everybody takes “peace”. The problem, however, is that the dictatorship of Saddam Hussein and weapons mass destruction in Iraq threaten the international peace. Iraq has breached its agreement with the UN about the disposal of chemical and nuclear weapons for 12 years and does not cooperate with the UN inspection. With international society, the Japanese government requests the weapons disposal in Iraq. As a three non-nuclear principles nation, it is for Japan to request disposal. Japanese will never result to military action under any circumstances. Japan will continue its best effort to help under the UN. Standing on the point what Japan cooperates with the international community and maintains the important alliance with US, we will continue the Japanese way of foreign policy.

See: <http://www.kantei.go.jp/jp/m-magazine/backnumber/2003/0313.html> (J)

“**Koizumi Tiptoes Around Iraq Question**,” Straits Times Online, 3/14/03. “Prime Minister Junichiro Koizumi is trying his best to avoid stating categorically that he favours a United States-led attack on Iraq for fear his domestic popularity will plummet. Polls show that some 80 per cent of the Japanese are against a war in Iraq.” <http://straitstimes.asia1.com.sg/iraq/story/0,1870,176919,00.html>

“**Muddleheart Koizumi; His Timidity May Prove to be a Gamble**,” Editorial, Economist, 1/13/03, p13. “Like Many political leaders, Mr. Koizumi has proved to be much braver in his foreign policy than at home. By breaking so many of his promises of domestic reform, he has not necessarily destined Japan for economic decline or disaster. But he is taking the risk that a shock caused at home or abroad might eventually produce just that. It is courageous, in a way.”

“**China Snubs Koizumi**,” Jiji Press [FBIS Transcribed Text JPP20030313000093]. Chinese ambassador to Japan Wu Dawei told reporters before meeting with Chief Cabinet Secretary Fukuda that Koizumi should not visit China for the time being, but invited Fukuda to visit China as Koizumi’s representative in 2003 to mark the 25th anniversary of the Japan-China Treaty of Peace and Friendship.

“**Sanctions On N. Korea Eyed Over Missile Launches**,” Kyodo News Online, 3/14/03. “Japan will impose economic sanctions on North Korea jointly with the United States and other willing nations if it test-launches a ballistic missile, Japanese government sources said Thursday. The sanctions, which would include the suspension of cash transfers to North Korea, will take effect without any U.N. resolution, the sources said. Japan has already reached an accord on the sanctions with the U.S., Britain and France and plans to seek support from South Korea,

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which has maintained the "sunshine policy" of engagement toward North Korea. Haruhiko Kuroda, financial adviser at the Cabinet Secretariat, will discuss details of the freezing of funds with U.S. officials in Washington. He headed to the U.S. earlier Thursday for a four-day visit." <http://home.kyodo.co.jp/all/display.jsp?an=20030314013>

“Is The Japan-U.S. Alliance A Carte Blanche?” by Hiroshi Komatsu, Political Section, MAINICHI, 3/12/03, p4, [US Embassy Translation 3/14/03]. “Most Japanese like America and understand that the alliance between Japan and the United States has propped up Japan's postwar peace and prosperity. But even such Japanese do not think U.S. thoughts and actions are always correct. On the contrary, many people are likely to feel that Japan is too uncritical and obedient to the U.S., which often behaves self-righteously.... The Japan-U.S. alliance is a device that serves to provides Japan with stability. For the U.S. global strategy, however, it is a handy tool. It also has been a bureaucratic alliance exploited by some senior diplomats for their brand of crisis management, without saying a word. This might be why the Japanese people cannot actually feel that the U.S. is a true alliance partner. An alliance that is not backed by the general public's grassroots awareness will collapse over time. The Japan-U.S. alliance should not be a carte blanche.”

“Japan Court Rejects 'Slave' Suit,” BBC Online, 3/11/03. “42 Chinese had demanded compensation worth \$7.2 million, because they were forced to work on Japanese construction sites and mines between 1944 and 1945. But presiding judge Mariko Watahiki dismissed the case saying that too many years had passed to rule on the claims. <http://news.bbc.co.uk/2/hi/asia-pacific/2839055.stm>

JAPAN-POLITICS

“Poll of 20 lawmakers on the pros and cons of an Iraq war: Ruling parties tilting toward supporting U.S.; Benefits from security alliance taken into account; Perception that Iraq remains uncooperative; Wide differences of views between ruling and opposition camps on evaluating UN role,” ASAHI 3/12/03, p4, [US Embassy Translation 3/13/03]. Chart available to JIAP members.

“Cabinet Office poll: 65% sees nation's economy as going from bad to worse,” NIHON KEIZAI 3/9/03, p38, [US Embassy Translation 3/12/03] “public opinion survey on social awareness, in which the proportion of those who answered the nation's economy is going from bad to worse reached 65.3%, an increase of nearly 20% over the last survey conducted in 2000. The figure topped 70% in the case of males in their 40s and in the case of respondents in big cities.”

“As Japan’s Economy Slips, a Sense Leader May Fall,” NYT 3/11/03, A6. “As Mr. Koizumi undermines his reformist credentials and the country’s economic woes mount, key constituencies are peeling away from the governing party.”

