

APW

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1. JIAP NEWS

Asian Criminal Networks: North Korea, Japan, and the East Asian Underworld Nexus

Tuesday, March 11, 2003, Noon – 1:30 PM

Speaker: David E. Kaplan, co-author YAKUZA: Japan's Criminal Underworld

A new book discussion with the co-author of "YAKUZA: Japan's Criminal Underworld." Brown Bag Lunch Discussion. Soda and Cookies provided. Copies of the book will be available for sale and signing. A special discount for JIAP members.

Location: The Law firm of McKenna Long & Aldridge, LLP 1900 K Street, NW, Suite 100, Reservations necessary, Free for JIAP members, \$10 for nonmembers, 822-6040, sdrewry@jiaponline.org

Contents: COVER STORIES, JAPAN: Japan Banking, Japan Business, Japan-Economy, Japan-Foreign Policy, Japan-Missile Shield, Japan-Security, Japan-Society & Culture; Japan-Trade **JAPAN RELEVANT:** Australia, China-Economy, China-Foreign Policy, China-Politics, Energy, Foreign Policy, Global Economy, Indonesia, Intellectual Property, Iraq Issues, Leadership, North Korea Crisis, Obituary, Security, South Korea, Science & Technology, Southeast Asia, 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.

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

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2) MEMBER NEWS

Please pay your dues!

3) CRITICAL REPORTS

“Japan Wakes Up,” Editorial, WSJ/20/03. While "old" Europe and new are duking it out over Iraq, on the other side of the globe pacifist Japan has been morphing quietly into a more assertive, regional power. Not only does the new Japan support the U.S. position on Iraq, it has been sending some very public warning signals to North Korea.... Nevertheless, Tokyo's new assertiveness is significant and positive. Imperial Japan's brutal invasion and occupation of its neighbors during World War II has left such deep scars in Asia that until now projection of national power by democratic Japan was practically unthinkable. Now, however, instead of ignoring North Korea's bad behavior as in the past, Tokyo has recognized its own national interest in making deterrence work.... If there is a danger to the new Japan's assertiveness, it is that it might decide down the road to go nuclear -- though this is unlikely so long as Japan feels defended by the U.S. nuclear umbrella. But that potential danger is all the more reason for the world to unite to pressure North Korea to give up its nuclear ambitions.

<http://online.wsj.com/article/0,,SB1045705612248892423,00.html>

North Korea

“Korea Can’t Wait,” Brent Scowcroft (former National Security Adviser and president of the Forum for International Policy) and Daniel Poneman (former National Security Council staff), Op-Ed, WP2/16/03, B7. “If the United States offers a clear vision of the diplomatic solution it favors – and a road map to get there – it can mobilize an international consensus on the North Korean challenge. Only a united international community can muster enough pressure to induce North Korea to reverse course. Otherwise, we will soon face a rampant plutonium production program that could spark a nuclear arms race in Asia and provide deadly exports to America’s most implacable enemies.”

North Korea and the South Korean Economy by Marcus Noland, Senior Fellow Institute for International Economics, Paper presented to the Roh Government Transition Team, Seoul, Korea, February 24, 2003. This paper makes the following three arguments: (1) engagement with the aim of transforming North Korea is a desirable policy from the standpoint of South Korea; (2) collapse and absorption along German lines would *not* be catastrophic for South Korea; and (3) regardless of South Korea's stance toward the North, it remains economically vulnerable to the vagaries of North Korean behavior. <http://www.iie.com/papers/noland0203.htm>

“Roh Stresses Opposition to US Action on North Korea,” FT2/20/03, p7. Pres. elect Roh Moo-hyun gave his most explicit opposition to US military action yet on 2/19, saying, “I oppose even considering an armed attack on North Korea at this stage because that can provoke a war which would have serious consequences.”

Direct dialogue holds key to solving DPRK nuclear issue, Chinese official paper,” Xinhuanet 2/19/03. “Despite positive results achieved so far through diplomatic meditation by the international community, face-to-face dialogue between the United States and the Democratic People's Republic of Korea (DPRK) remains the key to solving the DPRK nuclear issue, said the leading Chinese newspaper, the People's Daily, on Wednesday.”

http://news.xinhuanet.com/english/2003-02/19/content_735951.htm

Nuclear Japan?

“95 study: Japan and nukes don't mix,” Asahi Shimbun Online, 2/20/03. “The most recent government study into the practicality of Japan developing nuclear weapons flatly dismissed the idea, saying it was not in the nation's best interests. With concern growing that North Korea is on the verge of developing a nuclear arsenal, some within Japan are calling for a like development of nuclear weapons. A copy of the Defense Agency's 1995 internal study report was obtained by The Asahi Shimbun.”

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“**N-arms not in Japan's best interest,**” Yomiuri Shimbun Online, 2/21/03. “An internal Defense Agency report drawn up in 1995 which studied whether Japan should possess nuclear weapons concluded that doing so was not in the nation's best political or economic interests, it was learned.The report detailed discussions held between senior agency officials and then Administrative Vice Defense Minister Shigeru Hatakeyama in May 1995, following the North Korean nuclear crisis in 1994. It said, "The current discussion in favor of owning nuclear weapons lacks sufficient study into the negative impact. Meanwhile, the idea that not possessing nuclear weapons is detrimental is not sufficiently backed by military theory." <http://www.yomiuri.co.jp/newse/20030221wo02.htm>

War Hubris

“**Bush: Iraq Can Be Lesson To US Foes; President Also Cites Rebuilding Plans,**” WP2/21/03, A20. Pres. Bush, in 2/20 speech in Atlanta, said, “By defeating this threat, we will show other dictators that the path of aggression will lead to their own ruin.” See: <http://www.whitehouse.gov/news/releases/2003/02/20030220-2.html>.

4) OPINION, REPORTS & STATEMENTS

COVER STORIES

NATIONAL JOURNAL – “**Life, Liberty And Property:** The changes in our politics can best be seen through the original words of the Declaration of Independence,” 2/14/03, <http://nationaljournal.com/members/news/2003/02/0214nj1.htm>, [limited access].

ECONOMIST – “**How Deep is the Rift?:** The Atlantic alliance, NATO, the United Nations and the European Union have been gravely weakened by the events of recent days. Good-faith differences over Iraq are part of the story, but only part. Also blame shifting attitudes and awful leadership—above all, by France's Jacques Chirac,” 2/15/03, http://www.economist.com/printedition/displaystory.cfm?Story_ID=1576751 [limited access].

