

## APW

### News & Views

January 1 – 11, 2002

ISSN 1543-1185

Vol. 7, No. 2

15 Pages

- 1) [JIAP NEWS](#)  
Page 1
- 2) [MEMBER NEWS](#)  
Page 2
- 3) [CRITICAL REPORTS](#)  
Page 2-6
- 4) [OPINION, REPORTS & STATEMENTS](#)  
Page 6-14
- 5) [WEBSITE OF THE WEEK](#)  
Page 14
- 6) [KEY & QUICK NEWS LINKS](#)  
Page 15

Copyright 2002

## 1. JIAP NEWS

Dr. Warwick McKibbin of Australian National University, who was mentioned by Brookings' Communications VP Ron Nessen as one of their eight scholars working on Japan, has sent in a comment on my reporting. He was distressed that despite his 36 trips to Japan, attendance at a royal wedding, and consulting to the Japanese government he is not better known in Washington. Unfortunately, the Brookings website does not highlight his Japan experience. For the record, he does not have Japanese language skills. If you are still interested in this subject, please visit JIAP's website ([www.jiaponline.org](http://www.jiaponline.org)) to read the correspondence between Dr. McKibbin and myself. [See *DIALOGUE WITH DR. WARWICK J. MCKIBBIN*, January 6, 2002]

**Contents: COVER STORIES, JAPAN:** Japan Banking, Japan Business, Japan-Economy, Japan Foreign Policy, Japan-Politics, Japan-Security Policy, Japan-Society & Culture; **JAPAN RELEVANT:** Asian Economies, China-Economy, China-Politics, Energy, Foreign Policy, Global Economy, Hong Kong, Iraq Issues, Leadership, Obituary, Science & Technology, Security, South Asia, South Korea, Steel, Taiwan, Telecommunications, 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](mailto: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\*\***

**THIS REPORT IS FOR THE MEMBERSHIP OF JIAP AND CANNOT BE REDISTRIBUTED WITHOUT THE PERMISSION OF JIAP**

### The Japan Information Access Project

2000 P Street, N.W., Suite 620

Washington, DC 20036-6920

Tel: 202-822-6040 · Fax: 202-822-6044

<http://www.jiaponline.org>

---

## 2) MEMBER NEWS

---

**What? You are reading this and you are not a member? Join now!**

**You can look forward to a JIAP Observation next week arguing that a nuclear North Korea serves the interests of many in Asia.** Beside the obvious diversion from a war that no Asian leader wants as it will destabilize their economies, a fully armed DPRK can “sell” its alliances. Being allied with those “mad dog” North Koreans gives Japan, Taiwan, and South Korea the bomb with deniable accountability. For Asians who have doubted American commitment to Asia since the end of the Cold War, an Asian bomb to counter China is attractive. Just a question of who holds the lease.

---

## 3) CRITICAL REPORTS: NORTH KOREA

---

### DOCUMENTS

**Trilateral Coordination and Oversight Group (TCOG) JOINT PRESS STATEMENT 1/03**

[http://www.mofa.go.jp/region/asia-paci/n\\_korea/nt/joint0301.html](http://www.mofa.go.jp/region/asia-paci/n_korea/nt/joint0301.html)

**State Dept Statement Press briefing 1/8: .S. Remains Willing to Talk, Awaits N. Korean Response**

<http://lists.state.gov/SCRIPTS/WA-USIAINFO.EXE?A2=ind0301b&L=WF-EASIA&P=R1883>

**White House Midday Press Briefing 1/8: .S. Will Talk to North Korea but Not Negotiate or Offer Inducements. “The “ball is now in North Korea's court to respond”**

<http://lists.state.gov/SCRIPTS/WA-USIAINFO.EXE?A2=ind0301b&L=WF-EASIA&P=R2092>

**Report By The Director General On The Implementation Of The NPT Safeguards Agreement Between The Agency And The Democratic People's Republic Of Korea, 1/6**

<http://lists.state.gov/SCRIPTS/WA-USIAINFO.EXE?A2=ind0301a&L=WF-EASIA&P=R4042>

**“KCNA accuses U.S. of increasing danger of nuclear war in Korea,”** Korean Central News Agency, DPRK. There is an increasing danger of a nuclear war on the Korean Peninsula due to the U.S. criminal policy toward the DPRK, 1/9/02. The U.S. is deliberately spreading a false rumour about the DPRK's "nuclear issue", in particular, in a bid to vitiate the atmosphere of inter-Korean reconciliation and unity and foster confrontation among Koreans.”

<http://www.kcna.co.jp/index-e.htm>

**North Korean Announces Immediate Pulling out of the Nuclear Non-proliferation Treaty. 1/10/03**

<http://news.bbc.co.uk/2/hi/asia-pacific/2644613.stm>

**Statement by FM Kawaguchi on the Declaration by North Korea to Withdraw from the NPT, 1/9**

<http://www.mofa.go.jp/announce/announce/2003/1/0110.html>

**FM Kawaguchi to visit the R.O.K. from January 15 (Wed) to 16 (Thu), 1/9**

<http://www.mofa.go.jp/announce/event/2003/1/0110-3.html>

**Comment by PM Koizumi concerning North Korea's Withdrawal from the Nuclear Non-Proliferation Treaty**

[http://www.mofa.go.jp/region/asia-paci/n\\_korea/comment0301.html](http://www.mofa.go.jp/region/asia-paci/n_korea/comment0301.html)

### REPORTING

**“China Treads Carefully Around North Korea; Delicate Relations Make Beijing Wary of Pressuring Unpredictable Neighbor on Nuclear Program,”** WP1/10/03, A14.

---

### **The Japan Information Access Project**

2000 P Street, N.W., Suite 620

Washington, DC 20036-6920

Tel: 202-822-6040 · Fax: 202-822-6044

[www.jiaponline.org](http://www.jiaponline.org)

**“North Koreans Meet With Richardson; Possible Response to US Statement,”** WP1/1003, A1. North Korean Ambassador to the UN **Pak Gil-Yon** dispatched two diplomats to meet with former Clinton official **Gov. Bill Richardson** (D-NM) in Santa Fe on 1/9/02.

**“North Korea Says It Is Withdrawing From Arms Treaty; Non-proliferation Pact; But Regime Denies Any Plan to Build Nuclear Weapons – Demands a US Deal,”** NYT1/10/03, A1.

**“Pyongyang Agrees to Hold talks With Seoul; Move Seen as Hopeful Sign That North Korea Is Seeking Diplomatic Solution To Dispute With US,”** FT1/10/03, p5. DPRK and ROK to hold cabinet-level meeting in Seoul on 1/21.