“Blackout Fears Cast a Shadow Over Japanese Self-Confidence; A Looming Power Crisis in Tokyo Further Dims an Already Fragile Faith in the Authorities,” FT3/11/03, p14. “The threat of power shortages and the reasons behind them are undermining the once rock-solid belief in Japanese industry and the wisdom of the authorities.”

“Japan to Submit Bills to Tackle Declining Birthrate,” Kyodo News, 3/14/03 [FBIS Transcribed Text, JPP20030314000120]. Cabinet to send two bills to Diet; one to make companies with over 300 employees to make work environments more child-raising friendly, and another to revise the Child Welfare Law to provide support to all families rearing children instead of only dual income families.

“LDP To Set Up Research Commission on Low Birthrates,” Sankei Shimbun (Internet Version-WWW), 3/12/03 [FBIS Translated Text JPP20030312000046]. Health, Labor and Welfare Division of the LDP in 3/11 meeting decided to form a commission on declining birthrates to be chaired by former PM Yoshiro Mori and with former PMs Nakasone, Miyazawa and Hashimoto as supreme advisers.

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JAPAN-SECURITY

3/9 - Japanese Maritime Self-Defense Force (MSDF) supply ship in the Arabian Sea refueled a French vessel for the first time as part of its logistic support for US-led antiterrorism operations in and near Afghanistan

3/ 10 - Three warships from Japan's Self-Defence Force make a goodwill visit to Malaysia.

“Japan Deploys Missile-Detection Ship; North Korean Crisis; US Claims Pyongyang is Only Months Away From Producing Nuclear Weapons,” FT 3/14/03, p7.

Exchanges of Notes concerning the Contribution of Supplies and Services to the Armed Forces or Other Similar Entities of Italy, the Netherlands and Spain. 3/3/03, MOFA:

<http://www.mofa.go.jp/announce/announce/2003/3/0311.html>

“Japan Still Dependent On Middle East For Oil Supplies,” Kyodo Online, 3/12/03. “Despite two oil crises in the 1970s and the 1991 Persian Gulf War, Japan has still not succeeded in alleviating its heavy dependence on the Middle East for its oil imports. Among developed nations, Japan is one of the poorest in natural resources and imports 86% of its oil from the Middle East. Following the two oil crises, Japan began trying to change its excessive dependence on the Middle East and succeeded in bringing its dependency ratio down to the 60% level in the 1980s. But this returned to the 80% level in the 1990s after some countries, such as China and Indonesia which used to export substantial amounts of oil to Japan, became basically oil-importing countries, according to the Ministry of Economy, Trade and Industry (METI). <http://asia.news.yahoo.com/030311/kyodo/d7pn60ho0.html>

“Ministry to set up office to deal with cyberterrorism,” NIHON KEIZAI, 3/13/03, p5, [US Embassy Translation 3/14/03]. “On March 14, the Ministry of Public Management, Home Affairs, Posts and Telecommunications will set up an office in charge of information security policies in order to step up its countermeasures against cyberterrorism using computer viruses. The ministry will intensify its response because of virus attacks on communication networks around the world. The office to be newly established is the Office of Information Security Policy. It will be in charge of interdepartmental coordination with other government ministries and agencies and will also plan new policies.”

“As Korean Tensions Rise, Japan Haltingly Revisits Its Need to Bear Arms,” WSJ3/12/03, A16.

“Japan Eyes Putting 3 Aegis Ships on High Alert for DPRK,” Kyodo News, 3/14/03 [FBIS Transcribed Text JPP20030314000173].

“DPRK’s Nuclear Threat Said Making Tokyo Supportive of US on Iraq Issue,” Sankei Shimbun (WWW-Internet Version), 3/12/03 [FBIS Translated Text JPP20030312000069]

“Diet Member, Expert Discuss Spy Activities of DPRK Ship Mangyongbong-ho,” Tokyo Shokun, 4/1/03, p60-68. [FBIS Translated Text JPP20030306000016]. Discussion between Rep. Katsui Hirasawa and President of Gendai Korea Institute Katsumi Sato.

JAPAN-RELEVANT

CHINA-ECONOMY

“Less war risk estimated for China: Salomon Smith Barney,” People’s Daily Online, 3/14/03. “For China, there is perhaps also a less negative aspect of the rising war risk: international investors look increasingly to China as a safe haven as the external world becomes more volatile, said an equity researcher's latest report.”

http://english.peopledaily.com.cn/200303/14/eng20030314_113271.shtml

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“**Capitalists in Chinese Legislature Speak Out for Property Rights,**” NYT3/12/03, A5. Pro-business representatives are leading the charge for a constitutional amendment to protect private property in the National People’s Congress.

“**China’s Growth Problems Ease on Back of Output Surge,**” FT3/12/03, p6. China’s industrial output rose 17.5% to Rmb520.9bn (\$63bn) in the first two months of 2003 compared with the 10.9% increase of 2002. See: <http://www.stats.gov.cn/tjfx/jdfx/1200303110114.htm>

“**China Buys Another Piece of Big Caspian Sea Oil Field,**” NYT3/12/03, W1. Sinopec Group 3/11 \$615million purchase of 1/12 stake in North Caspian Sea project in Kazakhstan is identical to deal concluded by CNOOC on 3/8. See: <http://www.sinopec.com.cn/english/en-newsrelease/en-news/files/10001356.html>; http://www.cnooc.com.cn/english/news/news_detail.asp?idNews=535.

