

APW

News & Views

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1. JIAP NEWS

Dear Loyal Readers,

As you can see, we are working hard to shorten the APW. Please continue to forward to comments and suggestions on how we can accomplish this as well as ensure that you get the information you need.

Our next program will be December 10, with Professor Joyce Gelb who will discuss her new book *Gender Policies in Japan and the United States*. She will explore the question "Are Women Transforming Japanese Politics (Economics)?" at our brown bag lunch program at the Sigur Center at George Washington University, Washington, DC. For a registration form contact me.

Mindy Kotler, mkotler@jiaponline.org

Contents: COVER STORIES, JAPAN: Japan Business, Japan-Economy, Japan-Foreign Policy, Japan-Politics, Japan-Security, Japan-Society & Culture **JAPAN RELEVANT:** China-Economy, China-Foreign Policy, China-Politics, China-Trade, Foreign Policy, Global Economy, Indonesia, Intelligence, Iran Issues, Iraq Issues, Leadership, North Korea, Science & Technology, South Korea, Southeast Asia, Taiwan, Trade.

Contact

If you have any comments/suggestions please contact Japan Information Access Project (JIAP) Asia Policy Calendar & Weekly Editors Ms. Mindy L. Kotler and Mr. Seth D. Drewry 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.

****All phone numbers are (202) unless otherwise indicated****

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2) MEMBER NEWS

“A Guarantee to Bring Kim Into Line,” **Jack Pritchard** (Visiting Fellow, **Brookings**), Commentary, FT10/10/03, p15. “While I advocate giving Pyongyang a multilateral security guarantee, America should work out the details bilaterally with North Korea. Do we really want China and Russia – with Japan and South Korea, the other parties to the six-nation talks with North Korea – crafting the language of a security guarantee that binds the US?”

“Another False Dawn in the Land of the Rising Sun,” **Richard Katz** (**Oriental Economist**), FT10/7/03, p17. “Reform will eventually return Japan to sustained growth of 3 per cent or so. But that will probably take another decade. As for this year, it takes more than a few swallows to make a spring.”

“Japan’s Hybrid Women,” by **Ayko Doi** (**Japan Digest**) Foreign Policy Nov/Dec 2003. Review of *Hybrid Woman* By Yoko Haruka and *Kekkon Shimasen! (I Won’t Get Married!)* By Yoko Haruka. “No, what really threatens Japan’s future is the country’s shrinking population and, more fundamentally, the astonishing disconnect between Japanese men and women that underlies it.” <http://www.foreignpolicy.com/story/story.php?storyID=13976>

“Reverse Course: Under Koizumi Japan Leaves Asia To Join America,” By **Ayako Doi**, Forum, **Japan Digest**, 10/10/03. “If things go on like this, China will grab the leadership in East Asia, not only in economic affairs but also in politics and diplomacy,” Nikkei fretted. Analyzing the Koizumi foreign policy, the monthly opinion magazine *Sentaku* concluded that he has made a clear choice for *datsu-a, nyu-bei* (leaving Asia and joining America)--a complete reversal of Tokyo's inclination for *datsu-bei, nyu-a* just a decade ago--with no clear vision about where it will take Japan.”

3) CRITICAL REPORTS

“Rumsfeld ‘Not Told’ of Iraq Shake-up; Defense Secretary Insists Rice’s Role in Reconstruction is Unchanged,” FT10/8/03, p1. Rumsfeld says in interview with British papers that he was not informed of creation of Iraq Stabilization Group to be run by National Security Adviser Rice.

“With Taiwanese President Chen Shui-bian,” WP 10/10/03, p1. An edited transcript of a Washington Post interview with Taiwanese President Chen Shui-bian. The interview was conducted Oct. 6 in the presidential palace in central Taipei. “Taiwan is an independent, sovereign country, but a lot of people do not think of Taiwan as a country and do not dare to call Taiwan an independent, sovereign country. We think that this is really abnormal.” <http://taiwansecurity.org/WP/2003/WP-101003.htm>

4) OPINION, REPORTS & STATEMENTS

COVER STORIES

NATIONAL JOURNAL – “Grover At The Gate - He's extended his reach beyond tax-cutting and become arguably the most influential of a new generation of conservative activists. What's next for Grover Norquist?” 10/10/03, <http://nationaljournal.com/members/news/2003/10/1010nj1.htm>. [limited access]

ECONOMIST – “Where's the Stick? Something has gone wrong with the way in which bosses' pay is determined. The solution has to lie with shareholders,” 10/11/03, <http://www.economist.com/printedition/index.cfm?d=20031011>. [limited access].