**1/9 - South Korean officials say that North Korea has agreed to hold talks with the South.** The North has proposed starting the four-day meeting on 21 January - a week later than the South had suggested

**“US Wants Nuclear War, says N. Korea,”** FT1/9/03, p7. Accusation by the KCNA, 1/8.  
See: <http://www.kcna.co.jp/item/2003/200301/news01/09.htm#4>

**“Powell Permits Democrat Richardson to Talk With North Korean,”** Bloomberg Online, 1/9/03. “The U.S. has granted permission for a North Korean official to travel to New Mexico to meet with Governor Bill Richardson, a former U.S. ambassador to the United Nations, the State Department said.”  
[http://quote.bloomberg.com/fgcgi.cgi?ptitle=Top%20World%20News&s1=blk&tp=ad\\_topright\\_topworld&T=marks\\_box.ht&s2=ad\\_right1\\_windex&bt=ad\\_position1\\_windex&box=ad\\_box\\_all&tag=worldnews&middle=ad\\_frame2\\_windex&s=APh3EsRYJUG93ZWxs](http://quote.bloomberg.com/fgcgi.cgi?ptitle=Top%20World%20News&s1=blk&tp=ad_topright_topworld&T=marks_box.ht&s2=ad_right1_windex&bt=ad_position1_windex&box=ad_box_all&tag=worldnews&middle=ad_frame2_windex&s=APh3EsRYJUG93ZWxs)

**“New Leader, New Crisis: South Korea’s President-Elect Prefers Talks, Not Pressure, in Dealing with North Korea. That’s Not Easy When his Neighbor is Unlocking its Reactors and his Ally in Washington is Determined to Stand Firm,”** FEER, 1/9/03, p12.

**“Scope column: Japan-North Korea relations – Japan avoids being caught between U.S. and South Korea; Chances small for finding breakthrough in deadlocked Japan-North Korea talks,”** TOKYO SHIMBUN, p 2, 1/9/02. [US Embassy translation]

**“US, in a Shift, Is Willing to Talk With North Korea About A-Arms,”** NYT1/8/03, A1. **“Joint Statement by the Trilateral Coordination and Oversight Group,”** released 1/7 after two day meetings between US, Japan and South Korea. “The US delegation explained that the United States is willing to talk to North Korea about how it will meet its obligations to the international community. However, the US delegation stressed that the United States will not provide quid pro quos to North Korea to live up to its existing obligations.” See: <http://www.state.gov/r/pa/prs/ps/2003/16433.htm>

**“Bush Welcomes Slower Approach to North Korea,”** NYT1/7/03, A1. In 1/6 press conference, **Bush** repeated that the US has no plans to attack North Korea, saying, “Well, first of all, I went to Korea and clearly said that the United States has no intention of invading North Korea. I said that right there in South Korea. And in Kim Jong Il’s neighborhood, I spoke as clearly as I said, and said we won’t invade you. And I’ll repeat that: We have no intention of invading North Korea.” See: <http://www.whitehouse.gov/news/releases/2003/01/20030106-4.html>.

**“Atomic Agency Is Giving North Korea a Last Chance,”** NYT1/7/03, A10. IAEA board passes a resolution giving North Korea “one more chance” to readmit IAEA monitors before referring the matter to the UN Security Council. See: [http://www.iaea.org/worldatom/Press/P\\_release/2003/med-advise\\_004.shtml](http://www.iaea.org/worldatom/Press/P_release/2003/med-advise_004.shtml).

**“US says Korean Nuclear Threat Won’t Spur Concessions or Fight,”** WSJ1/8/03, A1.

**“A North Korean the Administration might Like: Once a Privileged Official, Kim Dok Hong Now Seeks to Oust Pyongyang Regime,”** WSJ1/7/03, A10. Profile of North Korean defector Kim Dok Hong.

---

**“US Policy Line on North Korea Draws Concern: North Asian Leaders Vent Frustration as They Fault Washington for Vagueness,”** WSJ1/6/03, A10.

**“US in No Rush Over North Korea’s Food Aid,”** NYT1/6/03, A11.

**“Brinkmanship: A Family Trait; Like His Father, N. Korean Leans Toward Confrontation,”** WP1/6/03, A1.

**“N. Korea Tests Bush’s Policy of Preemption; Strategy Seems to Target Weaker Nations,”** WP1/6/03, A1.

**“In North Korea, Every New Bomb Is a Greater Peril,”** NYT1/5/03, Section 4-1.

**“Why Keep US Troops?”** NYT1/5/03, WK5. “‘It’s like teaching a child how to ride a bike,’ said one Pentagon official. ‘We’ve been running alongside South Korea, holding on to its handlebars for 50 years. At some point you have to let go.’” Dr. Kurt Campbell (CSIS; JIAP Board Member) said, “Mind-sets in Asia are profoundly traditional. They calculate political will by the numbers of soldiers, ships and airplanes they see in the region.”

**“President Makes Case That North Korea Is No Iraq,”** NYT1/1/03, A1. Pres. Bush, answering questions from reporters in Crawford, Texas on 12/31, said, “I view the North Korean situation as one that can be resolved peacefully, through diplomacy. The international community -- particularly those countries close to North Korea -- understand the stakes involved. I had a very good visit with President-elect Roh of South Korea. I’ve obviously talked to Jiang Zemin right here in Crawford about a nuclear weapons-free Peninsula....**Q:** Sir, why should we be more worried about Saddam Hussein, who has no nuclear weapons, than Kim Chong-il, who is unstable and does have nuclear weapons? **THE PRESIDENT:** Well, first of all, I think it’s important to remember that Saddam Hussein was close to having a nuclear weapon. We don’t know whether or not he has a nuclear weapon. We do expect him to disarm his weapons of mass destruction, that’s what we expect. Secondly, the international community has been trying to resolve the situation in Iraq through diplomacy for 11 years. And for 11 years, Saddam Hussein has defied the international community. And now we’ve brought the world together to send a clear signal: we expect him to disarm, to get rid of his weapons of mass destruction.” See: <http://www.whitehouse.gov/news/releases/2002/12/20021231-1.html>.

**“Bush Plays Down Rift With Allies Over US Stance on North Korea,”** NYT1/3/03, A1. Bush, answering questions from the press pool in Crawford, Texas, said, “[Neighboring countries] may be putting pressure on and you just don’t know about it. But I know that they’re not reluctant when it comes to the idea of nuclear weapons on the Korean Peninsula. And we are in constant contact with the Japanese and the South Koreans and the Chinese and the Russians.” See: <http://www.whitehouse.gov/news/releases/2003/01/20030102.html>

**“Korea Tensions Put Beijing in a Tight Spot; Asked by Seoul to Pressure North, China Must Balance Old, Conflicting Loyalties,”** WSJ1/3/03, A6. “Yet South Korea, China and Russia all appear hesitant to follow U.S. plans to politically isolate or economically sanction Pyongyang over the nuclear issue. That is largely because the regime’s collapse could seriously destabilize Northeast Asia by prompting huge refugee flows and incurring reconstruction costs.”