“**China Can Learn from the Mistakes of Japan,**” Ronald McKinnon (Professor of Economics, Stanford University), Commentary, FT3/11/03, p13. “[E]ven a simple hint that the authorities in Beijing might allow the currency to appreciate could lead to panic selling of dollars and a substantial strengthening of the renminbi. The result would be domestic deflation with a near-zero interest rate liquidity trap, making it impossible for the People’s Bank of China to reflate the economy.”

CHINA-FOREIGN POLICY

“**China’s Abdication,**” Ed., WSJ3/13/03, A12. “A great power would do something about the madman on its doorstep....The best way to prevent disaster is to remove the crazy nuclear uncle in Pyongyang who threatens everyone. If China finds its way to that conclusion in the coming days, it would take a major step toward fulfilling its ambition to be respected as a responsible world power.”

“**China Academics Use Web to Oppose War,**” FT3/10/03, p2. Chinese protestors against war in Iraq run up against government believing in “pragmatic” US-China relations.

“**Beijing Set to Appoint Tough Talker As Foreign Minister,**” FT3/12/03, p6. China is expected to name Li Zhaoxing, former Ambassador to the US, as Foreign Minister to replace Tang Jiaxuan, a proxy of Qian Qichen and Jiang Zemin. “Mr. Li, 62, will also have to obey his masters in the shadows but, at the same time, he is expected to inject more energy and resolve into the office of foreign minister than his bland predecessor has managed.”

“**China Warns US not to Send Wrong Signals to Taiwan,**” People’s Daily Online, 3/14/03. “China Thursday said that it is “strongly displeased and firmly opposed” to a visit to Taiwan by a Pentagon official to discuss anti-missile co-operation and US weapons sales to the island.” http://english.peopledaily.com.cn/200303/14/eng20030314_113293.shtml

“**China Opposes US, Taiwan Military Exchanges ,**”. “The Chinese government is strongly displeased and firmly opposes military exchanges and cooperation between the United States and Taiwan.” http://english.peopledaily.com.cn/200303/14/eng20030314_113318.shtml

“**The Paradox of American Power,**” Commentary, People’s Daily Online, 3/14/03. “As the saying goes, a danger to oneself results from an excess of power and an accumulation of misfortunes stems from lavish of praises and favors. There is certainly a relationship of transformation between the strong and the weak. He, whose power grows to such a swelling state that he strikes anybody he wants to and turns a deaf ear to others’ advice, will unavoidably put himself in a straitened circumstance someday. When one indulges oneself in wars of aggression under the pretext of “self security” will possibly get, in return, more factors of insecurity. Almost no one would doubt that the US powerful war machine could fight and win battles in quick decision in its pending war against Iraq, but who dare say that the new regional or even global contradictions arising from the war would be settled promptly all in accordance with the US will?” http://english.peopledaily.com.cn/200303/14/eng20030314_113310.shtml

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“China Studies U.S. Expansionism,” Stratfor Report, 3/12/03. “China's official People's Daily published an article March 11 on the history of the United States and its so-called fourth stage of expansion, the "stage of world domination." The article provides insight into Chinese leaders' views of U.S. motives and goals -- views that will shape future Chinese-U.S. relations.” <http://www.stratfor.biz/Story.neo?storyId=211327®ionId=2>

“Evolving Ground Force Threat To Taiwan,” By Richard D. Fisher, Jr., China Brief, Jamestown Foundation, 3/11/03. “The Democratic Progressive Party (DPP) government of Taiwanese President Chen Shui-bian has a number of sound strategic and political reasons for trying to shift its previous army-dominated defense priorities to a new emphasis on joint-forces approaches that stress missile, air and naval defenses. However, the Chinese People's Liberation Army (PLA) is complicating this transition by developing new ground force threats to Taiwan that, in turn, require Taipei to give added attention to the modernization needs of its army.” http://china.jamestown.org/pubs/view/cwe_003_0xx_004.htm

“House Passes Bill Promoting WHO Observer Status for Taiwan (HR 441 passed March 11 in 414-0 vote),” US State Dept, 3/12/03. Text of bill included. <http://lists.state.gov/SCRIPTS/WA-USIAINFO.EXE?A2=ind0303b&L=us-china&D=1&H=1&O=D&F=&S=&P=74>

“Regional Implications of the Changing Nuclear Equation on the Korean Peninsula” Dr. Bates Gill, Freeman Chair in China Studies, Center for Strategic and International Studies, Testimony before the United States Senate Foreign Relations Committee on, Washington, D.C. March 12, 2003. “...beneath the surface of common interests toward the North Korea situation, Beijing does not hold Washington blameless. Many strategists in China point out that the Bush Administration’s tougher approach toward North Korea – including Pyongyang in the “axis of evil, leaking nuclear preemption contingencies aimed at North Korea as part of the nuclear posture review, and personalizing attacks against Kim Jong-il – only force North Korea’s back to the wall. In Beijing’s view, further tough rhetoric and escalatory actions by Washington would only lead to more provocative and potentially destabilizing responses by Pyongyang. If escalating confrontation leads to conflict – by design or miscalculation – Beijing will resent American insensitivity to its interests and its inability, as the world’s sole superpower, to chart and lead a negotiated solution.” <http://www.foreign.senate.gov/hearings/GillTestimony030312.pdf>

CHINA-POLITICS

“Proteges Set To Maintain Jiang’s Line on Policy,” FT3/11/03, p6.