FAR EASTERN ECONOMIC REVIEW – “**Managing The Mandarins:** How China's New Bureaucracy Will Affect Your Business: China's new leaders want to reorganize major state bodies. The big worry is whether they can fix deep-seated problems or whether botched restructuring might only make them worse,” 2/20/03, http://www.feer.com/articles/2003/0302_20/p026china.html.

ACCJ JOURNAL – “**Look, No Film:** Traditional rivals and high-powered newcomers in the photo-film industry jostle for the ride of a lifetime on the digitization wave,” December 2002, <http://www.accj.or.jp/details.php?id=journal>.

JAPAN

JAPAN-BANKING

“**Call for Japan to Auction Problem Loans,**” FT2/17/03, p20. Naoto Kan, DPJ head, said 2/16 that Japan's NPLs should be auctioned worldwide to firms like Ripplewood, despite Japanese fears of US “vulture” firms. Kan also recommended a deliberate devaluation of the yen in concert with international partners. See: <http://www.dpj.or.jp/english/>.

“**Sumitomo Offer of 2-3% Dividend Reflects Competition; Japan's Second-Largest Bank to Provide Downside Protection; Goldman Sachs to Receive More Favorable Terms Due to Initial Support from US Bank,**” FT2/20/03, p18. See: <http://www.smfg.co.jp/english/>.

JAPAN-BUSINESS

“**Higher Cost of NTT Access Causes Storm,**” FT2/17/03, p20. MPHPT has compiled a plan to raise NTT access fees by 5% over two years to protect NTT from declining use of telephone usage.

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“Action at Keidanren; The Man At the Helm of the New and Powerful Japan Business Federation has Very Particular Ideas About Who Should Spearhead the Nations’ Economic Recovery,” by Richard Hanson (Founding Editor, Publisher, Japan Financial Report), ACCJ Journal, 12/2002, p20-23. <http://www.accj.or.jp>

“SMFG Shores Up Finances With Issue Plan; Japan’s Number-two Makes Measures to Deal with Potential Problems on Capital Adequacy Ratio,” FT2/17/03, p20. Sumitomo Mitsui Financial Group (SMFG) will soon announce plans to raise between ¥200bn-300bn from the issue of preferred stock. See: <http://www.smfg.co.jp/english/>.

JAPAN-ECONOMY

“Consumer Sentiment Weakens, Econ View Kept Unchanged: Govt Report,” Nikkei Online, 2/20/03. See: <http://www5.cao.go.jp/keizai3/getsurei-e/2003feb.html> [Provisional translation of Executive Summary]

“Japan’s Fiscal Year Winds Down, With Less Anxiety,” NYT2/20/03, W1. No fears of imminent collapse as March 31 approaches, though banks remain in a dire situation.

“Hayami's Yen May Outshine Greenspan's Dollar,” By William Pesek Jr., Bloomberg Online, 2/17/03. “It really is a race to the bottom. Japan is stepping up efforts to weaken the yen, and the U.S. isn't exactly fighting the dollar's slide. For the first time in years, the world's two biggest economies may simultaneously desire a more competitive exchange rate....The conventional wisdom may say Japan's currency is headed lower versus the dollar, but Hayami's yen may surprise those betting on Greenspan's dollar.”

http://quote.bloomberg.com/fcgcgi.cgi?ptitle=William%20Pesek%20Jr.&touch=1&s1=pesek&tp=ad_topright_bbc0&T=markets_fcgcgi_content99.ht&s2=ad_right1_bbc0&bt=ad_bottom_bbc0&s=APIE5qhYbSGF5YW1p

“Japanese economy on thin ice; Shrinking consumption; Heavy debts casting shadow over individuals,” NIHON KEIZAI, 2/15/03, p1, [US Embassy Translation 2/19/03]. “Women now spending less; Female consumers as a supporting prop for personal consumption have been the hope of the retail industry, but their consumption is now slowing.” “What lies in the background is consumer jitters. Consumers, who had begun to loosen their purse strings, have now begun to take on a self-defensive side, alarmed by a slowdown in exports, stock plunges and cuts in winter bonuses since last fall. The December consumer behavior index, which indicates consumer sentiment, saw a substantial drop of 1.5 percentage points, compared with the level in the previous survey.” “Japan's economic cycles in the 1990s were determined by overseas demand. Japan's index of coincident indicators generally coincided with the U.S.' mining and manufacturing production. The circuit of shifting to domestic demand-led self-reliant recovery with exports serving as a trigger is not functioning well. In order to get this function to work, it is crucial to make policy efforts including the creation of demand that will cut off the deflationary spiral and deregulation.”

JAPAN-FOREIGN POLICY

Pros and cons of a war with Iraq: Not "support" but "understanding," says Fumio Kyuma, deputy chairman of the Liberal Democratic Party Policy Research Council,” ASAHI, 2/14/03, p4, [US Embassy Translation 2/18/03].

-- *The Japanese government is set to work together with the U.S.*

Kyuma: Given the past circumstances about our country's ties with the U.S., Japan cannot say no. But Japan also finds it difficult to assume that strong a position as to allow us to say we will "support" [the U.S.]. All Japan can do now is no more than saying, "we understand" [the U.S. position]. The U.S would interpret this phrase to mean that Japan has given its support, and Japan would not deny that. Generally, things would go like this.

-- *If asked about your opinion, what would you say?*

Kyuma: I would say that it's not appropriate to use the word "support." "Understanding" would suffice.

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JAPAN-MISSILE SHIELD

“Japan, US to Conduct Joint Experiment to Intercept Missiles,” Nikkei Online, 2/17/03. US and Japanese officials decided 2/16 to conduct ABM testing off Hawaii two years from FY2004 and planned to decide after completion of tests by FY2005 to continue on to full-scale development and deployment.

“ANALYSIS: US-Japan Interceptor Missile Scheme Faces Hurdles,” Nikkei Online, 2/17/03. Joint missile development could violate Japan’s prescription on the export of military equipment. Joint operation would also conflict with the constitutional prohibition on “collective defense,” because of the necessity to fire interceptors before current technology could determine if a missile is headed for Japan. Backlash from China and North Korea as well as budgetary restrictions are other important limiting factors.