**“No Support for Strikes Against N. Korea; Officials Say Pyongyang Has Nuclear Bombs, Altering Context of US Policymaking,”** WP1/2/03, A10.

**“Inside North Korea’s Ruling Elite,”** Asia Intelligence Ltd., London, UK. Suggests that in the context of “North Korea’s moves to restart its nuclear program, the questions of how key decisions are reached, and who by, have become of paramount importance. See: <http://www.asiaint.com/ar1/ar1527.asp>

#### **COMMENTARY**

**“South Korea: Talk Is Better Than No Talk,”** National Journal, 1/11/03, p118. Interview with ROK Ambassador Yang Sung Chul. **“NJ:** So you think the United States made a mistake by cutting off the fuel oil? **Yang:** Any sound policy must start from self-reflection rather than self-righteousness....**NJ:** Do you think the US practices too much unilateralism on Korean issues? **Yang:** Korea today is very different: 80 percent of the population now is post-

---

#### **The Japan Information Access Project**

2000 P Street, N.W., Suite 620  
Washington, DC 20036-6920  
Tel: 202-822-6040 · Fax: 202-822-6044  
[www.jiaponline.org](http://www.jiaponline.org)

Korean War generation. They are young, highly educated, assertive, independent, and they don't have the old baggage of ideology. So Korea in 1950 is very different from Korea in 2003. **NJ:** So you don't necessarily take direction from Uncle Sam? **Yang:** What I'm saying is, Uncle Sam must know what has changed in Korea. In a Korean saying, in 10 years, even mountains and rivers change."

**"Calling North Korea,"** Editorial, NYT1/9/03, A26. "Americans should be willing to help the North's impoverished people, provided that aid doesn't free resources for weapons development."

**"Why Kim Jon Il is Different: Proliferation Threat; That's Why No One is Talking about an Iraqi Solution for Pyongyang,"** Editorial, FEER, 1/9/03, p6.

**"Engaging Mr. Kim; North Korea Should Be Judged at the United Nations,"** Editorial, FT1/8/03, p12. "As in the case of Iraq, the UN Security Council can provide Mr. Bush with exactly the diplomatic forum he needs to contain a rogue state."

**"Kick the (Korea) Can,"** Michael Kelly, Op-Ed, WP1/8/02, A19. "There is, in the end, one stark difference here. We are trying to stop Iraq's madman from acquiring the Bomb. North Korea already has one."

**"The Greatest of Great Men,"** Nicholas D. Kristof, Op-Ed, NYT1/7/03, A23. "The only way out that I can see is to negotiate with North Korea, despite the administration's legitimate concerns about rewarding bad behavior."

**"Seoul May Not Know Best,"** Fred Hiatt (WP Editorial Page Editor), Op-Ed, WP1/6/03, A15. "The point, though, is that South Korea has particular interests that, despite its kinship and proximity to the North, do not always reflect the interests of North Korea's suffering people or of global stability. The same, all wishful thinking aside, is true of Japan, China and Russia. The Bush Administration is right to seek the cooperation of all four countries. But in the end, if it is unacceptable for a ruler such as Kim Jong Il to own a nuclear arsenal – and it should be unacceptable – only the United States will lead the way toward disarmament or regime change."

**"Options for Dealing with North Korea"** by Ted Galen Carpenter (vice president for defense and foreign policy studies at the Cato Institute) Cato Foreign Policy Brief #73, 1/6/03. "It should inform North Korea that, unless it abandons its nuclear program, the United States will encourage South Korea and Japan to make their own decisions about also going nuclear. That prospect might well cause the North to reconsider and keep the region nonnuclear. Even if it does not do so, a nuclear balance of power in northeast Asia might emerge instead of a North Korean nuclear monopoly." <http://www.cato.org/pubs/fpbriefts/fpb-073es.html>

**"Perhaps It's Time South Korea Tried Its Wings,"** Robert Novak, Op-Ed, WP1/6/02, A15. "[T]he wind blowing in Washington and Seoul signifies a change in direction. South Korea has tired of the Americans, and the Americans have grown impatient with South Korea. The second phase of the administration's decision not to negotiate with the North is to make the South responsible for itself, at long last."

**"The Explosive Mr. Kim; America Has Few Options In the Face of North Korean Bomb-Making. Which Holds Lessons For Iraq,"** Editorial, Economist, 1/4/03, p9. "In more ways than seemed possible before Christmas, the credibility of Mr. Bush's foreign policy is now on the line."

**"Games Nations Play,"** Paul Krugman, Op-Ed, NYT1/3/03, A19. "The incentives for North Korea are clear. There's no point in playing nice – it will bring neither aid nor security. It needn't worry about American efforts to isolate it economically – North Korea hardly has any trade except with China, and China isn't cooperating. The best self-preservation strategy for Mr. Kim is to be dangerous. So while America is busy with Iraq, the North Koreans should cook up some plutonium and build themselves some bombs."

**"North Korea Has a Point,"** David Kang (Professor, Dartmouth College), Commentary, FT1/3/03, p9. "Above all, the regime wants better ties with the US. The policy that follows from this is clear: the US should begin negotiating a non-aggression pact with the North. It should let other countries, such as South Korea and Japan, pursue economic

diplomacy if they wish. If the North allows back UN nuclear inspectors and dismantles its reactors, the US can move forward to engagement. But to dismiss the country's security fears is to miss the cause of its actions."

**"The Lesson of North Korea,"** Karen Elliott House (Publisher, WSJ), WSJ1/3/03, A10. "The reason to go to war with Iraq obviously is so that it does not become a nuclear power like Pyongyang. The very reason North Korea has become a nuclear power is a decade of appeasement by previous administrations. And the reason not to go to war with North Korea is only that it has the ability, which Saddam Hussein still lacks, to turn a conventional military action into a regional nuclear war."

**"Outfoxed by North Korea,"** by Leon Fuerth (GWU; National Security Adviser to VP Gore, 1993-2000), Op-Ed, NYT1/1/03, A19. "Like it or not, the administration needs to test the theory that North Korea is trying to force the United States into negotiations."