“Leader Infamous for Tiananmen Massacre Retires,” NYT3/11/03, A7. Li Peng, the last of the “Old-School” Communist hard-liners, steps aside as leader of the National People’s Congress for Wu Bangguo.

“China’s Top Cop Wields Nightstick More Subtly Than Beijing Used to,” WSJ3/13/03, A11. New Chinese Minister of Public Security Zhou Yongkang uses a mix of selective crack-downs and economic incentives to maintain order and economic growth.

“Osama Bin Laden In China” by Ahmad Lutfi, China Brief, Jamestown Foundation, 3/11/03. “Comprised mostly of Sunni Muslims of the Hanafi School of jurisprudence, Uighurs fall into two groups. The southern and more conservative group is originally from the Kashgar and Yarkand areas of Xinjiang. The northern group, the Taranchis, is originally from Xinjiang's Ili valley. Both regions have been the source of repeated uprisings against the Chinese annexation of Xinjiang, but the southern area remains the main source of violence and unrest. This is in part a consequence of the southern Altishahr region's proximity to Pakistan and Afghanistan (where Osama bin Laden has allegedly gone into hiding) on the one hand, and the role of Central Asian Muslims in strengthening Uighur nationalism politically on the other.” http://china.jamestown.org/pubs/view/cwe_003_005_001.htm

“Reaching for Moon, China Works to Put Astronauts in Orbits,” NYT 3/14/03, A1. The launch of a manned spacecraft in October 2003 is just the beginning for the Chinese space program.

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ECONOMIC ESPIONAGE

“Silicon Valley Starts in its Own Spy Thriller; Trade Secret Theft is Big Business,” FT 3/14/03, p17. Industrial espionage is big business for Chinese nationals in Silicon Valley.

“Cisco Rebuffs FBI Approach for Probe of Chinese Rival,” FT3/14/03, p15. Cisco opts not to involve the FBI over “misappropriation” of Cisco technologies by Huawei, China’s leading telecommunications equipment maker.

FOREIGN POLICY

“Washington’s Careless Disdain Has Wounded its Closest Friend,” Philip Stephens, Commentary, FT3/14/03, p13. “I happen to believe that Mr. Rumsfeld did not intend to destabilize Mr. Blair when he said this week that the US could happily dispense with the support of British troops. But his words spoke to a deeper truth: allies are an optional extra and a tiresome one at that. Someone in Washington told me recently that Mr. Rumsfeld’s time-line starts in the early 1970s, when he served as US ambassador to NATO. It seems that those Old Europeans did not show due respect.”

“International War Crimes Court Is Inaugurated, but Without US,” WP3/12/03, A18. See: <http://www.iccnw.org/>

“Crisis at the United Nations: Is the Post-Cold War World Order Breaking Apart Over Iraq? Some Fear that a No Vote in the Security Council Will Prompt the US to Sideline the Organization in Future Decisions, Reducing It to a Glorified Humanitarian Agency,” Mark Turner and Quentin Peel, Commentary, FT3/11/03, p11. “As analysts across the board are fond of saying, if the UN was abandoned tomorrow, it would have to be invented again the day after.”

“The UN Will Survive The Charge Of Irrelevance; Disagreement Does Not Undermine The World Body – It Shows Why It Is Needed, An Old United Nations Hand says,” FT3/14/03, p2. Interview with Sir Brian Urquhart, longtime deputy to Secretaries-General of the UN. “[The debate over Iraq] has introduced principles that do not exist in the charter – the idea of the right to change the regime of another country; the idea of taking military action to pre-empt a possible future threat. What’s under threat is the concept of world order as written in the charter, which was, incidentally, largely drafted by the US. At present the US seems to want to change the rules.”

GLOBAL ECONOMY

“IMF Thinks World Economy to Shrink in Long Iraq War,” Kyodo News, 3/11/03 [FBIS Transcribed Text JPP20030311000179]. German newspaper Handelsblatt reports that IMF’s World Economic Outlook to be released in mid-April will project the world economy to shrink by 2% in 2003 in the event of a prolonged war in Iraq. Without a war, the IMF forecast projects a 3.3% global growth, 2.4% growth in the US, 0.5% in Japan and 1.3% in the Eurozone.

“IMF Independence; Surveillance Needs to be Separated from its Operations,” Editorial, FT3/10/03, p14. “The case for independent surveillance of countries and so, indirectly, of Fund programmes is quite similar, however uncomfortable the consequences. Without it, neither Fund programmes nor its surveillance can perform the signaling function effectively. Surveillance, like Caesar’s wife, must be above suspicion. That, in turn, demands an institutional separation from operations. The argument is convincing. Action should follow.”

“Graft in Asia on Rise, Says Business,” FT3/13/03, p9. Annual Survey by the Hong Kong-based Political and Economic Risk Consultancy (PERC) of Asian business executives in finds that corruption has worsened in seven of the twelve countries included in the survey. See: <http://www.asiarisk.com>.

“Split Over Iraq May Hit New Global Banking Rules,” FT 3/14/03, p5. Basel 2 accords are endangered by transatlantic split. See: <http://www.bis.org/index.htm>

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IRAN

“Iranians Assert Right To Nuclear Weapons; Issue Unites Conservatives, Reformers,” WP3/11/03, A16.