FAR EASTERN ECONOMIC REVIEW – “From Riches To Rags: How Free Trade Can Wreck An Economy - With the Multifibre Arrangement due to lapse at the end of next year, garment exporters such as

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Bangladesh stand to lose their overseas markets and, with them, millions of jobs. Sadly, free trade could prove a disaster for the world's poor," 11/27/03, http://www.feer.com/articles/2003/0311_27/p046money.html. [limited access].

JAPAN

JAPAN-BUSINESS

"Japan Fears New Strain of 'Mad Cow' Disease," FT10/8/03, p7. Japan's new case of BSE in a 24month old bull is unusual and worrisome.

"Goldman to Buy \$9.1 Billion in Sumitomo Loans," NYT10/9/03, W1. Goldman Sachs to buy NPLs fro Sumitomo Mitsui, <http://www.gs.com/>.

"Amendment to Anti-Monopoly Law to enable quicker warnings to utilities companies, telecom carriers to stop blocking new market entries; Concrete examples to be included," NIHON KEIZAI, 10/7/03, p1, US Embassy Translation 10/8/03.

"FTC study panel's final proposal for amendment to AML includes hike in punitive duties; Business circles strongly against substantial increase in fines," ASAHI 10/9/03, p3, US Embassy Translation 10/10/10.

JAPAN-ECONOMY

"Japan Is Back (No, Really!) While everyone is wondering how China will reshape Asia and the world, perhaps the country to be watching is Asia's other giant, Newsweek, 10/13/03.
<http://www.msnbc.com/news/976060.asp#TOP>

"Japan Pledges 'Decisive Action' to Protect Yen," FT10/6/03, p3. Finance Minister Sadakazu Tanigaki said, "Foreign exchange rates should basically reflect the fundamentals of an economy in a stable manner. But when speculative moves make the market disorderly, we must take firm action. We must intervene against irregular moves."

JAPAN-FOREIGN POLICY

"U.S. Supreme Court Denies WWII POWs Day in Court: Justice Now Must Come from Congress,' Says Justice for Veterans," Justice for Veterans Press Release 10/7/03. U.S. Supreme Court decided October 6 to turn aside appeals by POWs held by Japan, effectively ending their quest for compensation for being slave laborers in Japanese factories and prison camps in the federal courts. There are still cases pending in the California state appellate courts. http://biz.yahoo.com/prnews/031007/dctu069_1.html

"Interview with Minshuto Secretary General Katsuya Okada on Iraq war and Japan-U.S. relations: Trend of blindly following U.S. becoming more prominent; Japan should say what it has to say to U.S." MAINICHI 10/9/03, p11, US Embassy Translation 10/10/03.

"Japan to buckle down to staging FTA strategy; Negotiations with Thailand likely to be opened before year's end; Coordination of view on farm goods remains thorny issue; Geared up to recover from setback," YOMIURI 10/9/03, p9, US Embassy Translation 10/10.

Press Conference by the Prime Minister of Japan at the ASEAN+3 Summit
<http://www.mofa.go.jp/region/asia-paci/asean/pmv0310/press.html>

Framework for Comprehensive Economic Partnership between Japan and the Association of South East Asian Nations

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<http://www.mofa.go.jp/region/asia-paci/asean/pmv0310/framework.html>

JAPAN-POLITICS

“**Japan’s Transport Minister to Fire Highways Chief,**” FT10/7/03, p6. New Transport Minister Ishihara to fire Haruho Fujii, head of the Japan Public Highway Corporation.

“**Economic Classroom: Make use of campaign pledges as tool to reform party politics, Significance found in confirming "limited responsibility,**” By Takeshi Sasaki, president at Tokyo University, NIHON KEIZAI 10/7/03, p27. US Embassy Translation 10/9/03. “Power struggles have so far been carried out behind closed doors and in an unclear form. Such a predisposition of politics has greatly contributed to increasing the number of spineless unaffiliated voters. An attempt to improve the predisposition of party politics by using manifestos as a tool will serve to train these unaffiliated voters. In addition, the reorganization of politics will establish a new relationship between party politics and the people to comply with the reality.” [Ed. And they say they understand democracy in Japan.]