“Defense Agency to Seek ¥10bn for Missile Shield in FY04,” Nikkei Online, 2/19/03. JDA expects to spend ¥20bn for planned joint tests with the US in FY2004. Japan has spent ¥15bn over past five years and has budgeted ¥1.9bn for FY2003.

“Deeper Ties to Academia Needed on Anti-Missile System: Ishiba,” Kyodo News, 2/18/03. [FBIS Transcribed Text, JPP20030218000061]. JDA Chief Ishiba testified before the House of Representatives Budget Committee on 2/18.

“Ishiba, US Aldridge Meet, Agree to Enhance Information Exchanges on BMD,” Jiji Press, 2/20/03. [FBIS Transcribed Text JPP20030220000114]. JDA Chief Ishiba and US Undersecretary of Defense for Acquisition, Technology and Logistics Pete Aldridge met in Tokyo on 2/20.

JAPAN-POLITICS

“As Koizumi Looks for a New Central Bank Governor, Will Japan End a Decade of Paralysis Over Deflation? Prices Have Been Falling in Japan Since 1995. The Identity of the Bank of Japan’s New Boss Is Likely to Offer a Clue About How the Government Plans to Treat the Economy’s Ills,” David Pilling, Commentary, FT2/17/03, p11. “Glenn Hubbard, chairman of President George W. Bush’s Council of Economic Advisers, believes the impasse [between structuralists and reflationists] is based on a false dichotomy. Japan needs both structural reform and relation, he says. The problem is that different diagnoses of deflation lead to very different remedies. If the Japanese economy is like a grounded ship, the reflationists want to float it off the rocks. The structuralists want to chop it up and rebuild a sleeker, faster vessel.”

“Koizumi whipped by antiwar backlash,” Mainichi Shimbun Online, 2/19/03. “Japan’s declaration of support for the U.S. hard-line stance on Iraq at the United Nations Security Council on Feb. 18 incurred a domestic backlash as a global chain of protests against Washington’s countdown to war is growing.....But politicians of the opposition camp and even from Koizumi’s Liberal Democratic Party (LDP) said the prime minister and the Foreign Ministry should have given a detailed explanation to the public before declaring the nation’s support for Washington. <http://mdn.mainichi.co.jp/politics/index.html>

“U.N. speech on Iraq ignites political passions at home,” Asahi Shimbun Online, 2/21/03. “Japan’s clear support for the American and British position on Iraq has set off domestic political repercussions....Japan and Australia were the only two of 26 nations giving speeches Tuesday that supported the passage of a new U.N. resolution. <http://www.asahi.com/english/international/K2003022100300.html>

JAPAN-SECURITY

3/28 – Japan to launch its first intelligence-gathering satellites from Tanegashima Space Center and will be fully operational by Summer 2003.

Oil industry draws up three scenarios on Iraq situation: (1) short-term settlement of war – rise in oil prices to about 40 dollars (80 percent probable), (2) spillover effect on neighbors – continuous high prices for several

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months (15 percent probable), (3) oilfield bombing – destruction of world economy (5 percent probable); Postwar oversupply also concerned,” SANKEI, 2/20/03, p8, [US Embassy translation 2/21/03].

“Ishiba Suggests SDF Could Guard US Bases in War,” Kyodo News, 2/21/03 [FBIS Transcribed Text JPP20030210000069]. JDA Chief Ishiba told a news conference on 2/21 that SDF could guard US bases if needed under Special Measures Law of October 2001.

“DA Chief Ishiba Says Japan to Keep Non-Nuke Principles Even if DPRK Goes Nuclear,” Kyodo Clue II (internet Version), 2/18/03. [FBIS Transcribed Text JPP20030219000035]. More Ishiba Budget Committee testimony.

“Japan’s Pacifism Eroded by Threat: Public and Troops React to N. Korea,” WP2/15/03, A22. Special forces, nuclear discussions, troops moved closer to Korea, satellites, Aegis in the Indian Ocean. Greater role for SDF as threat from N. Korea grows.

“METI Eyes Comprehensive Measures to Fight Cyberterrorism,” Nikkei Online, 2/18/03. METI will establish a joint government-private sector center to monitor Japan’s communications networks for cyberattacks along with another center to assess private sector computer security weakness. METI will also enact legislation to punish those responsible for creating and spreading viruses.

“Japan, US to Exchange Weapons Technicians,” Jiji Press, 2/19/03. [FBIS Transcribed Text JPP20030219000100]. One technician from the JDA’s Technical Research and Development Institute will be exchanged for a member of a US military research body as early as March.

Mainstream and Right come together

“Scholar Urges Japan to Approve Emergency Legislation, Embrace Self-Defense Rights,” by Prof. Terumasa Nakanishi (Kyoto University), Seiron Column, Sankei Shimbun (Internet Version), 2/17/03. [FBIS Translated Text JPP20030218000003]. “In viewing the current imminent North Korean crisis, we must not only seek early approval of the emergency legislation during the current session of the Diet, but proceed with a political decision to embrace the use of collective self-defense rights. The reason is that a display of ‘Japan’s resolve’ to proceed in such a direction will deter any crisis before it develops.”

“Making Concessions to North Korea Not Necessary; Defense Emergency Legislation Should be Readied Immediately,” Prof. Shinichi Kitaoka (Tokyo University), Yomiuri 2/13/03, p13. [US Embassy Translation 2/19/03]. “Japan has to maintain a dauntless attitude without making any concessions. Aside from a very small scale of humanitarian assistance, it is not possible for Japan to render economic cooperation before diplomatic ties are established with the North. There will be no diplomatic normalization before the abduction and nuclear problems are solved. It is equally necessary for Japan to respond to North Korea’s unlawful activities, by, for instance, immediately consolidating the defense emergency legislation. Countries like North Korea comprehend nothing other than the logic of force. Japan should be free as with any country in defending itself, because that is a right given to any state. The Social Democratic Party is still insisting that the defense emergency legislation will whip up (anti-Japanese feeling in) Asia. I can only say that such a claim is incredible.”