“Iran’s Nuclear Ambitions,” Ed., NYT3/14/03, A26. “Iran claims that it has no nuclear weapons ambitions and that its nuclear programs are for civilian energy needs. Given the country’s oil and gas riches and its resistance to strengthened safeguards, there are good reasons to think otherwise.”

“Iran Plays the Waiting Game,” Reuel Marc Gerecht (AEI), Op-Ed, NYT3/13/03, A27. “[T]he Iranian mullahs wouldn’t panic. They have reluctantly grown accustomed to American soldiers in their midst – in Afghanistan, Central Asia and the Persian Gulf – and they look down on the Iraqis as culturally and politically unsophisticated. Besides, they know that time is on their side. All they need is a few years and they’ll have the bomb. At that point, a democratic Iraq would still be something very much in the making. And challenging America more openly would probably be much more strategically rewarding.”

IRAQ ISSUES

“Iraq War ‘Risks Alienating Moderate Muslims;’ Malaysian Leaders Warn US That Attack Could Spell Conflict Between West and Developing World,” FT3/12/03, p6.

“Iraq Comes Between Australasian Neighbors,” FT3/8-9/03, p4. Australian PM John Howard’s visit to New Zealand will be rocky because of his pro-war stance.

“Fat Wallet, Free Agent: Russia Goes Its Own Way; Iraq Stance Shaped by Trove of Hard Currency, Memory of Bad Old Days as Beggar,” WSJ3/11/03, A12. US economic leverage not enough to make Russia acquiesce to US war plans in Iraq.

“For Bush, Outcome of UN Vote Could Have Effects Beyond Iraq,” WSJ3/10/03, A1.

“Blaming the Jews,” Editorial, 3/12/03, A20. “It’s perfectly legitimate to debate Israel’s lace in US Mideast policy, or Israel’s own behavior; charges of anti-Semitism shouldn’t be permitted to stifle criticism. It’s not anti-Semitic to stand up for Palestinians’ human rights. It wouldn’t necessarily be anti-Semitic – just demonstrably wrong – to argue that Mr. Bush’s Iraq policy is motivated primarily by a desire to protect Israel. But the argument moves from merely wrong to patently offensive when it attributes to Jews or ‘the Jewish community’ a single view and a nefarious influence.”

“A Tyrant 40 Years in the Making,” Roger Morris (author), Op-Ed, NYT3/14/03, A27. “In the last half century, regime change in Iraq has been accompanied by bloody reprisals. How fierce, then, may be the resistance of hundreds of officers, scientists and others identified with Saddam Hussein’s long rule? Why should they believe America and its latest Iraqi clients will act more wisely, or less vengefully, now than in the past? If a new war in Iraq seems fraught with danger and uncertainty, just wait for the peace.”

“Bush in Lilliput,” Editorial, WSJ3/12/03, A18. “As each day passes, the evidence mounts that the UN inspections regime is not about containing Saddam; it is about containing America. Messrs. Bush and Blair went to the UN in good faith to build international support, and perhaps in the process to rescue the UN from irrelevance. The UN is proving daily that it is in fact another League of Nations. Mr. Bush’s obligation is not to the reputation of the UN but to the safety of American soldiers and citizens.”

“The Right War for the Wrong Reasons,” Sen. John McCain (R-AZ), Op-ed, NYT3/12/03, A27. “Isn’t it more likely that antipathy toward the United States in the Islamic world might diminish amid the demonstrations of jubilant Iraqis celebrating the end of a regime that has few equals in its ruthlessness? Wouldn’t people subjected to brutal governments be encouraged to see the human rights of Muslims valiantly secured by Americans – rights that are assigned rather cheap value by the critics’ definition of justice?”

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“Before War,” Joseph Nye (Dean, Harvard Kennedy School of Government), Op-Ed, NYT 3/14/03, A27. “The Bush administration has made a strong moral argument for action, but it must be more attentive to the political benefits of moving with a broad coalition. It is unlikely that calling in more inspectors would persuade Saddam Hussein to choose between disarmament and his survival, but it could help to broaden the coalition. Given the administration’s rapid military buildup and our blustery diplomacy with France, it is likely war will come soon. But if more time would produce a broad coalition, it would be worth it.”

LEADERSHIP

“America May Not Like the New World It Is About to Create,” Martin Wolf, Commentary, FT3/12/03, p13. “I am saying that if the US behaves solely as a 19th-century power – be it liberal imperialist or nationalist – of a kind it once abhorred, it will promote a 19th-century world. Examples matter; great examples matter greatly. The American people must ask themselves whether this truly is the world they wish to inhabit.”

“Bush’s Inflated Sense of Supremacy,” George Soros (Soros Fund Management), Commentary, FT3/13/03, p15. “I see a parallel between the Bush administration’s pursuit of American supremacy and a boom-bust process or bubble in the stock market. Bubbles do not grow out of thin air. They have a solid basis in reality but reality is distorted by misconception. In this case the dominant position of the US is the reality, the pursuit of supremacy the misconception. Reality can reinforce the misconception but eventually the gap between reality and its false interpretation becomes unsustainable. During the self-reinforcing phase, the misconception may be tested and reinforced. This widens the gap leading to an eventual reversal. The later it comes, the more devastating the consequences.”