\*\***"The Japan Card,"** Charles Krauthammer, Op-Ed, WP1/3/03, A19. "We should go to the Chinese and tell them plainly that if they do not join us in squeezing North Korea and thus stopping its march to go nuclear, **we will endorse any Japanese attempt to create a nuclear deterrent of its own.** Even better, we would sympathetically regard any request by Japan to acquire American nuclear missiles as an immediate and interim deterrent. If our nightmare is a nuclear North Korea, China's is a nuclear Japan. **It's time to share the nightmares.**"

**"The Exercise of American Power,"** Editorial, NYT1/2/03, A28. "The world will be watching America closely as the new year unfolds. If Mr. Bush can't find a way to work with leaders like Roh Moo Hyun, South Korea's president-elect, and President Vladimir Putin of Russia, any American diplomatic or military success may prove short-lived. The United States has overwhelming power, but over the long run it will be of use only if it is exercised with self-control."

#### **MORE PROBLEMS**

**"Brazil Needs A-Bomb Ability, Aide says, Setting Off Furor,"** NYT1/9/03, A5. **Roberto Amaral**, newly appointed Brazilian Minister of Science & Technology, said in an interview with BBC Brazil that, "Brazil is a country at peace, that has always preserved peace and is a defender of peace, but we need to be prepared, including technologically. We can't renounce any form of scientific knowledge, whether the genome, DNA or nuclear fission."

---

## **4) OPINION, REPORTS & STATEMENTS**

---



---

### **COVER STORIES**

---

**NATIONAL JOURNAL** – **"The Ultimate Turf War:** The already-difficult job of the new Homeland Security Department is greatly complicated by the fact that multiple congressional committees are vying for oversight rights," 1/3/02, <http://nationaljournal.com/members/news/2003/01/0103nj1.htm> [Limited Access]

**ECONOMIST** – **"The Explosive Mr Kim:** America has few options in the face of North Korean bomb-making, a fact that holds lessons for policy towards Iraq," 1/4/02, [http://www.economist.com/printedition/displaystory.cfm?Story\\_ID=1511974](http://www.economist.com/printedition/displaystory.cfm?Story_ID=1511974) [Limited Access]

**FAR EASTERN ECONOMIC REVIEW** – **"Ambition in A Test Tube:** Singapore is determined to build a life-sciences industry. Money is no object, nor are pro-life pressure groups. But can it clone success in such a high-risk area? Other countries with biotech dreams, take note," 1/9/02, <http://www.feer.com>.

---

#### **The Japan Information Access Project**

2000 P Street, N.W., Suite 620  
Washington, DC 20036-6920  
Tel: 202-822-6040 · Fax: 202-822-6044  
[www.jiaponline.org](http://www.jiaponline.org)

---

---

**JAPAN**

---

---

**JAPAN-BANKING**

---

“**Turmoil Surrounds Sale of Stake in Aozora**,” FT1/10/03, p22. Revelation that Aozora provided inside information to US based Cerberus as the group is trying to acquire a 49% stake from Aozora’s owner Softbank throws negotiations into turmoil.

“**Battle for Bank Turns Dirty; Anti-Foreign Rhetoric Surrounds Aozora Sale**,” FT1/10/03, p22.

**JAPAN-BUSINESS**

---

“**Japan ‘Mulls Quarterly Reporting’**,” FT1/6/03, p16. Nikkei report quoting FSA officials says the FSA will move to make it mandatory for companies to report earnings quarterly instead of semi-annually. [Not on Nikkei Site in English, have Daisuke find in Japanese]

“**Japan Auto Makers Train Their Sights on the US Again: Latest SUV’s, Pickups Focus on the American Driver, as Home Market Shrinks: The Camry’s Tough New Horn**,” WSJ/6/03, A1.

“**Sales of New Vehicles Fall 2% in Japan**,” FT1/7/03, p17. Japan Automobile Manufacturer’s Association (JAMA) and Japan Minivehicles Association released figures showing new vehicle sales of 5.8m in 2002, a 2% decline from 2001. See: <http://www.jama.or.jp/>; <http://www.zenkeijikyo.or.jp/>. [release in Japanese only 1/10/02].

“**Two-speed Japan: A Divide Emerges Between Winners and Losers As the Egalitarian Model Breaks Down; Companies are Firing Workers; Banks Are Cracking Down on Creditors. The Resulting Polarization of Japanese Society is Stoking Debate About the Country’s Economic Future**,” David Pilling, Commentary, FT1/7/03, p11.

“**Analysts Wary of Konica-Minolta Merger Proposal**,” FT1/8/03, p15. \$8.3bn merger planned by end of 2003.

**JAPAN-ECONOMY**

---

“**Govt Set To Take Decisive Steps to Prevent March Crisis: Takenaka**,” NIKKEI Online, 1/8/03.

“**Outlook 2003: Rocky Road Ahead for Japan’s Politics and Economy**,” Oriental Economist, January 2003, Vol. 71, No. 1. Issue also includes an outlook on PM Koizumi’s administration and interviews with Kenji Eda (House of Representatives); Soichiro Tahara (Journalist); Ezra Vogel (Harvard); Carlos Ghosn (Nissan); and Donald Gregg (Korea Society, former ROK ambassador).

“**Call for Bank of Japan to Adopt Inflation Target**,” FT1/6/03, p4. LDP Secretary General **Taku Yamazaki** said during a television interview that the new BOJ Governor to be appointed by PM Koizumi in March should reverse the BOJ’s opposition to inflation targeting.

“**Official Efforts to Talk Down the Yen Fall on Deaf Ears; Markets Respond to Boredom and Irritation to Government’s Four-Pronged Attempt to Slow Appreciation of Currency**,” FT1/8/03, p6. MOF Minister Shiokawa, MOF Vice-Minister for International Affairs Kuroda, MOF International Bureau head Mizoguchi, and FSA and Economy Minister Takenaka all joined the unsuccessful effort to talk the Yen down on 1/7/02.

“**Fiscal Balance Elusive As Japan Lives Beyond Its Means; Tax Rises or Cuts? Politicians Clash Over the Type of Budget they Believe Would Lead to Recovery**,” FT1/8/03, p6.

“**Growth in Monetary Base Slows**,” FT1/8/03, p6. BoJ releases December monetary base figures showing the 16<sup>th</sup> consecutive month of increases, at 19.5% year on year, although the rate of increase has slowed.

---

**The Japan Information Access Project**

2000 P Street, N.W., Suite 620

Washington, DC 20036-6920

Tel: 202-822-6040 · Fax: 202-822-6044

[www.jiaponline.org](http://www.jiaponline.org)

**“The Further From Japan, The Worse It Looks,”** By William Pesek Jr., Bloomberg Online, 1/8/02.  
 “Unfortunately, Japan may need a full-blown crisis before it discards the muddle-through approach.”

### JAPAN-FOREIGN POLICY

---

**“Russia and Japan Ready to Agree \$5bn Oil Pipeline Deal,”** FT1/10/03, p1. Planned 1 million barrels/day would be nearly 1/4 of current Japanese oil imports.