JAPAN-SOCIETY & CULTURE

“What Do Women Want; Average Household Spending Fell in Real Terms for the Ninth Straight Year in 2001. It was Still Worth ¥136 trillion, However. With Japanese Women Making 70-80% of the Purchasing Decisions, Early Identification of Trends in Their Shopping Patterns is Crucial,” by Jennifer Hanawald, ACCJ Journal, December 2002, p24-27.

“Pollees: Emancipate women,” Yomiuri Shimbun, 2/19/03. “Seventy-three percent of people oppose the conventional Japanese idea that men should work outside the home and women should do the housework, according to a Yomiuri Shimbun survey on gender issues released Wednesday. The figure was 13 percentage points higher than that recorded in a similar poll taken in July 1998.”

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JAPAN –TRADE

“Tokyo To Sign Customs Pact With Seoul, Paving Way for FTA,” Nikkei Online, 2/21/03.

JAPAN-RELEVANT

AUSTRALIA

“Howard Seeks to Calm Fears in Jakarta on War Fallout,” FT2/15-16/03, p4. Australian PM John Howard visits Indonesia on 2/15 to assuage fears that the US-led and Australian supported war on Iraq was not a war against Islam. See: Remarks following PM Howard’s meeting with Indonesian President Sukarnoputri, 2/15, <http://www.pm.gov.au/news/interviews/2003/interview2147.htm>; Press Conference, 2/15, <http://www.pm.gov.au/news/interviews/2003/interview2145.htm>.

CHINA-ECONOMY

“China Trade Surplus Will Boost Global Growth, Says Zoellick,” FT2/18/03, p7. On trip to China, USTR Zoellick said that China’s surplus is important to US economy, though it is important that US products have fair access to Chinese markets. See: <http://www.ustr.gov/releases/2003/02/2003-02-17-pc-Beijing.PDF>.

“US Official Cites Progress in Trade Ties With China,” NYT2/20/03, A5. After 3 days of meetings in China, USTR Zoellick says at a press conference, “There has been good progress, there’s more work to do, and I also leave with a sense of tremendous opportunity.” See: <http://www.ustr.gov/> [transcript not yet on website 2/21]

“China’s Water Project Heralds Market Prices,” FT2/20/03, p7. China’s plan to divert water from the Yangtze river in the south to parched cities in the north will be accompanied by a rise in water prices.

“Goldman Sachs Sets Up China Growth Index,” FT2/15-16/03, p5. Unsatisfied with official data, Goldman Sachs sets up China Activity Index. See: <http://www.goldmansachs.com/hkchina/index.html>.

“Ambitious Issues Flood Chinese IPO Pipeline; China Bucks Global Malaise,” FT2/17/03, p20.

“Red Tape Foils Carmakers’ Move on China; After Two Years of Consultations Auto Giants Seem Resigned to Further Delays Before Setting Up Finance Businesses,” FT2/18/03, p17.

CHINA-FOREIGN POLICY

“Peking Duct Tape,” Thomas L. Friedman, Op-Ed, NYT2/16/03, WK11. “It is quite legitimate for China to oppose war in Iraq or North Korea. But why isn’t China’s foreign minister going to Baghdad and Pyongyang, slamming his fist on tables and demanding that their leaders start complying with the UN to avoid war? I understand you don’t want us to be impulsive, but why are you so passive? One more 9/11, one bad Iraq war that ties America down alone in the Middle East and saps its strength, well, that may go over well with the cold warriors in the People’s Liberation Army, but in the real world – in the world where your real threat is not American troops crossing your borders but American dollars fleeing from them – you will be out of business.”

CHINA-POLITICS

“Rising Star Named New Shanghai Mayor,” FT2/21/03, p6. Han Zheng named mayor Shanghai, widely seen as a stepping stone for top national leadership.

ENERGY

“Oil Cartel Ready To Lift Output Ceiling,” FT2/20/03, p2.

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FOREIGN POLICY

2/21 - Secretary of State Colin Powell leaves for Japan, China and South Korea for a four-day trip expected to focus on trying to end North Korea's suspected nuclear weapons program. Powell will travel to Tokyo on Saturday, to Beijing on Sunday and to Seoul on Monday to attend Tuesday's inauguration of South Korean President-elect Roh Moo-hyun.

“Powell in Asia; Time to Pay Attention to America’s Other Crisis,” Editorial, FT2/21/03, p12. “[T]here is a package of measures that could unsnarl the crisis. One might involve the US formalizing its pledge not to use force against North Korea; this would be short of the latter’s request for a Soviet-style ‘non-aggression pact’ and cannot be unconditional in the event of North Korean violations. Another could provide for mutual force reductions by the US and North Korea. Both measures would have to be predicated on – perhaps preceded by – North Korea re-assuming all its arms control obligations and re-opening all nuclear installations to inspection. Such a deal would be hard for both sides. Each distrusts the other and wants to save face. But the preferability of peace over conflict must be clear, even to erratic North Korea.”

“Korean Issue Shapes Powell’s Asia Agenda,” NYT2/21/03, A15. Sec. State Powell departs 2/21 for five day trip to Japan, South Korea and China. He will attend Pres. Roh’s inauguration on 2/25.

“Iran: The Axis, Part III,” National Journal, 2/15/03, p512. “While the World’s attention focuses on the weapons ambitions of Iraq and North Korea, the third member of President Bush’s ‘Axis of Evil,’ Iran, steadily pursues its nuclear program and at the same time openly supports terrorists.”

GLOBAL ECONOMY

2/21-22 – US TREASURY SECRETARY JOHN SNOW Attends the G7/G8 meetings in Paris, France.

“The G-7 Faces Dealing With ‘Japan Disease,’” By William Pesek Jr. , BBC Online, 2/19/03. “Topping the list of issues the Group of Seven nations should discuss in Paris this weekend is keeping ‘Japan Disease’ from breaking out around the globe. . . . With central banks bailing out every crisis in sight, governments have little incentive to fix their problems. Why meddle with messy issues like deregulation, labor reform and financial systems if a central banker will help you cover the cracks? That's certainly the cautionary tale offered by Japan.

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=APIPz8RQ4VGhIEct

“Calpers Sticks to Ethical Stance,” FT2/20/03, p17. World’s largest and most powerful public pension fund of California (worth \$133bn) will continue its Socially Responsible Investment (SRI) policy in emerging markets after an investment committee voted to continue. Calpers will not invest in: China, Columbia, Egypt, India, Indonesia, Malaysia, Morocco, Pakistan, Russia, Sri Lanka, Thailand and Venezuela. See: <http://www.calpers.ca.gov/whatshap/calendar/board/invest/>.