NORTH KOREA CRISIS

“North Korea Missile Test Meets Calm US Response,” FT3/11/03, p6. Second launch of a cruise missile into the Sea of Japan on 3/10.

“With Circumspection,’ US Planes to Resume Spy Flights Off N. Korea,” WP3/13/03, A1.

“Accord on Korea Adds to Warming Relations,” FT3/12/03, p6. Australia and Indonesia hold a ministerial forum on 3/11 and sign joint statement calling for the ARF to take a leading role in resolving the tensions on the Korean Peninsula. See: [not yet on website], <http://www.dfat.gov.au>.

“North Korea: Mother Knows Best: One of Kim Jong Il’s sons tried to visit Disneyland. The other may be winning the succession struggle,” Time Online, 3/10/03. “a power struggle is emerging in Pyongyang between Kim Jong Nam, 32, and Kim Jong.” <http://www.msnbc.com/news/879414.asp?cp1=1>

“DPRK-U.S. direct talks called for,”Pyongyang, KCNA, 3/11/03 “The nuclear issue on the Korean Peninsula is not an issue to be solved through multilateral talks but it is quite possible to find a solution to the issue if the DPRK and the U.S. sit face to face for sincere discussion. Rodong Sinmun Tuesday says this in a signed commentary....The U.S. much publicized multilateral talks are, in essence, aimed to evade its responsibility for authoring the nuclear issue on the Korean Peninsula. This issue should be solved between the DPRK and the U.S. it is none other than the U.S. that poses a nuclear threat to the DPRK.”
<http://www.kcna.co.jp/item/2003/200303/news03/12.htm#1>

“Trial Runs of a Free Market in North Korea,” NYT3/11/03, C1. The Mt. Kumgang resort in North Korea.

“Political Shift May Signal Coming Compromise in North Korean Crisis,” Stratfor Report, 3/13/03. “South Korea, China and even North Korea have hinted in recent days that they might be amenable to a multilateral solution to the current nuclear standoff between Pyongyang and Washington, rather than holding out for bilateral talks between the two governments. The shift comes as North Korea monitors the international negotiations surrounding a

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potential war in Iraq. With a psychological July deadline for talks approaching and secret talks ongoing, there might be movement toward a resolution in North Korea.” <http://www.stratfor.biz/Story.neo?storyId=211386>

“George W. Queeg,” Paul Krugman, Op-Ed, NYT3/14/03, A27. “What really has the insiders panicked, however, is the irresponsibility of Mr. Bush and his team, their almost childish unwillingness to face up to problems that they don’t feel like dealing with right now. I’ve talked in this column about the administration’s eerie passivity in the face of a stalling economy and an exploding budget deficit: reality isn’t allowed to intrude on the obsession with long-run tax cuts. That same ‘don’t bother me, I’m busy’ attitude is driving foreign policy experts, inside and outside the government, to despair. Need I point out that North Korea, not Iraq, is the clear and present danger? Kim Jong Il’s nuclear program isn’t a rumor or a forgery; it’s an incipient bomb assembly line. Yet the administration insists that it’s a mere ‘regional’ crisis, and refuses even to talk to Mr. Kim.”

Pyongyang Report A periodic newsletter published every 2-3 months, available on free email subscription, Latest issue: March 2003. Topics: Bush under increasing pressure to negotiate; Roh Moo-hyun's 'Peace and Prosperity' policy; Child malnutrition falls; DPRK 'making mark in animation'; Not only reactors and rockets: Internet and cell phones in DPRK . <http://www.vuw.ac.nz/~caplabtb/dprk>, http://www.vuw.ac.nz/~caplabtb/dprk/pyr5_1.html

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“Washington must Talk with Pyongyang; Bombing on North Korea,” p1

“Will He Push Reform? Will He Fall; Koizumi Enigma Continues,” Tokyo Inside line, p4

“Fukui New Helmsman at BOJ; Bridge Over Troubled Waters,” BOJ Watch, p6

“Where Have All the Numbers Gone?; Mysterious GDP,” Economic Outlook, 9

“We Think About How We Can Serve Society,” Auto, p10

“A Supermarket Chain Tires the ‘Kaizen’ Approach; Toyota-ism at Ito-Yokado,” Retail, 12

“The Rostow Legacy,” “North Korea Strike,” “How Do you Spell ‘Japan,’” and “Misery Index,” Off the Record , 14

“Seiyu’s ‘Wal-Martization is Underway; Big Changes, Small Steps,” Corporate News, p 16

SCIENCE & TECHNOLOGY

“House Science Committee Responds to Administration’s FY 2004 Request,” American Institute of Physics Bulletin of Science Policy News, Number 32: March 10, 2003. “One gauge of congressional opinion regarding an administration’s budget request for science and technology is provided by an inside-the-Beltway document known as the House Science Committee’s “Views and Estimates.” Issued every year, this analysis gives an early indication of how Congress may respond to the S&T request. Excerpts are in this article.

<http://www.aip.org/enews/fyi/2003/032.html>

See the committee’s web site at <http://www.house.gov/science/> for the full text.