**“Oil Fuels Japan’s Drive For Thaw With Russia; Koizumi’s Objectives On His First Official Visit to Moscow,”** FT1/10/03, p5.

**“Japan Foreign Minister Urges Creation of Pan-Asian Economic Zone,”** NIKKEI Shimbun Online, 1/9/03.  
**Kawaguchi** speech before Federation of Indian Chambers of Commerce and Industry on trip to India.

See: **“Towards a Brighter Future: Advancing our Global Partnership,”** 1/8,

<http://www.mofa.go.jp/region/asia-paci/fmv0301/india.html>

**“Japan to Host Meeting for Sri Lanka Reconstruction,”** NIKKEI Shimbun Online, 1/7/03. **Kawaguchi** told Sri Lankan PM Wickremesinghe on 1/6 that Japan is considering hosting a meeting of international donors in **early-mid June**.

### JAPAN-POLITICS

---

**“LDP Looking to Widen Fund-Raising from Corporations,”** NIKKEI Shimbun Online, 1/4/03. With the Japan Business Federation (formally Keidanren and Nikkeiren) reconsidering its moratorium on political donations in place since 1993, Koizumi and LDP allies are reconsidering their previous unfriendly positions towards donations from big businesses.

**“Koizumi May Dissolve Diet in Effort to Save Administration,”** by Toichi Suzuki, SHUKAN DAIYAMONDO (Weekly Diamond), 01/11/03, p114-116. [FBIS Translation JPP20030106000146 – original title, “Strong Feeling of Mistrust on Economic Policy – As His Support Rate Plunges, Prospect Prime Minister Koizumi Will Resolve [sic] Lower House Becomes Realistic.”]

### JAPAN-SECURITY POLICY

---

**“Defense Chief Ishiba’s Statement on Missile Defense System Creates Stir; Lack of Unification of Views In the Government and Ruling Camp,”** YOMIURI Shimbun, 12/22/02, p4 [US Embassy Translation, 12/27/02]. **JDA Dir.-Gen. Ishiba**, in 12/17/02 press conference after meeting with **Def. Sec. Rumsfeld**, said “Japan will study the missile defense system **with the possibility in mind of entering the development and deployment stages.**”

**“Government Commission OKs Launch of Reconnaissance Satellites by End of March,”** JIJI Press, 1/8/03. [FBIS Transcribed Text JPP20030108000096]. See: Space Activities Commission of MEXT, [http://www.mext.go.jp/b\\_menu/shingi/uchuu/index.htm](http://www.mext.go.jp/b_menu/shingi/uchuu/index.htm) (Japanese Only)

**“Japan: China’s Military Said Likely to Expand with Jiang Remaining in Power,”** SANKEI Shimbun, 1/4/03. [FBIS Translation JPP20030107000062.]

**“Japan Not to Become Major Military Power – Koizumi,”** ITAR-TASS, 1/8/03. [FBIS Transcribed Text CEP20030108000256] PM Koizumi in interview with Russian ITAR-TASS News Agency.

**“US Has A List Of Demands For Asia As US Eyes Iraq,”** FEER 1/16/03. Armitage made it “plain what Washington expects from its close military allies...an alliance includes an obligation “to fight and die” for each other. As the United States struggles to prepare the ground for a controversial war with Iraq, that expectation remains. But what the U.S. needs most from its two closest allies in Asia, Japan and Australia, is strong political backing along with military support.”

---

#### The Japan Information Access Project

2000 P Street, N.W., Suite 620

Washington, DC 20036-6920

Tel: 202-822-6040 · Fax: 202-822-6044

[www.jiaponline.org](http://www.jiaponline.org)

**“How will Japan-U.S. alliance turn out?”** SANKEI, 1/6/03, p 9. [Naoyuki Agawa, minister at the Japanese Embassy in the U.S. and formerly a professor at Keio University] “Japan should make all possible efforts to heighten the 'market value' of its alliance with the United States.”

**“Government's Leasing Of Senkaku Islands Carries Great Significance,”** Editorial, YOMIURI 1/8/03, p3. “The government's step that holds great significance deserves high marks. The government should continue renewing its contracts in order to clearly exhibit Japan's stance.”

**“Japanese Lawmaker: Tokyo, Seoul Should Share SOFA Changes,”** Stratfor Report, 1/8/03. “A ruling party lawmaker in Japan has suggested that Tokyo and Seoul share information while drafting changes to their respective Status of Forces Agreements with the United States. The proposal likely will worry Washington, which faces calls to revise its SOFAs with both nations.” [http://www.stratfor.biz/Story\\_neo?storyId=208928](http://www.stratfor.biz/Story_neo?storyId=208928)

## JAPAN-SOCIETY & CULTURE

**“2002 Annual Estimate of Population Change,”** MHLW, 1/1/03. 1,156,000 births recorded in 2002, down 1.3% (15,000) from 2001 – **the lowest absolute total since records have been kept** beginning at the end of the 19<sup>th</sup> century. Birth rate fell from 9.3 to 9.2 per 1,000 people. Marriages are down 5.6% to 755,000 and divorces rose 2% to 292,000. See: <http://www.mhlw.go.jp/toukei/saikin/hw/jinkou/suikei02/index.html>.

**“Japan Looks at Employing Foreign Nurses,”** FT1/9/03, p7. MOFA: “In Japan, the birth rate is decreasing and this will become a headache for us. Allowing in foreign caregivers would help our society.”

**“Japan: Suicides Soaring Among SDF Members,”** MAINICHI Shimbun, 1/9/03. [FBIS Translation JPP20030109000127]. SDF suicide has risen to worst levels in 10 years with **63 deaths** between April and December, already exceeding the 59 deaths in all of FY2001.

**“Hard Times Bring Misery to Japan's Graduate Job Seekers; The Prospect of Finding Work After College is Becoming Bleak As Unemployment Rate Nears Record High,”** FT1/4-5/03, p3.

## JAPAN-RELEVANT

### ASIAN ECONOMIES

**“Currencies -- Asia's Other Potential War”** By William Pesek Jr.. **Bloomberg Online, 1/6/03.** “Asia's worst economic nightmare may be afoot -- not worsening tensions with North Korea but a falling U.S. dollar.” [http://quote.bloomberg.com/fgcgi.cgi?ptitle=William%20Pesek%20Jr.&touch=1&s1=pesek&tp=ad\\_topright\\_bbco&T=markets\\_fgcgi\\_content99.ht&s2=ad\\_right1\\_bbco&bt=ad\\_bottom\\_bbco&s=APhki0hRMQ3VycmVu](http://quote.bloomberg.com/fgcgi.cgi?ptitle=William%20Pesek%20Jr.&touch=1&s1=pesek&tp=ad_topright_bbco&T=markets_fgcgi_content99.ht&s2=ad_right1_bbco&bt=ad_bottom_bbco&s=APhki0hRMQ3VycmVu)

**“Asian Consumers May Not Be Able to Sustain Region's Growth,”** WSJ1/9/03, A9.

**“South Pacific Islands Hit by Wave of Regulation After Terrorist Attacks; The Cook Islands Are An Unlikely Victim of Tighter Controls On Money Laundering Following September 11,”** FT1/8/02, p3.