INDONESIA

“Indonesia Sees Robust Growth,” FT2/18/03, p6. Indonesian GDP grew 3.66% in 2002. See: <http://www.bi.go.id/sdds/> [Not yet on website 2/19/03].

“Indonesia is Slowly Regaining Control of Itself,” Jusuf Wanandi (co-founder and member, board of trustees, Center for Strategic and International Studies, Jakarta), Commentary, FT2/18/03, p15. “While Indonesia has moved in the right direction, too many weakness remain. Only a credible national leadership can ensure that reform is sustained. That means next year’s general elections are crucial – not just for Indonesia but for the region.”

“US Praises Indonesia for its Fight on Terrorism,” NYT2/17/03, A12. In a marked departure from previous criticism, US ambassador to Indonesia Ralph L. Boyce wrote in a letter to American diplomats praising Indonesia’s efforts to counter terrorism, writing “progress on every one of our benchmarks has been extraordinary. . . . There has

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been no new credible threat information against the official American community” in Indonesia for nearly two months. See: <http://jakarta.usembassy.gov/>.

INTELLECTUAL PROPERTY

“Exams To Certify Intellectual Property Mgt Skills,” Nikkei Online, 2/18/03. New organization to administer the IP exams will be launched as early as 11/2003. Organization set up by Yuji Tanabashi, former MITI Administrative Vice-Minister and Shoji Suzuji, former head of Japan Patent Attorneys Association.

“Chinese Court Hands Victory to Nike in Trademark Case,” FT2/21/03, p6. Nike winds landmark victory in Chinese court over the illegal use of its name and symbol by Spanish company Cidesport, which owns the rights to the name in Spain.

IRAQ ISSUES

“French Oil Firm Sees Future in Iraq; Industry Debates Postwar Business Before a Shot is Fired,” WP2/21/03, E1. TotalFinaElf SA, France’s principal oil company, has over 75 years of experience in Iraq, which it believes will give it an edge over future competitors after new regime in Iraq is in place. See: <http://www.totalfinaelf.com/ho/fr/index.htm>.

“Defeating Prejudice With Persuasion,” Gerard Baker, Commentary, FT2/20/03, p13. “With a characteristically magnanimous heart, the US must demonstrate that liberating and de-fanging Iraq is not the prelude to a new era of American imperialism but a necessary and immediate step for US and global security. The world needs more persuading of just how serious a threat is represented by the evil nexus of terrorism and weapons of mass destruction.”

“US Says Protestors Strengthen Saddam; Top Bush Aide Rice Pledges Decision on Action Within Weeks,” FT2/17/03, p1.

“Unseemly Hagglng Between Allies; War Compensation Is Not the Key for Turkey and the US,” Editorial, FT2/21/03, p12. “It would be entirely self-defeating to use a massive war-related compensation package from Washington to avoid restructuring. That process is far more important to the country’s long-term prosperity.”

“Why Unity Is Essential,” Zbigniew Brzezinski (former National Security Adviser, Pres. Carter), Op-Ed, WP2/19/03, A29. “The United States should not engage in tit-for-tat polemics directed at its most important allies. That is as demeaning as it is destructive....The United States should acknowledge that the quest for peace in the Middle East requires both the disarmament of Iraq and the active renewal of the peace process between the Israelis and the Palestinians. The United States and the other veto-wielding powers in the UN Security Council should impose on Iraq a bill of particulars, defined as specifically and realistically as possible, perhaps also with staged deadlines....The United States should be willing to give the UN inspections and verification process in Iraq the several months needed to establish more clearly whether Iraq is grudgingly complying or deliberately evading....Progressive compliance would require that the United States accept disarmament as the outcome; defiance at any stage would mean a UN-sponsored war, with regime change in its wake.”

“Bush Needs a Credible United Nations,” Quentin Peel, Commentary, FT2/18/03, p15. “America is the empire in denial. It does not want to be a unilateral trouble-shooter. It is not very good at it. Look at Vietnam. Look at Somalia. Look at Afghanistan. It needs an effective UN to do the dirty work for it. It needs a credible UN to mediate, to provide the buffer between its own power and the chaotic world outside. And yet this administration seems hell-bent on undermining the institution it most needs. It is a strange way to run the world.”

“The Worse Defense,” Daniel Benjamin and Steven Simon (former NSC Staff 1994-1999), Op-Ed, NYT2/20/03, A31. “Against this innovative and resilient foe, the United States needs to muster the resources and creativity for an effective defense, instead of overarming for battle with the rogue regimes that its military can already easily defeat.”

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“America’s Destiny is to Police the World,” Max Boot (Senior Fellow, CFR), Commentary, FT2/18/03, p15. “Today, America exercises almost as much power everywhere around the world as it once had only in the Caribbean. In fact, it has more power in both relative and absolute terms than any other state in history. Thus, by Roosevelt’s logic, the US is obliged to stop ‘chronic wrongdoing,’ for the simple reason that nobody else will do the job. That is what the US has been doing for the past decade in places like Bosnia, Kosovo, Afghanistan, and now Iraq.”

“Try One More Time Please, Mr. Blix; The United Nations Must Come to Judgment Soon,” Editorial, FT2/15-16/03, p6. “Yet the bottom line is co-operation, or lack of it. And the man best placed to judge it is Mr. Blix. So far he has just produced progress reports, as he did yesterday. What we now need is some kind of final assessment about Iraq’s co-operation – and this in, say, two or three weeks in order to maximize the chances of a resolution without a unilateral US war.”

“A Last Chance to Stop Iraq,” Kenneth Pollack (Fellow, Saban Center, Brookings Institution), Op-Ed, 2/21/03, A29. “Given Saddam Hussein’s current behavior, his track record, his aspirations and his terrifying beliefs about the utility of nuclear weapons, it would be reckless for us to assume that he can be deterred. Yes, we must weigh the costs of a war with Iraq today, but on the other side of the balance we must place the cost of a war with a nuclear-armed Iraq tomorrow.”