JAPAN-SECURITY

“**Japanese Security Policy in the Next Ten Years,**” by former **Stimson Center** Visiting Fellow Col. Tatsuya Arima (Summer 2003) of the Japan Air Self Defense Forces (JASDF) outlines a cautious approach to broaden defense capabilities. <http://www.stimson.org/japan/pdf/arima.pdf>

JAPAN-SOCIETY & CULTURE

“**Re-examining the Housewife Myth: Husbands. Earnings and Wives. Employment Status in Contemporary,**” Japan by Professor Hiroshi Ono, Stockholm School of Economics, Working Paper 181, October 2003. Using a microdata of Japanese women in 1993, author finds that men married to housewives earn higher than men married to working women. Further, I find that husbands’ earnings were higher if their wives were (i) currently not working, (ii) had never worked in the past, and (iii) had no intentions to work in the future. Results support the traditional view of status ascribed to husbands and wives in Japan.
http://www.hhs.se/NR/rdonlyres/e5mktikvrnrhdvq4bqvzrfzi2o6kd2b2gm5h25dmcyeijz7gkfrmsupx62dv4eef6bxx6b6t2pj5a4sbqng7vrtca/Working_Paper_No%2e181.pdf

“**Revolution is Brewing at N. Korean Schools in Japan,**” WP10/10/03, A1. Schools are being depoliticized.

JAPAN-RELEVANT

CHINA-ECONOMY

“**China’s Understated Growth Causes Disquiet,**” FT10/9/03, p6. Analysts believe China’s GDP growth is as high as 11%, higher than the official forecast of 8%.

“**Living on Borrowed Growth,**” Weijian Shan (Partner, Newbridge Capital), Op-Ed, WSJ10/7/03, A20. “China’s surreal economy cannot continue indefinitely. Only by freeing itself from bad habits will the country be able to grow sustainably and compete like everyone else without the crutch of capital controls. Getting there will involve pain. But the heavy costs of ‘borrowed growth’ compound by the day. The sooner China gets started, the better for its future.”

“**China Puts Limits on Foreign Investors,**” FT10/10/03, p5. China has stalled expansion of investment by foreign investment funds into domestic capital markets.

“**Rapid Growth of China’s Huawei Has Its High-Tech Rivals on Guard,**” NT10/6/03, C1.

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CHINA-FOREIGN POLICY

“Why America and China Cannot Afford to Fall Out,” Martin Wolf, Commentary, FT10/8/03, p13. “Shared interests in peace and prosperity are vastly more important than the reasons for conflict. As long as that remains understood, on both sides, the two countries should manage to live together, however uneasily.”

“The Charm From Beijing; China Strives to Keep Its Backyard Tranquil,” NYT10/9/03, A6. At ASEAN summit in Bali, Chinese PM Wen Jiabao uses a “Charm Offensive” to convince Southeast Asia and the West that China is a trust-worthy partner. China accedes to Treaty of Amity and Commerce in ASEAN, <http://www.aseansec.org/15271.htm>.

“China’s Great Power Diplomacy: Implications for the United States,” by James J. Przystup (National Def U), PacNet #42, 10/9/03, Pacific Forum CSIS. “During the 1990s, much of U.S. strategic thinking focused on China’s emergence as a great power in East Asia – on the process of its becoming a great power. That thinking is now passé. Today, China is East Asia’s great power.The bet here is that Asia’s realities will outlast the war on terrorism. After Afghanistan, after Iraq, after bringing democracy to the Middle East, when the United States refocuses on Asia, it will find a much different China in a much different region.” http://www.csis.org/pacfor/pac_0342.pdf

CHINA-POLITICS

“China’s Next Stage; Hu Could Make His Mark at the Party Plenum this Month,” Editorial, FT10/6/03, p12. “If past plenums are a guide, the communiqué at the end of the meeting in mid-October will be extremely bland. Behind the scenes, however, Mr. Hu has apparently begun to push for reforms that will change the face of China as surely as Deng’s did after 1978.”

“Power Grows Out of a Populist Agenda,” Minxin Pei (CEIP), FT10/9/03, p15. “Mr. Hu’s rhetoric of political reform could come back to haunt him, as well. By talking democracy before consolidating power, he may raise false expectations and alarm his colleagues. In the 1980s, the two communist party chiefs who attempted political reform under Mr. Deng’s shadow both lost their jobs. One can only hope that history will not repeat itself.” <http://www.ceip.org/files/Publications/2003-10-08-FTMinxin.asp?pr=16&from=pubdate>