“Science Committee Democrats’ Views on S&T Request,” American Institute of Physics Bulletin of Science Policy News, Number 33: March 14, 2003. Although the Science Committee is bipartisan in its approach, the Ranking Minority Member and his staff have usually issued their own version of the Views and Estimates. Ranking Minority Member Ralph Hall (D-TX) did so earlier this month. Excerpts from this document, signed by 20 of the committee’s Democratic 22 members, are in this article. <http://www.aip.org/enews/fyi/2003/033.html>

For the full document: http://www.house.gov/science_democrats/welcome.htm

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SECURITY

“Controlling Nuclear Warheads and Materials: A Report Card and Action Plan,” By the Project on Managing the Atom at Harvard University for the Nuclear Threat Initiative, 3/12/03. According to the report, U.S. threat reduction programs have secured and destroyed enough nuclear material for thousands of nuclear bombs, demonstrably improving U.S. and global security, but most of what needs to be done to keep nuclear weapons out of terrorists hands has not yet been done and the pace at which the remaining work is moving forward is “unacceptably slow.” Full press release, http://www.nti.org/c_press/release_reportcard_031203.pdf Full report, http://www.nti.org/e_research/cnwm/cnwm.pdf, Website, <http://www.nti.org/cnwm>

SOUTH ASIA

“Biological and Chemical Defense Research in India,” ATIP03.012, 3/03. “Biological and chemical defense research activities in India have been part of a program to establish indigenous technological capabilities in nuclear, biological, and chemical (NBC) defense systems. This report describes recent research activities on biological and chemical defense in India, citing examples of ongoing projects and technologies that these efforts have yielded.” For a summary and TOC (report is for sale) see: <http://www.atip.org/public/atip.reports.03/atip03.012.pdf>

“India's National Security Management & China” by Mr B. Raman, is Additional Secretary (ret'd), Cabinet Secretariat, Govt. of India. Institute For Topical Studies, Chennai, India, 2/1/03. "India continues to have serious concerns over the modernisation of China's Armed Forces, its nuclear and missile capability, its military assistance to Pakistan in the nuclear as well as conventional fields, its intentions in Myanmar, Bangladesh and Nepal etc. Despite these concerns, Indian attitude towards China seems to be more relaxed and more trusting than in the past. This is evident from the following: * The gradual erosion of our stay-behind intelligence collection and operational capabilities. * The almost exclusive focus of the Special Task Force on the revamping of the intelligence apparatus set up by the Government in 2000 on strengthening our capabilities vis-a-vis Pakistan without a similar exercise relating to China.” <http://www.saag.org/papers6/paper593.html>

“Arrest of Khalid Sheikh Mohammad: How Significant?” By Mr B. Raman, is Additional Secretary (ret'd), Cabinet Secretariat, Govt. of India. Institute For Topical Studies, Chennai, India, 3/3/03. "It is doubtful whether the arrest of Khalid would cause any major disruptions in the operations of the dregs of the IIF [i.e., bin Laden's International Islamic Front (IIF)] spread out in Asia. Claims that his arrest could deliver a serious blow to terrorist operations in S.E.Asia are unduly over-optimistic and unwarranted.” <http://www.saag.org/papers7/paper620.html>

SOUTH KOREA

“US Mulls Quitting Korea; Some Say Washington is Calling Seoul’s Bluff, Others That It Doesn’t Want Its Troops Drawn Into Any Conflict,” FT3/10/03, p4.

”Anti-U.S. Sentiment Abates in South Korea; Change Follows Rumsfeld Suggestion of Troop Cut,” WP 3/14/03, A18.

“A New Generation Takes Power in South Korea; Merit Rather than Age and Gender is the Keynote in President Roh Moo-hyun’s New Cabinet,” FT3/8-9/03, p4. Pres. Roh has surrounded himself with South Korea’s “386” generation – people in their 30s, educated in the 1980s, and born in the 1960s – as he tries to reform South Korean politics and society. Includes a record number of women.

“Seoul Injects Cash to Deflect SK Fraud Crisis,” FT 3/14/03, p18. Bank of Korea injects Won2 trillion (\$1.6bn) into South Korea’s investment trust companies during signs of panic in the markets after the announcement of a \$1.2bn accounting fraud by SK Group.

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“Ripples from South Korea Scandal Spread,” NYT3/14/03, W1. \$1.2billion in unreported losses by SK Group has negative effect on South Korean economy.

“Korea Indicts 10 Executives of SK Group in Stock Case,” NYT3/12/03, W1. See: <http://www.sk.com>.

“Probe Into Irregularities Spreads to Hyundai Unit,” FT3/13/03, p20. Seoul’s Financial Supervisory Commission halts trading of Hyundai Merchant Marine stock saying the group failed to report Won300bn (\$240m) in debt in 2000, demonstrating that Pres. Roh’s reforms of the corporate sector have teeth.

“Changes to Chaebol Still Only Skin Deep; Crackdown is Welcomed, But There are Worries About Timing,” FT3/12/03, p18.

“Restructuring In the Reign of the ‘Chaos-Maker;’ The Head of South Korea’s Consumer Electronics Giant and How He Instilled a Climate of Crisis to Transform the Struggling Company Into a Global Contender,” FT3/13/03, p10. Interview with Yun Jong-yong, Samsung Electronics.

“CNN Begins Using Both ‘East Sea’ and ‘Sea of Japan’ in Reports,” Yonhap in English, 3/3/03 [FBIS Transcribed Text KPP20030312000125].