**“Rift on Capital Controls Snags Singapore Trade Pact,”** NYT1/9/03, C3.

**“Indonesians Take to Streets to Protests at IMF-Inspired Utility Price Increases,”** FT1/10/03, p5. 10,000 protested in Jakarta.

**“The Spratly Islands Dispute,”** Mark J. Valencia (fellow, East West Center), The 5<sup>th</sup> Column, FEER, 1/9/03, p21. “In sum, the recent decision by the World Court [awarding the Celebes Islands of Ligitan and Sipadan to Malaysia] does not currently favor any particular claimant to the Spratlys or Paracels. What it does, however, is to highlight the weaknesses of their claims. It is high time the claimants resolved these issues among themselves.”

---

### The Japan Information Access Project

2000 P Street, N.W., Suite 620  
Washington, DC 20036-6920  
Tel: 202-822-6040 · Fax: 202-822-6044  
[www.jiaponline.org](http://www.jiaponline.org)

---

**CHINA-ECONOMY**  
-----

**“China’s Most Critical Mass Movement,”** WSJ1/8/03, A12. Exodus from the country to the city.

**“China’s Challenges; Beijing Must Do More to Reform the Financial System,”** Editorial, FT1/3/02, p8. “The appointment of **Zhou Xiao-chuan**, the reformist head of the **China Securities and Regulatory Commission**, as the new governor of the central bank could well provide more impetus to the reform effort. But acknowledging a problem exists is not the same as resolving it. The government will have to move with vigorous alacrity if it is to prevent a financial crisis from breaking over the coming decade.”

**“China Loosens Investment Restrictions,”** FT1/3/03, p12. The **Qualified Foreign Institutional Investors (QFII)** initiative will allow foreign banks, such as HSBC and Citibank, to handle business for foreign institutions investing in the domestic Chinese stock market, the first time foreign investors will be able to trade shares denominated in renminbi.

**“Downturn Punctures China’s Share Trading Myth; Investor Numbers Have Been Wildly Exaggerated – An Unpalatable Fact for a Government Seeking to Boost Markets,”** FT1/4-5/03, p3.

**“Bank Reform May Give China’s Farmers Their Place in the Sun; Introduction of Private Lenders Aims to Revive the Countryside,”** FT1/10/03, p18.

**CHINA-POLITICS**  
-----

**“Chinese Space Effort Challenges Russia and US,”** NYT1/3/03, A4. China disclosed plans on 1/2/02 that it will attempt to launch a manned capsule into orbit by the end of 2003 to become the 3<sup>rd</sup> space-faring nation.

**“China Cracks Down on Protests After Sending Dissident to US,”** NYT1/2/03, A5.

**“Beijing Cracks Down on Civil Servants; Death Knell Sounds for Bureaucrats’ Lifelong Tenure As China Seeks Greater Efficiency,”** FT1/8/03, p6. Ministry of Personnel announced the end of a jobs-for-life system for China’s 30m civil servants.

**ENERGY**  
-----

**“OPEC Plans Big Boost in Output as Fears of War, Shortages Rise,”** WSJ1/7/03, A1. In face of potential oil shortages from Venezuela and Iraq, OPEC is taking the unusual step on calling non-OPEC members such as Russia, Norway and Mexico to produce extra barrels of oil.

**“No Easy Exit From Oil Dependency; Reliance on the Middle East is, Sadly, Inescapable,”** Editorial, FT1/6/03, p10. “The US is taking more oil from Russia and West Africa but the bulk of low-cost reserves still lies under the Opec members of the Middle East. And the latter are likely to account for up to half of world production by 2030 as non-Opec output falls in coming years. US control over Iraq’s oil would not change these fundamental realities.”

**“OPEC’s Fear: ‘If You Have Iraq and Venezuela Out, You Have a Real Crisis;’ The Increase In Production Expected to be Agreed In Vienna This Weekend Owes Less to Altruism Than to a Desire to Mend Fences With the US,”** Carola Hoyos and David Buchan, Commentary, FT1/10/03, p15.

**FOREIGN POLICY**  
-----

**“A Whole New Ball Game; President Bush is Correct to Believe America Will Continue to be the Only Military Superpower. But He Must Also Pay More Attention to ‘Soft Power’ and Multilateral Co-Operation,”** Joseph S. Nye, Jr. (Dean, Harvard’s Kennedy School of Government; Co-Author of “Armitage Report”), Commentary, FT12/28-29/02, Page I. “And it is true that America’s military power is essential to global stability, and an essential part of the response to terrorism. But the metaphor of war should not blind Americans to

---

**The Japan Information Access Project**

2000 P Street, N.W., Suite 620

Washington, DC 20036-6920

Tel: 202-822-6040 · Fax: 202-822-6044

[www.jiaponline.org](http://www.jiaponline.org)

the fact that suppressing terrorism will take years of patient unspectacular civilian co-operation with other countries in areas such as intelligence sharing, police work, tracing financial flows, and co-operation among customs officials... Rather than proving the unilateralists' point, the partial nature of the success in Afghanistan illustrates the continuing need for co-operation. The best response to transnational terrorist networks is networks of cooperating government agencies." See also his new book: *The Paradox of American Power: Why the World's Only Superpower Can't Go it Alone* (Oxford)

**"On the Rise; Criticism of America Is Inevitable and Even Healthy – But Don't Let It Get Out of Hand,"** Editorial, Economist, 1/4/03, p10. "IT is a new form of the old principle of *noblesse Oblige*: in its own interests, America needs its leaders to bend over backwards to nurture its friendships and to show that other people's views matter. As long as their help matters, there is no real alternative."

## GLOBAL ECONOMY

**"SEC Bows to Foreign Pressure on Company Laws,"** FT1/9/03, p1. Exemptions to the Sarbanes-Oxley Act for foreign companies, ONLY. See: <http://www.sec.gov/news/press/2003-1.htm>

**"Most Consumers Still Assume Prices Rise. As They Adjust Their Expectations, the Threat of Deflation Looms Closer; In Spite of Weak Growth and Falling Prices, the Inflationary Mindset is Hard to Break. But if Deflation Does Become Engrained, Policymakers Worry It Will Be Intractable,"** Ed Crooks, Commentary, FT3/02, p7.