CHINA-TRADE

“Text: Grassley Urges China To Comply With Its Trade Obligations, Oct. 7 press release from Senate Finance Committee,” US State Dept 10/7/03. “Senator Chuck Grassley (Republican of Iowa), the chairman of the Senate Finance Committee, sent a letter to the Minister of Commerce for the People's Republic of China October 7 requesting that China "make a serious effort to improve its compliance with its World Trade Organization obligations," according to a press release issued by the committee the same day.” <http://lists.state.gov/SCRIPTS/WA-USIAINFO.EXE?A2=ind0310a&L=WF-EASIA&P=R14934>

“China Isn't Hijacking Jobs, Blame multinationals and a savings-short U.S.,” By Gene Koretz, Business Week 10/6/03. Interview with Morgan Stanley’s Stephen Roach. “The bottom line is that China has become an integral part of the global supply chain, and, Roach notes, "the high-cost industrial world needs China for its competitive survival." Roach doubts that an upward revaluation of China's currency by 10% would affect its exports very much. A truer culprit in U.S. trade woes, he says, is the savings-short U.S. economy. It is an iron law of economics that as long as a nation chooses to invest more than it saves, it must import foreign capital to make up the shortfall -- which means running a trade deficit.” http://www.businessweek.com/magazine/content/03_40/c3852038_mz008.htm

FOREIGN POLICY

“Sidetracked by the State-Defense Split,” John Newhouse (CDI), Op-Ed, WP10/5/03, B5. “In its emphasis on regime change as a means of solving problems, Bush’s inner circle is trying to create reality, not deal with it. Accepting help from other nations would mean returning to the diplomatic method and helping to forge agreements among and between nations. Powell is the team’s only multilateralist and its only moderate. Rumsfeld, who views

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negotiation skeptically at best, casts a longer shadow than any secretary of defense since Robert McNamara. The gap between State and Defense is often wide, but never has it been as wide as it is now.”

“**Conflict, Complacency and Confusion on Global Security**,” Philip Stephens, Commentary, FT10/10/03, p15. “[T]he new threats do not allow for a neat global security system borrowed from history’s textbooks. The dangers are diverse, complex and asymmetrical. America’s security guarantee remains vital. So too does Europe’s soft power and experience in nation building. Washington needs to understand the limits of military power, Europe its occasional utility. The 1990s were lost to complacency. We will all be losers if the succeeding decade is lost to division.”

“**Time for Bush to Take Control; The US Needs a Unified Foreign Policy**,” Editorial, FT10/11-2/03, p6. “Only the president can impose real harmony on the discordant noises coming from his team. Three years into his term is a little late to start but, in his own electoral interests, he should get on with it.”

GLOBAL ECONOMY

10/8 - Treasury Department launches a data series detailing the debts owed to foreigners in response to calls from the IMF for all of its member countries to improve financial transparency. Treasury said the information will be published quarterly on its Web site, beginning with the second quarter of 2003. While the information in the report is largely a repackaging of some of the current account data that it already available from the Bureau of Economic Analysis, Treasury spokesman Tony Fratto said the report was put together "to show U.S. leadership on the IMF's goals for its member countries to provide more timely, detailed financial data." In sum, Treasury said the United States's gross external debt stood at \$6.36 trillion at the end of June, with debts from Treasury bonds and notes accounting for \$1.78 trillion of that amount. The full Treasury data series on gross external debt is available on the Internet at, **US External Liabilities:** <http://www.treas.gov/tic/external-debt.html>.

“**World Bank Faults Tight Regulation; Study to Argue Fewest Rules Foster Strongest Economics; Goal is to Promote Changes**,” WSJ19/7/03, A2. World Bank’s “**Doing Business in 2004**” report examines how regulation affects companies’ ability to perform. See: Press Release, <http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:20131148~menuPK:34463~pagePK:64003015~piPK:64003012~theSitePK:4607,00.html>; Report, <http://rru.worldbank.org/doingbusiness/doingbusiness2004.aspx>

“**‘These Days, Who Wants to Save?’ Asia’s Consumers Lift the Region’s Growth Prospects; Rising Household Spending is Helping Many Countries at a Time When the Export-Led Boom of Previous Years Has Slowed. But Cheap Credit Brings Risks**,” Francesco Guerrera, Commentary, FT10/8/03, p11. “For many Asian countries domestic consumption is the last line of economic defense as investment that might generate export-led growth disappears into the giant in their midst.”