SOUTHEAST ASIA

“Philippines escapes ‘dirty money’ sanctions: The Philippines has escaped crippling economic sanctions after passing - and then amending - new laws to tackle money laundering.” BBC Online, 3/13/03. Escapes FAFT’s March 15 deadline. <http://news.bbc.co.uk/2/hi/business/2848129.stm>

“Vietnamese Tiger Grows Again; Investors Want a Change of Stripes,” WSJ3/13/03, A10. “The country’s communist government has regularly stressed the need to temper economic liberalization, even in the face of falling foreign investment and calls for faster change. That sometimes- tepid commitment has frustrated investors over the years, and is reflected in the fact that the dollar value of approved foreign investment is now less than a third of its 1996 peak.”

TAIWAN

Roc Defense Ministry Has No Comment On Reports Of U.S. Military Visit CNA 3/11/03. According to the reports, Mary Tighe, a senior U.S. Pentagon official, arrived in Taipei last weekend at the head of a military delegation to review Taiwan's missile defense capabilities. <http://www.cna.com.tw/eng/ceplist.php?date=1047338590>

“House Passes Bill Promoting WHO Observer Status for Taiwan (HR 441 passed March 11 in 414-0 vote),” US State Dept, 3/12/03. Text of bill included. <http://lists.state.gov/SCRIPTS/WA-USIAINFO.EXE?A2=ind0303b&L=us-china&D=I&H=I&O=D&F=&S=&P=74>

March 14 - Former Republic of China first lady Madame Chiang Kai-shek's 106th birthday!

TELECOM

“US in tit-for-tat telecom spat: The United States and the Philippines are involved in a bitter row over telecom payments that could result in telephone links between the two countries being cut.” BBC Online, 3/13/03. <http://news.bbc.co.uk/2/hi/business/2846517.stm>

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TRADE

 “Trade Deficit Is Narrower As Economy Slows Buying,” WSJ3/13/03, C2. January trade deficit was \$41.1 billion, down from a record \$44.9 billion in December. Imports fell 2% to \$123 billion while exports rose 1.6% to \$81.9 billion. See: http://www.census.gov/foreign-trade/Press-Release/current_press_release/ftdpress.txt.

Federal Maritime Commission Head Reports on Japan, China (Testimony before House of Representatives subcommittee March 13) US State Dept, 3/14/03. “The Chairman of the Federal Maritime Commission (FMC) testified before a Congressional subcommittee March 13 that Japanese laws continue to have an adverse impact on U.S. shipping interests, and that an investigation into Chinese practices was still underway. Steven R. Blust told members of the House of Representative's subcommittee on maritime transportation that the Japanese government recently made changes in Japanese port operations and revised its Harbor Transportation Business Law. “Unfortunately, I cannot report to you that those changes have resolved fully the challenging conditions affecting the operations of non-Japanese carriers in Japanese ports,” he continued. “U.S. executive agencies with maritime responsibilities and others continue to express dissatisfaction with the results of Japan's deregulation efforts,” Blust said. **For article and excerpt of testimony:** <http://lists.state.gov/SCRIPTS/WA-USIAINFO.EXE?A2=ind0303b&L=WF-EASIA&P=R16245>

“Huntsman To Leave Post, USTR Announces General Counsel Departure,” Inside US Trade, 3/14/03. Other important changes too. Big shake up.

5) WEBSITE OF THE WEEK

Installing and Using East Asian Languages Under Windows 2000 Professional

University of Redlands, Redlands, CA, USA

'A Quick and Dirty Guide to Installing and Using East Asian Languages Under Windows 2000 Professional' - by Robert Y. Eng.

Supplied note: "How to install East Asian language support under Windows 2000 Professional/XP; writing Chinese and Japanese with Microsoft's Input Method Editors (IME); sending and receiving e-mail in Chinese and Japanese. Illustrated with screen shots and summary tables comparing the capabilities of 10 e-mail clients [Eudora 5.1.1, Hotmail, MyRealBox, Netscape Mail 7.0 OperaMail, Outlook Express 6.0, Outlook 2002, Outlook Web Access Pegasus Mail 4.02, Yahoo - ed.] in sending and receiving e-mail messages [in Chinese and Japanese]."

URL: <http://newton.uor.edu/Departments&Programs/AsianStudiesDept/Language/index.html>

6) KEY & QUICK NEWS LINKS

*****Many are by subscription*****

- *Asahi Shimbun (AS): <http://www.asahi.com>
- *BBC Online: <http://news.bbc.co.uk>
- *Economist (EC): <http://www.economist.com>
- *Far Eastern Economic Review (FEER): <http://www.feer.com>
- *Financial Times (FT): <http://www.FT.com>
- *Inside U.S. Trade (IUST): <http://www.insidetrade.com>
- *Japan Digest (JD): <http://www.japandigest.com>
- *New York Times (NYT): <http://www.nytimes.com>
- *Nikkei (NK): <http://www.nni.nikkei.co.jp>

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- *Oriental Economist (OE): <http://www.orientaleconomist.com>
 - *Wall Street Journal (WSJ): <http://www.wsj.com>
 - *Washington Post (WP): <http://www.washingtonpost.com>
 - *Yomiuri On-line (YM): <http://www.yomiuri.co.jp/index-e.htm>

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