LEADERSHIP

“Tell the Truth,” Thomas L. Friedman, Op-Ed, NYT2/19/03, A29. “The Bush folks are big in attitude, weak on strategy and terrible at diplomacy.... Some of this we can’t control. But some we can, which is why it’s time for the Bush team to shape up – dial down the attitude, start selling this war on the truth, give us a budget that prepares the nation for a war abroad, not a party at home, and start doing everything possible to create a global context where we can confront Saddam without the world applauding for him.”

NORTH KOREA CRISIS

“United Nations Delays Action on North Korea,” NYT2/20/03, A12.

“S Korea on Alert After Airspace Incursion by North,” FT2/31/03, p6. North Korean MiG-19 flew 13km south of the maritime border off the west coast of the peninsula before being chased back to North Korean air space by South Korean F-5Es, the first such intrusion in 20 years.

“Seoul Plays Down N. Korea’s Threat on Armistice,” WP2/19/03, A17. President Kim Dae Jung said in a 2/18 cabinet meeting that “I believe the danger of war on the Korean Peninsula is slight – in fact, nonexistent.” An unnamed South Korean official said, “I wouldn’t put too much weight on whether North Korea will actually initiate any real conflict.’...[The problem, he said, is] ‘you’ve got a lot of people who haven’t watched the North-South situation in the past,’ in Washington. ‘Suddenly, you’ve got these amateurs with lots of ideas.’”

“US Plan for Penalties Draws a Threat from North Korea,” NYT2/18/03, A13. North Korea threatened on 2/18 to abandon the 1953 Korean War Armistice if the US imposed sanctions or a naval blockaded. See: <http://www.kcna.co.jp/item/2003/200302/news02/19.htm#1>.

“North Koreans Give Voice to Deep Anti-US Feelings,” NYT2/18/03, A13. Interviews of 10 North Koreans conducted on 2/18 show pervasive and deeply held anti-Americanism.

“US Planning Sanctions Against North Korea,” NYT2/17/03, A1. Cites “senior administration officials.”

“‘Dear Leader’ Feted in N. Korea: Kim’s Birthday Features Displays of Loyalty, Military Readiness Themes,” WP2/17/03, A21.

“South Korea’s Karaoke Tourists Feel the Heat on ‘Sunshine’ Trip; A North Korean Resort Where Little of the Outside Trickles In,” FT2/15-16/03, p22. Road route through DMZ is now open to Mt. Kungang. “For advocates of engagement, the road-opening shows Seoul’s policy is melting the cold war’s final frontier. They argue that increased economic ties to the outside world will reduce North Korea’s reliance on military power for its survival. Washington’s more hostile approach, they warn, risks pushing Pyongyang back into aggressive isolation.”

Japan Weekly on Kim Chong-il’s Wife, DPRK Threats Against Japan,” Weekly Post (Internet Version), 2/17/03. [FBIS Transcribed Text JPP20030221000068, original title, “What Will North Korean Terrorists in Japan Do?”]. “North Korean spies called ‘Sleepers’ are already in Japan. These spies are living in Japanese society as if they were ordinary Japanese citizens. Once they receive orders from North Korean leader Kim Chong-il, they will rise up and terrorize Japan. They are sleeping until they receive such an order.”

“Washington To Call North Korea’s Bluff Over New Threat,” Stratfor, 2/18/03. “North Korea has threatened to pull out of the 1953 armistice agreement that ended the Korean War. The government warned that any U.S. attempt to blockade North Korea would result in Pyongyang’s withdrawal, technically returning both countries to a state of war. For Pyongyang, this is one of its final pressure tactics aimed at engaging Washington in bilateral negotiations, but the United States is refusing to take the bait for now.”
<http://www.stratfor.biz/Story.neo?storyId=210232>

OBITUARY

“W. L. Pforzheimer, 88, Dies; Helped to Shape the CIA,” NYT2/16/03, NT31.

“Isser Harel, 91, Israeli who Helped Found Mossad and Led Capture of Eichmann,” NYT2/19/03, A25.

“Super-Hawk Presidential Adviser of the Vietnam War Era; Walt Rostow,” FT2/17/03, p5.

“Retired Adm. Eugene J. Carroll Jr. Dies; Nuclear Weapons Foe,” WP2/21/03, B8.

SCIENCE & TECHNOLOGY

“Development of Biotech Crops Is Booming in Asia,” NYT2/21/03, A3.

“CHINA AND THE U.S. JOIN ITER NEGOTIATIONS: Site assessment shows all four potential locations meet ITER criteria,” Joint News Release, St. Petersburg, Russia, February 19, 2003 –“An historic milestone was achieved at the Eighth ITER Negotiations Meeting, when delegations from the People’s Republic of China and the United States of America joined those from Canada, the European Union, Japan and the Russian Federation in their efforts to reach agreement on the implementation of the ITER international fusion energy research project.”
http://www.mofa.go.jp/policy/s_tech/iter/joint0302.html

SECURITY

2/14 - Strategies for Securing Cyberspace and Protection of Infrastructure Released
Statement by the President: <http://www.whitehouse.gov/news/releases/2003/02/20030214-12.html>
National Strategy for the Physical Protection of Critical Infrastructures and Key Assets
<http://www.whitehouse.gov/pcipb/physical.html>
The National Strategy to Secure Cyberspace
<http://www.whitehouse.gov/pcipb/>

2/14 - National Strategy for Combating Terrorism Statement by the President
<http://www.whitehouse.gov/news/releases/2003/02/20030214-7.html>
Document: http://www.whitehouse.gov/news/releases/2003/02/counter_terrorism/counter_terrorism_strategy.pdf

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SOUTH ASIA

“Bombay Calling; More Western Service Jobs are Set to Move Offshore,” Editorial, FT2/21/03, p12. “As the recent success of the US economy has shown, access to abundant supplies of low-cost labour is a bonus, not a threat. The way for rich countries to profit from it is to create higher value-added jobs at home – and train the skilled workers to do them – not to bury their heads in the sand and try to deny poorer competitors a living.”

“Blood and Money: Are Charities in the West Unwittingly Funding Extremists Accused of Sectarian Violence in India? Fundraising Groups Linked to the Rashtriya Swayamsevak Sangh and its Affiliates are Under Scrutiny in the UK and US,” Edward Luce and Demetri Sevastopulo, Commentary, FT2/21/03, p11.