**"IMF Still Sees 3.7% Growth This Year,"** NYT1/9/03, W1. IMF Director of External Relations **Thomas Dawson**, speaking at the Hong Kong Foreign Correspondent's Club on 1/8, said that the IMF is holding to its optimistic 3.7% growth forecast for 2003.

See: **"The IMF and Asia: Hopes and Fears,"** <http://www.imf.org> [Address not yet on website 1/10/02]

## HONG KONG

**"Hong Kong on the Slide: A Ballooning Deficit, Threats to Free Speech, Falling Property Prices: Chief Executive Tung Chee-hwa's New Plan Aims to Revitalize the Territory's Battered Economy. But the Government may be Part of the Problem,"** Rahul Jacob and Joe Leahy, Commentary, FT1/9/03, p11.

**"Hong Kong Warned over Deficit,"** FT1/9/03, p1. 1/8 speech by Hong Kong's chief executive **Tung Chee-hwa**. See: <http://www.info.gov.hk/gia/general/200301/08/0108175.htm>.

## IRAQ ISSUES

**"We Don't Invade Iraq. Then What?"** Robert Malley (International Crisis Group; Special Assistant to President Bill Clinton for Arab-Israeli Affairs, 1988-2001), Op-Ed, NYT1/3/03, A19. "The central pillar of any plan needs to be deterrence, with commitments from American allies – possibly backed by a Security Council resolution – for a crushing military response so credible that the regime will understand that any use of weapons of mass destruction, or indeed any threat to its neighbors, would bring its immediate demise. A second pillar would be to induce political change in Iraq... In the longer term, a third pillar would be a Persian Gulf regional security system... Failure to offer practical ideas for what should happen if war does not occur will only make war more likely – either now or when the next crisis is upon us."

**"A Deadline for War Looms as Allied Enthusiasm Fades,"** Philip Stephens, Commentary, FT1/10/03, p17. "The nuclear brinkmanship of the North Korean government has asked again a question ever there but never answered In a world facing myriad threats, is Iraq really at the top of the list? No one thinks the US should strike at Pyongyang instead of Baghdad. And Saddam Hussein is as nasty as they get. But the Korean crisis reminds us that the danger from Iraq is less than clear and far from immediate."

---

### The Japan Information Access Project

2000 P Street, N.W., Suite 620

Washington, DC 20036-6920

Tel: 202-822-6040 · Fax: 202-822-6044

[www.jiaponline.org](http://www.jiaponline.org)

---

**LEADERSHIP**


---

**“The Quiet Power of Condi Rice; Born in ‘Bombingham,’ the Enigmatic Adviser Has Become the ‘Warrior Princess’ – Bush’s Secret White House Weapon,”** Newsweek, 12/16/02, p24-34. Profile of National Security Adviser Condoleezza Rice.

**“Bush Relies on Cheney-Rove Dynamic Duo; Top Advisers Have Obvious Strengths, but Bring Some Baggage to the Table as Well,”** WSJ1/3/03, A4.

**“Veteran Lawmaker Is Restyling Himself As Can-Do Candidate,”** NYT1/6/03, A14. Profile of Democratic Presidential candidate **Rep. Richard A. Gephardt (D-MO)**.

**“Powell and Bush at Cross-Purpose?”** Charles Krauthammer, Op-Ed, WP1/10/03, A21. “Did Powell go to the United Nations to garner support for the president’s policy? Or did he go to undermine that policy and implement instead the preferred Powell policy of ‘containment’ – leaving Hussein in place – by setting up an endless inspection process that keeps America at bay?”

**“U.S. Official Says More Research on Climate Change Still Needed,”** WSJ1/9/03, A4. Assistant Secretary of Commerce **James R. Mahoney**, who heads the administration’s multi-agency task force on climate research, testified to the Senate Commerce Committee on 1/8/03. See: <http://commerce.senate.gov/~commerce/press/03/mahoney010803.pdf>

**OBITUARY**


---

**“Yayori Matsui Dies at 68; Championed Asian Women,”** NYT1/5/03.

**SCIENCE & TECHNOLOGY**


---

**“Tokyo Micromachine/Nanotech Symposium,”** (ATIP03.002, 1/03) Summarizes the presentations and underlying themes of the recent 8th International Micromachine/Nanotech Symposium, which was held at the Tokyo Science Museum on November 14, 2002. <http://www.atip.org/public/atip.reports.03/atip03.002.pdf>

**“Nano Carbon Materials R&D in Asia,”** (ATIP03.001, 1/03). Covers the status of nano carbon research and development in Asia, as abstracted from presentations at the Carbon 2002 meeting, which was held in Beijing, China, in September 2002. Brief summaries are provided for key presentations on carbon nanotubes (CNTs), other nano carbon materials, and nanoscale materials formed through the use of carbon materials. Conference presentations covered many countries within Asia. Most presentations addressed nano carbon R&D in Japan and China. <http://www.atip.org/public/atip.reports.03/atip03.001.pdf>

**SECURITY**


---

**“Crackdown ‘Heightens Singapore’s Terror Risk,”** FT1/10/03, p5.

**See: “White Paper - The Jemaah Islamiyah Arrests and The Threat of Terrorism,”** Singapore Ministry of Home Affairs, 1/9/03. See: <http://www2.mha.gov.sg/mha/detailed.jsp?artid=667&type=4&root=0&parent=0&cat=0>

**Unclassified Report to Congress on the Acquisition of Technology Relating to Weapons of Mass Destruction and Advanced Conventional Munitions, 1 July Through 31 December 2001,** 1/7/02, CIA. Indicates that countries of concern to the US are becoming more aggressive in pursuing a range of advanced technologies. The report looks at WMD and advanced conventional weapons programs associated with Iran, Iraq, North Korea, Libya, Syria, Sudan, India, and Pakistan. It also examines the threats posed by chemical, biological, radiological, and nuclear (CBRN) terrorism. Cites Russia, China, and North Korea as being key suppliers of various technologies and weapons expertise.

**For Report:** [http://www.cia.gov/cia/publications/bian/bian\\_jan\\_2003.htm](http://www.cia.gov/cia/publications/bian/bian_jan_2003.htm)

---

**The Japan Information Access Project**

2000 P Street, N.W., Suite 620  
 Washington, DC 20036-6920  
 Tel: 202-822-6040 · Fax: 202-822-6044  
[www.jiaponline.org](http://www.jiaponline.org)

“As 2 Crises Swirl, UN Nuclear Agency Gains a Bigger Profile, and Bigger Problems,” NYT1/6/03, A11. See: IAEA, <http://www.iaea.org>; Full Coverage: North Korea, <http://www.iaea.org/worldatom/Press/Focus/IaeaDprk/>; Full Coverage: Iraq, <http://www.iaea.org/worldatom/Press/Focus/IaeaIraq/index.shtml>

“Space: A Critical Issues Workshop; Reflections On the Past and Concerns for the Future,” Baker Institute for Public Policy, December 2002, No. 20. See: [http://www.bakerinstitute.org/Pubs/studies/bipp\\_study\\_20/index.html](http://www.bakerinstitute.org/Pubs/studies/bipp_study_20/index.html).