“**Global Survey Cites Creeping Corruption**,” NYT10/8/03, A6. Transparency International releases “**Corruption Perception Index 2003**.” 1. Finland; 2. Iceland, Denmark, New Zealand; 5. Singapore; 6. Sweden; 7. Netherlands, Australia, Norway, Switzerland, Canada, Luxembourg, United Kingdom, Austria, Hong Kong; 16. Germany; 17. Belgium, Ireland, USA; 20. Chile; Israel; 21 Japan. **Press Release**, http://www.transparency.org/pressreleases_archive/2003/2003.10.07.cpi.en.html; **Full Report**, http://www.transparency.org/pressreleases_archive/2003/dnld/cpi2003.pressrelease.en.pdf.

INDONESIA

“**The Real Face of Indonesian Islam**,” R. William Liddle (Ohio State University), Saiful Mujani (State Islamic University, Jakarta, Indonesia), Op-Ed, NYT10/11/03, A27. “If Nahdlatul Ulama and Muhammadiyah members are the good citizens of Indonesia’s fledgling democracy, the Islamists are the parochials who are likely to remain on the margins of public life. United States policy toward Indonesia should be shaped by an appreciation of the continuing strength of this moderate center, which is as opposed to terrorism as Americans are.”

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INTELLIGENCE

“The White House Under Investigation; The Wilson Inquiry Reveals a Flawed Relationship with the CIA,” Editorial, FT10/6/03, p12. “In more ways than one, the White House is being revisited by a problem of its own making.”

“Selective Intelligence on Road to Baghdad,” NYT10/9/03, B1. Highly critical Frontline documentary, “Truth, War, and Consequences,” explores how the US went to war with Iraq. See: Documentary can be viewed online, <http://www.pbs.org/wgbh/pages/frontline/shows/truth/>.

“The Focus on Tenet Sharpens After Leak; Criticism of CIA and Director Intensifies,” WP10/5/03, A1.

“Do We Really Want to Stop the Leaks?” Ted Gup (Fellow, Shorenstein Center on the Press, Harvard’s Kennedy School of Government), WP10/5/03, B1. “Despite the post-9/11 hysteria over secrecy, leaks of classified information have historically been instrumental in curbing government waste and corruption, bringing to light violations of civil liberties at home and atrocities abroad, and calling to account public figures who would otherwise take refuge in secrecy. Especially in this wartime climate, it is worth remembering that such leaks have saved far more lives than they have cost. It would be impossible to calculate the impact of the Pentagon Papers in shortening the Vietnam War.”

IRAQ ISSUES

“The WMD Evidence,” Editorial, WSJ10/6/03, A16. “By all means the CIA and White House should be honest about any intelligence mistakes, and explore and then explain the reasons. But even if no stockpiles are ever found, the Kay report provides ample proof of Saddam’s WMD threat and how much safer the world is with him out of power.”

“Mr. Kay’s Report,” Editorial, WP10/6/03, B6. “CIA Director George J. Tenet bristled defensively last week at an initial assessment by senior members of the House intelligence committee that there were ‘significant deficiencies’ in the agency’s reporting. Mr. Kay’s report suggests that Mr. Tenet, and the president, would be better off admitting their mistakes and cooperating in the attempt to discover what went wrong.”

“Report Offered Bleak Outlook About Iraq Oil; US Panel Saw Trouble for Future Production,” NYT10/5/03, A1. Despite pre-Iraq war Pentagon task force report stating that the Iraqi oil industry was severely damaged, administration officials proclaimed that oil revenue would largely support reconstruction costs.

“Cheney Lashes Out at Critics of Policy on Iraq,” NYT10/11/03, A1. Cheney gives speech to Heritage Foundation sponsored program at the Ronald Reagan Presidential Library, saying, “Had we followed the counsel of inaction, the Iraqi regime would still be a menace to its neighbors and a destabilizing force in the Middle East. Today, because we acted, Iraq stands to be a force for good in the Middle East.” See: <http://www.whitehouse.gov/news/releases/2003/10/20031010-1.html>.

“White House to Overhaul Iraq and Afghan Missions; Seeks Tighter Control Over Postwar Situation,” NYT10/6/03, A1. Nat. Security Adviser Rice takes reigns of post-war Iraq policy under the “Iraq Stabilization Group.”

“The Long Haul,” Samuel R. Berger (former Clinton National Security Adviser), Ivo H. Daalder (Brookings Institution), Op-Ed, WP10/5/03, A7. “The wiser course, if it is not too late, is to end our occupation and share power, risk and truth with our allies, Iraqis and the American people.” <http://www.brookings.edu/views/op-ed/daalder/20031005.htm>

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IRAN ISSUES

“Breaking the Stalemate in Iran,” by Rose Gottemoeller (Senior Associate, CEIP), Op-Ed, NYT10/7/03, A31. “If the United States and Russia begin to work together, we could see some progress on proliferation. With nuclear crises on two continents, the United States needs every tool it can get, and it needs the cooperation of Moscow.”