“Pakistan’s Air Force Chief Dies in Crash,” FT2/21/03, p6. Plane carrying Pakistan’s Air Chief Marshal Mushaf Ali Mir and 16 others crashing in the North West Frontier province. See: <http://www.dawn.com/2003/text/top1.htm>

SOUTH KOREA

“South Korea, in Deal with Chile, Signs its First Free-Trade Pact,” NYT2/17/03, C3. South Korea, in its first trade pact, will remove tariffs on virtually all Chilean manufactured goods and Chile will remove tariffs on 2/3 of South Korean manufactured products such as cars and electronic items, including semiconductors. Both countries agreed to liberalize trade in many farm products. See: http://www.mofat.go.kr/en/info/e_info_view1.mof?b_code=~events&seq_no=1211&num=590&row_num=3&t_row=592.

“Anti-US, Anti-Military Base Sentiment Grow Among Young South Koreans,” by Yoichi Funabashi, Asahi Shimbun (Internet Version, in English), 2/18/03. [FBIS Transcribed Text JPP20030218000094]. “The intricacies of the circumstances behind South Korea’s anti-Americanism must be noted. Still, I see it as an omen of a drastic change. Viewed from another angle, it could be interpreted as a growing affinity for China in terms of geography, history and culture...It appears the traditional South Korean inclination toward China is re-emerging. By cleverly tapping into anti-American sentiment, Roh Moo Hyun was swept into power in the South Korean Presidential election in December. His victory not only reflects a new perspective among the people, but shares something in common with the way German Chancellor Gerhard Schroeder played the anti-Iraq was and anti-American cards to win re-election in Germany.”

“Death Toll in Korean Subway Arson Climbs to 120,” NYT2/19/03, A3.

SOUTHEAST ASIA

“US Combat Force of 1,700 Is Headed to the Philippines; A New Antiterror Front; US Commandos. Not Limited to Advising, Will Go After Muslim Extremists,” NYT2/21/03, A1. See: <http://www.pacom.mil/piupdates/index.shtml>

“Filipino Forces Seize Islamic Rebel Stronghold,” NYT2/16/03, Y11. Filipino military captured the Buliok Complex, a stronghold of the Moro Islamic Liberation Front in Minanao on 2/15.

“Burma Asks Washington About Move to Democracy,” FT2/21/03, p6. Burma’s military junta, the SPCD, released a surprise invitation to Washington “to join us in open, constructive dialogue toward humanitarian, economic and political development.” This offer follows US Assistant Secretary of State for Human Rights Lorne Craner’s hint that Washington may impose new sanctions against Burma after lack of progress on the political front. See: <http://www.myanmar.com/press/>.

TAIWAN

“Pact by Taiwan Opposition Poses Threat to Chen,” FT2/17/03, p5. Alliance between the KMT and PFP parties poses a significant threat to Pres. Chen’s DPP in the 2004 Presidential elections. See: PFP, <http://www.pfp.org.tw/main.htm>; KMT, <http://www.kmt.org.tw/>; DPP,

“U.S. Official Urges Balanced Approach to PRC-Taiwan Differences (Deputy Assistant Secretary of State Shriver's remarks Feb. 14),” US State Dept. 2/19/03, “Taiwan must focus on both careful self-defense planning and continued dialogue with the People's Republic of China (PRC) in order to reduce tensions across the Taiwan Strait, says Deputy Assistant Secretary of State for East Asian and Pacific Affairs Randall Schriver. Schriver told participants of the U.S.-Taiwan Business Council's Defense Industry Conference February 14 that the United States is "committed to make available defensive arms and defensive services to Taiwan in order to help Taiwan meet its self-defense needs." For full text see: <http://usinfo.state.gov/cgi-bin/washfile/display.pl?p=/products/washfile/geog/ea&f=03021903.eea&t=/products/washfile/newsitem.shtml>

TELECOM

“FCC Delivers Mixed Vote on Competition; Phone Giants Prevail On High-Speed Internet,” WP2/21/03, A1. “In the end, the commission handed the former Bell telephone companies a significant victory by ending requirements that they lease to competitors at regulated rates new or upgraded networks for high-speed, or broadband, Internet access.” See: http://www.fcc.gov/Daily_Releases/Daily_Business/2003/db0220/DOC-231344A1.doc.

“Finland Beats Out the U.S. In World Technology Survey,” Associated Press, 2/19/03. Finland topped a global survey that ranked countries' ability to benefit from information and communication technology. The 335-page *Global Information Technology Report* by the World Economic Forum, the World Bank and the French-based international business school INSEAD used 64 criteria, ranging from the use of technology by individuals, governments and businesses to regulations and infrastructure. Filling out the top 10 were the U.S., Singapore, Sweden, Iceland, Canada, Britain, Denmark, Taiwan and Germany. Japan was 20th, South Korea 14th, China 43rd.

Global Information Technology Report highlights that the use and application of information and communication technologies (ICT) remain among the most powerful engines of growth. This year’s Report benchmarks the performance and monitors progress in networked readiness of 82 countries. Report: <http://www.weforum.org/site/homepublic.nsf/Content/Global+Competitiveness+Programme%5CReports%5CGlobal+Information+Technology+Report+2002-2003+-+Readiness+for+the+Networked+World>

TRADE

2/16 – USTR Zoellick, in Japan for WTO Agricultural Mini-ministerial, gives press conference. See: <http://www.ustr.gov/releases/2003/02/2003-02-16-pc-tokyo.PDF>.

“World Trade Talks in Japan Falter After Three Days,” NYT2/17/03, A2. At WTO Doha talks in Tokyo on 2/14-16, delegates failed to agree to the lowering of agricultural tariffs, providing developing countries access to cheaper drugs and other issues.

“Trade Group Rejected Bid to End Farm Tariffs, Subsidies,” WP2/16/03, A12. At mini-ministerial in Tokyo, WTO members rejected a draft proposal of Stuart Harbinson, chairman of the WTO Agriculture Negotiation Committee, for the reduction of tariffs and subsidies on agricultural products. See: http://www.wto.org/english/tratop_e/agric_e/negoti_e.htm.