## SOUTH ASIA

-----

“India Sets Up Nuclear Arsenal Command Structure,” FT1/6/02, p4. After 1/4 Cabinet Committee on Security (CCS) meeting, India set up its first Nuclear Command Authority delineating clear responsibility and protocol for its nuclear arsenal. See: <http://pib.nic.in/archieve/lreleng/lyr2003/rjan2003/04012003/r040120033.html>.

“Anti-American Sentiment Sweeps Across Pakistan,” FT1/4-5/03, p3.

“US Troops To Avoid Action on Border With Pakistan,” FT1/8/03, p6.

“US Officer Provokes Anger in Pakistan,” FT1/4-5/03, p1. Major Stephen Clutter at Bagram air base in Kabul said on 1/3/03 that, “It has been a longstanding policy that if we are pursuing enemy forces, we are not just going to tiptoe and stop right hen we get to the border. We do reserve the right to go after them and pursue them and that is something Pakistan is aware of.” Major Clutter’s comments came after a US aircraft bombed a religious school on the Afghan/Pakistani border and fire was exchanged between US soldiers and a Pakistani Border Guard.

“Sri Lanka Peace Talks At Impasse,” FT1/10/03, p5.

## SOUTH KOREA

-----

“China ‘Looking Large’ in South Korea As Biggest Player, Replacing the US,” NYT1/3/03, A10.

“Korea Feeling Pressure as China Grows,” NYT1/8/03, W1.

“South Korea, Once a Solid All, Now Poses Problems for the US; Seoul Challenges American Policy on the North,” NYT1/2/03, A1.

“G.I.’s in South Korea Encounter Increased Hostility,” NYT1/8/03, A10.

## STEEL

-----

“A Contrarian Bets That Steel Has A Future; Plan to Buy Most Assets of Bankrupt Bethlehem,” NYT1/7/03, C1. Wilbur L. Ross Jr. to buy most of Bethlehem Steel for \$1.5billion. See: <http://www.bethsteel.com/>.

“US Steel Set To Buy National’s Assets for \$950m; Rescue Furthers Consolidation,” FT1/10/03, p23. See: [http://www.ussteel.com/corp/investor\\_shareholders/US%20Steel%20to%20Acquire%20National%20Steel%20Assets\\_010903.pdf](http://www.ussteel.com/corp/investor_shareholders/US%20Steel%20to%20Acquire%20National%20Steel%20Assets_010903.pdf).

## TAIWAN

-----

“A Head Finds its Way Back Home: In Rare Gesture, Buddhist Leader in Taiwan Makes a Statue in China Whole,” NYT1/9/03, B1. 7<sup>th</sup> century Akshobhya Buddha head stolen in 1997 from the Four Gate Pagoda in Shandong Province turned up in Taiwan as a present to Buddhist master Sheng-yeng, founder of the Dharma Drum Mountain Buddhist Association.

---

### The Japan Information Access Project

2000 P Street, N.W., Suite 620  
 Washington, DC 20036-6920  
 Tel: 202-822-6040 · Fax: 202-822-6044  
[www.jiaponline.org](http://www.jiaponline.org)

---

**TELECOMMUNICATIONS**


---

**“Is America Exporting Misguided Telecommunications Policy? The U.S.-Japan Telecom Trade Negotiations and Beyond”** by Motohiro Tsuchiya (associate professor, Center for Global Communications, International University of Japan) and Adam Thierer (director of telecommunications studies at the Cato), Cato Institute, *Briefing Paper #79*, 1/7/03. This Japan-sponsored study finds “The USTR must discontinue efforts to impose American telecommunications regulations on other countries as part of free-trade negotiations and should instead focus on reforming or eliminating the most serious barriers to foreign direct investment both here and abroad.” [NB It is very similar to one produced at the AEI-Brookings Joint Center for Regulatory Center last year. This issue is also moot as last fall the FCC came around to Japan’s view.]

**For Report:** <http://www.cato.org/pubs/briefs/bp-079es.html>

**TRADE**


---

**“US in Ambitious Set of Talks for Free Trade Deals,”** FT1/9/03, p5. US and several Central American Countries (Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua) launch negotiations to establish a free trade area (CAFTA) by December 2003. US is also pursuing FTAs with Morocco and with the Southern Africa Customs Union. See: **USTR announcement**, <http://www.ustr.gov/new/fta/cafta.htm>.

**“US Ready to Declare War Over GM Food; Zoellick Prepared to Launch WTO Case Against European Union Over Genetically Modified Food,”** FT1/10/03, p5.

**US ECONOMY**


---

**“Surprise Sign of US Manufacturing Recovery; Stocks and Dollar Rally as Factory Output Index Jumps; Bush to Unveil Stimulus Package Next Week,”** FT1/3/02, p4. **Institute for Supply Management (ISM) 1/2** manufacturing index based on a survey of executives rose above the growth/contraction threshold of 50, to 54.7 in December from 49.2 in November, beating expectations. See: <http://www.ism.ws/ISMReport/ROB012003.cfm>.

**“War’s Cost May Dwarf Stimulus Effect,”** WP1/8/03, A6. “The president’s determination to push more tax cuts as the nation prepares for war has struck some economists as folly...Moreover, no tax policy at the moment could actually address what many economists believe to be the greatest drag on the nation’s economy: the uncertainty of war.”

**“Dollar Falls Out of Step With Economy; US Officials Can No Longer Be Confident That Buoyant Growth Will Automatically Prop Up the Currency,”** FT1/10/03, p3.

---

## 5) WEBSITE OF THE WEEK

---

**North Korea Special Weapons Guide**

Review developed by the Washington-based Federation of American Scientists

URL: <http://www.fas.org/nuke/guide/dprk/>

---

**The Japan Information Access Project**

2000 P Street, N.W., Suite 620  
 Washington, DC 20036-6920  
 Tel: 202-822-6040 · Fax: 202-822-6044  
[www.jiaponline.org](http://www.jiaponline.org)

---

## 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>
- \*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>

---

### The Japan Information Access Project

2000 P Street, N.W., Suite 620  
Washington, DC 20036-6920  
Tel: 202-822-6040 · Fax: 202-822-6044  
[www.jiaponline.org](http://www.jiaponline.org)