LEADERSHIP

“No More Secretary Nice Guy,” Editorial, NYT10/9/03, A34. “If Ms. Rice’s memo signals a real attempt to exercise political control over the violence and instability in Iraq, that would be welcome. But so far, the grandly named Iraq Stabilization Group seems more like an attempt to substitute title-building for nation-building – reminiscent of this administration’s announcement that it was dealing with unemployment by creating a new assistant secretary post at the Labor Department.”

“Is Condi Gaslighting Rummy?” Maureen Dowd, Op-Ed, NYT10/9/03, A35. “President Bush clearly realizes that Mr. Rumsfeld and Paul Wolfowitz have gotten him into a fine mess. He wants his trusted Mother Hen, as he calls Condi, the woman who probably spends as much time with him as Laura – weekends at Camp David, vacations at the ranch, workouts at the gym – to make it all better. This will be the first time Ms. Rice, a Soviet expert who has functioned mostly so far as First Chum, will have her reputation on the line.”

“...And the Infighting,” David Ignatius, Op-Ed, WP10/10/03, A27. “A final question mark is Rice herself. Rumsfeld was right when he said that the new Stabilization Group will simply be doing what the National Security Council is supposed to do. But Rice’s NSC has often failed in that coordinating role in the past. Interagency disputes over postwar policy have festered, rather than being resolved. Now Rice must make the policy process work.”

NORTH KOREA

“North Korea Bars Japan From Nuclear Arms Talks: Stance Hinders a Restart of Negotiations,” WP10/8/03, A24. KCNA announces that North Korean would not allow Japan to participate in future multilateral talks. See: <http://www.kcna.co.jp/item/2003/200310/news10/08.htm#11>.

“Pyongyang Place: The Family Saga of Kim Jong Il; Jilted Mistresses, Relatives in Exile – and Murder; North Korean Sopranos,” WSJ10/10/03, A1. Kim’s family is more of a threat than the Bush administration

“North Korea: Progress at a snail's pace,” Economist 10/9/03. “Just how committed is the regime of Kim Jong Il to its programme of market reform? Probably not very. It shows no sign of embracing reforms that could potentially undermine the state's control. It continues to emphasize “military-first” policies, reserving the best of everything for the army it depends on. And even if greater economic reform were undertaken, it is far from certain that it would be successful any time soon.” http://www.economist.com/displaystory.cfm?story_id=2124682

“Bush's Bipolar Disorder and the Looming Failure of Multilateral Talks With North Korea,” By Peter Hayes (Nautilus Institute) October 8, 2003. Hayes writes that in the mid-1990s, Ukraine-which had possession of approximately 1,900 former Soviet nuclear warheads-agreed to get rid of them all in exchange for security assurances, economic support, and energy assistance. Hayes argues that this model could be applied to North Korea as well. Through energy assistance, economic aid, and security guarantees, China, Russia, South Korea, and the United States could cooperatively engage North Korea in exchange for accelerated and verified dismantlement of Pyongyang’s nuclear capability. This essay was originally published in the October 2003 issue of *Arms Control Today* (http://www.armscontrol.org/act/2003_10/Hayes_10.asp), http://www.nautilus.org/fora/security/0343_Hayes.html

SCIENCE & TECHNOLOGY

“Intel Chairman Says U.S. Is Losing Edge,” WP10/10/03, E1. Grove singles out China and India as key threats to American software and technology industries and in turn the US economy.

10/9/03 – Intel Chairman Andy Grove's Keynote Address at the Global Tech Summit 2003 (Presentation Notes and Transcript) <http://www.bsa.org/usa/press/newsreleases/Transcript-Andy-Groves-Keynote-Address-at-the-Global-Tech-Summit-2003.cfm>

“China's Emerging Semiconductor Market: The Impact of China's Preferential Value-Added Tax on Current Investment Trends. October 2003. Excerpt from the Foreword: This study is the latest in a series of reports that the Semiconductor Industry Association and Dewey Ballantine have published to provide a greater understanding of the types of policies that governments around the world are adopting to advance their semiconductor industries. By documenting these policies, the SIA hopes to encourage countries to support their industries through open markets, academic research, workforce education, and other policies consistent with the rules of the World Trade Organization (WTO). Appropriate government policies can further the healthy development of semiconductor industries around the world, and further the spread of the benefits of semiconductor technology to consumers in all markets. http://www.semichips.org/pre_stat.cfm?ID=225