“Words Stir Confusion in Trade Fight; US Officials’ Comments On Biotech Foods Differ,” WP2/21/03, E3. Confusion reigned over US plans to sue the EU over genetically altered crops as Agriculture Secretary Veneman said on 2/20 that the administration is moving forward with a trade suit but was contradicted by agriculture official Peter O. Kurz at the US Embassy in London during a BBC interview when he said a decision had been “made at a high level of government,” to drop plans for a suit. See: Veneman speech,

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<http://www.usda.gov/news/releases/2003/02/0066.htm>; Kurz interview, <http://news.bbc.co.uk/2/hi/business/2782563.stm>.

“US Trade Deficit Rises to Record Levels; December 2002 Increases Cool Economic Growth,” WP2/21/03, E1. Trade deficit climbed to \$44.2billion in December and \$435.2billion in 2002. See: http://www.census.gov/foreign-trade/Press-Release/current_press_release/ftdpress.txt.

“Fifty House Members Urge Bush to Launch New Zealand FTA,” Inside US Trade, 2/21/03, p6. Letter sent to Bush dated 1/29.

For more information on this issue see

The Case For A Model Free Trade Agreement Between The United States And New Zealand

Prepared for the US-NZ Council by Dr Fred Bergsten & Professor Robert Scollay. Institute for International Economics, 1750 Massachusetts Ave, Washington DC.

<http://www.nzembassy.com/info.cfm?CFID=117052&CFTOKEN=15163500&c=31&l=86&s=bu&p=60367>

Negotiating with New Zealand by Sara J. Fitzgerald and Aaron Schavey, Heritage Foundation, WebMemo #89, March 22, 2002. <http://www.heritage.org/Research/TradeandForeignAid/WM89.cfm>

On Thursday, February 13, **Ways and Means Chairman Bill Thomas (R-CA)** delivered a speech at the American Enterprise Institute (AEI). The focus of his remarks was on international trade and taxation. Toward the end of this speech he threatened that the US may withdraw from the WTO over agricultural issues. The speech and Qs & As was posted 2/12. See: <http://waysandmeans.house.gov/news.asp?formmode=release&id=28>

“Place the Rule of Law at the Heart of Trade,” Clayton Yeutter (Partner, Hogan & Hartson, former USTR), and Warren Maruyama (partner, Hogan & Hartson), FT2/17/03, p13. “The WTO should go further by adopting expanded rule of law obligations for all member governments. Such an agreement on core legal principles could ensure that legal, administrative and regulatory procedures involve rights to transparency, due process, public hearings, impartial decision-making, notice and comment procedures, stakeholder consultations and timely and meaningful judicial review.”

“Free Trade, Free Markets: Rating the 107th Congress,” by Daniel T. Griswold, Cato Institute, *Trade Policy Analysis* No. 22, 1/30/03. “An analysis of voting on 30 key issues in the 107th Congress finds that few members of Congress voted consistently for free trade. Only 15 House members opposed barriers and subsidies in more than two-thirds of the votes they cast. The most consistent free traders in the House were Jeff Flake (R-Ariz.), Charles Bass (R-N.H.), Richard Armev (R-Tex.), Judy Biggert (R-Ill.), Phil Crane (R-Ill.), Jim Ramstad (R-Minn.), and John Sununu (R-N.H.). Of the other members, 70 voted as internationalists, 9 as isolationists, and 36 as interventionists. The rest had mixed voting records. In the Senate, 22 members voted as free traders. Those with perfect free trader voting records were Sam Brownback (R-Kans.), Mike DeWine (R-Ohio), Phil Gramm (R-Tex.), Richard Lugar (R-Ind.), John McCain (R-Ariz.), Don Nickles (R-Okla.), Rick Santorum (R-Pa.), and Fred Thompson (R-Tenn.). Of the other senators, 12 voted as internationalists, 2 as isolationists, and 22 as interventionists. The rest had mixed voting records.” See: <http://www.freetrade.org/pubs/pas/tpa-022es.html>.

“Unbalanced' Traders,” Editorial, WSJ2/20/03. “The EU emerged from a contentious meeting of trade ministers in Tokyo last weekend as the chief obstructors, along with Japan, of a WTO proposal that would considerably lower import tariffs on agricultural products and cut farm subsidies. The meeting was the latest attempt to bridge the impasse in the current Doha Round of talks over farm liberalization, which is scheduled to end March 31.... We take it this sort of double-whammy is not what the EU means by the need for "balance." Mr. Lamy has expressed confidence that an agreement can be reached ahead of the WTO's March deadline. But agreement would require that the EU accept the need for fundamental change in its agricultural regime, as the Bush administration, this week eyeing a strategic alliance on free trade with China, seems to. So far, we see no sign of that from Brussels. <http://online.wsj.com/article/0,,SB1045690760863960863,00.html>

“Japan’s Oshima To Head WTO Dispute Settlement Body,” Jiji Press, 2/19/03. [FBIS Transcribed Text JPP20030219000112]. Ambassador Shotaro Oshima, head of Japan’s Permanent Mission to the International

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Organizations in Geneva, was elected chairman of the WTO's Dispute Settlement Body on 2/19. See: http://www.wto.org/english/news_e/pres03_e/pr332_e.htm.

US ECONOMY

“**Weak Data Prompt Fresh Gloom Over US Economy,**” FT2/21/03, p1. Trade deficit for December reached a record \$44.2bn, rising 21% in 2002 to a record \$435bn; Conference Board's Leading Economic Indicator declined 0.1% in January to 111.2, the lowest since September; Producer Price Index jumped 1.6% in January; the Philadelphia Fed Index of manufacturing sunk to a four month low, down 11.2 in January to 2.3; and new claims unemployment figures rose above 400,000 level, up to 5.7%. See: Trade Deficit, http://www.census.gov/foreign-trade/Press-Release/current_press_release/ftdpress.txt; LEI, http://www.conference-board.org/economics/press.cfm?press_id=2084; PPI, <http://www.bls.gov/news.release/ppi.nr0.htm>; Phil. Fed Index, <http://www.phil.frb.org/files/bos/bos0203.html>; Initial Claims, <http://www.dol.gov/opa/media/press/eta/ui/current.htm>.

“**US States May Ban Contract Outsourcing; Move to Stop Public-Sector Work Being Handled by Low-Cost Regions,**” FT2/21/03, p6.

5) WEBSITE OF THE WEEK

Keizai Koho Center Washington, DC

The website provides you with economic data, event info, and its publications.

<http://www.kkc-usa.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>

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