“Indian Contract Research,” (ATIP03.053, 10/03) “Outsourced chemistry and biology R&D in India has not received as much attention in the US as information technology outsourcing. The chemistry and biology outsourcing market is small, but it is growing rapidly. India has a large number of contract research companies in chemistry, biology, and in the new field of drug discovery services. These companies are becoming part of the global pharmaceutical and chemical R&D network. They have also helped India upgrade its technology capability with relatively modest investments. The present report discusses pharmaceutical and biotechnology R&D outsourcing in India as well as all related activities such as contract research or research services as it is sometimes called. This report examines the rise of the contract research industry in India in the mid-1990s and looks at what research services in India are expected to deliver in the near and middle term.” For a summary including a table of contents:

http://www.atip.org/public/atip_reports.03/atip03.053.pdf

To securely purchase the full version of this report for \$250:

http://www.atip.org/REPORTSMATRIX/public/year2003_total.html

“Science Panel Urges Review of Research Terrorists Could Use,” NYT10/9/03, A1. Federation of American Scientists releases report, “Biotechnology Research in an Age of Terrorism: Confronting the ‘Dual Use’ Dilemma,” on how to control bio-technology from reaching the hands of terrorists. “To prevent hostile nations or terrorists from misusing biotechnology, the United States and the international community should develop a comprehensive oversight system to screen plans for types of experiments before they are conducted, says a new National Academies report. This enhanced oversight must not, however, impede open communication in science or hamper U.S. research to develop vaccines, therapeutic aids or other defenses against biological agents directed against people, plants and animals.” See: Press Release, <http://www4.nationalacademies.org/news.nsf/isbn/0309089778?OpenDocument>; Report, http://www.nap.edu/catalog/10827.html?onpi_topnews_100803

SOUTH KOREA

“Founders of Chaebol ‘Have Too Much Control,’” FT10/6/03, p2. Korea Development Institute report for the Korea Fair Trade Commission shows how families control Chaebol despite their small shares in the companies. See: <http://www.kdi.re.kr>; <http://www.ftc.go.kr> [report not on websites].

SOUTHEAST ASIA

“Southeast Asian Nations Meet to Tighten Economic Bonds,” NYT10/6/03, A4. At ASEAN Summit in Bali, US-ASEAN Business Council chairman Ernest Z. Bower calls on ASEAN nations to integrate as a coherent economic unit. See: http://www.us-asean.org/ASEAN/Summit_03/ezb_speech.asp.

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“**Nations Set Deadline of 2020 for Single Market,**” FT10/8/03, p4. At ASEAN Summit, member states laid out a long-term plan, the Bali Concord II, to “create an integrated economic, security, and sociocultural community into a single, prosperous economic entity.”

“**ASEAN Widens India and Japan Links,**” FT10/9/03, p6. ASEAN nations sign economic Framework Agreements with Japan and India. ASEAN and India agree to create a FTA by 2012 while Japan and ASEAN agree to begin negotiations in 2005 for a FTA. See: ASEAN-India Framework Agreement, <http://www.aseansec.org/15278.htm>; ASEAN-Japan Framework Agreement, <http://www.aseansec.org/15274.htm>

“**ASEAN Summit: A Step Toward a Cooperative Security Pact?**” Stratfor 10/7/03. “Establishing a security community is the main item on the agenda of the Association of Southeast Asian Nations' (ASEAN) three-day summit. A cooperative agreement among member nations would go a long way toward boosting regional security. However, territorial disputes and a leadership struggle could undermine negotiations.” <http://www.stratfor.biz/Story.neo?storyId=223259>

10/8 – Southeast Asia Regional Center for Counterterrorism (SEARCCT) is fully operational.

US State Dept Notice: <http://lists.state.gov/SCRIPTS/WA-USIAINFO.EXE?A2=ind0310b&L=WF-EASIA&P=R2655>

Christian Science Monitor article: <http://www.csmonitor.com/2003/0714/p10s01-woap.html>

“**S&P Lifts National Ratings in Asia,**” FT10/9/03, p6. S&P upgrades the credit rating of Malaysia to A-, Thailand to BBB and Indonesia to B.

Asia-Pacific Sovereign Credit Report (September 2003) access to pdf report via

<http://www2.standardandpoors.com/NASApp/cs/ContentServer?pagename=sp/Page/FixedIncomeBrowsePg&r=1&b=2&f=3&s=17&ig=&i=&l=EN&fr=1&fs=17&fig=&ft=7>

“**Where East Meets West,**” by Vladimir Putin (President of Russia), Op-Ed, WSJ10/10/03, A14. “The APEC summit in Bangkok will be held under the title ‘World of Diversity: Partnership for the Future.’ Yes, we are all different. However, we have before us common problems and search together for solutions to them. The world has changed in the 14 years since the creation of APEC. There is no longer a confrontation of political-economic blocs and even the geographic map of the world has changed with the appearance of new states and disappearance of others. In these new conditions we should work even harder toward our common goals.”

“**Macapagal Makes U-Turn to Stand Again for Presidency,**” FT10/6/03, p5.

“**The Thaksin Way; His Thai Growth Strategy Has Risks As Well as Benefits,**” Editorial, FT10/9/03, p14.

“Thaksinomics is certainly popular but has not yet proved itself to be sustainable. Mr. Thaksin should not need reminding that the Asian crisis began with the rash lending policies of Thai financial institutions.”

TAIWAN

“**Taiwan Passes Key Law on China Relations,**” FT10/10/03, p5. <http://taiwansecurity.org/News/2003/FT-101003.htm> Legislative Yuan passes “**The Act Governing Relations Between Peoples of the Taiwan Area and the Mainland Area,**” which sets up a framework for negotiations over direct transport, travel and financial links with the mainland. See: Mainland Affairs Council (MAC) for a copy of the law, <http://www.mac.gov.tw/english/english/foreign/law1.htm>.

“**U.S. Approves Transit by Taiwan Leader,**” Reuters 10/8/03. “The United States has given Taiwanese President Chen Shui-bian permission to stop in New York and Anchorage, Alaska, on his way to and from Panama next month, the State Department said on Tuesday. Chen will be in New York between Oct. 31 and Nov. 2 but, in accordance with standard protocol for sensitive visits of this kind, he will not have any official engagements, spokesman Richard Boucher told a daily briefing.” <http://taiwansecurity.org/Reu/2003/Reuters-100803.htm>

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“Taiwan's Climb Up the Tech Ladder: It's becoming a center for R&D as well as manufacturing,” Business Week 10/6/03. http://www.businessweek.com/magazine/content/03_40/b3852171.htm

TRADE

“Defections Hit Developing-Nations Group,” FT10/10/03, p1. Costa Rica, Colombia, and Peru, original members of the Group of 21, have decided to leave the group to work with the US on trade liberalization.

“East Asian Trio Stops Short of Free Trade Pact,” FT10/8/03, p4. Japan, China, & South Korea

“Skilled Workers Mount Opposition to Free Trade, Swaying Politicians,” WSJ10/10/03, A1.

“Japan Executive: Global Textile War Looming” Women’s Wear Daily 10/13/03, p27. “The year 2004 will see the beginnings of a “global war” in textile and apparel trade with China’s full-dress entry in the world’s market economy and the ending of quotas, Masao Yamashita, chairman of the Japan Knitting Industry Association, said last week at the launch of the **Japan Textile Export Organization** [JTEO] aimed at expanding Japanese aimed at expanding Japanese exports. The organization was formed by nine major member associations of the Japan Textile Federation.” JTEO is supported by JETRO and METI.

“The Looming Shrimp War,” Editorial, NYT10/6/03, A18. “Americans believe in the free trade game until they start losing at it. Then we accuse the other side of cheating. That is the message these baseless dumping cases send to the rest of the world. It is understandable for people to seek protection when their livelihoods are adversely affected by trade. But as a nation that benefits from freer trade, the United States cannot afford to continue encouraging these cases. They antagonize poor farmers and laborers around the world who discover that the world’s superpower does not really believe in what it preaches.”

5) WEBSITE OF THE WEEK

Beijing Official Website Portal

On November 6, 2003, Beijing's municipal government launched an English Web site aimed at foreigners. The subjects, predictably: investment, tourism, work, study and life in the city. The site was "expected to help step up exchanges and cooperation between Beijing and the rest of the world," said Zhu Yan, director of the awkwardly named Beijing Municipal Office of Informatization. The site includes such sections as "Life in Beijing," "Foreigners in Beijing," "Scenic Spots" and an area called "Consultancy," which features information on finding medical help, getting pet permits and applying for a driver's license.

URL: <http://www.ebeijing.gov.cn>

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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