

A Dream for the World

By Yamada S.

Four years after Barcelona, the Olympic Games opened on July 19 in the U.S. city of Atlanta, Georgia. The theme of this 100th anniversary of the modern Olympics was "Dreams." Canadian singer Celine Dion's performance of "Power of Dreams" at the opening ceremony made a powerful impression on me.

As we move toward the 21st century, some people worry about an apocalyptic end of a millennium while others speak of their dreams for the next era. Looking on the 20th century, it was, and is, a time of enormous changes. In the last decade of alone, the Berlin Wall fell from the face of the Earth and the ideals of communism crumbled in the face of reality. In the economic realm, the world's planned, centralized economies collapsed, proof of the preeminence of the market economy system. Even the new nations of the former Soviet Union were caught in the huge wave pushing toward market economies.

Meanwhile, Asian nations are rapidly moving down the road toward modernization. The question is, however, whether the nations of the world—while definitely making progress—are moving in concert toward a commonly held goal and with a shared dream. It doesn't seem to be so. The theme for the Lyon Summit in late June, "Light and Shadows of Globalization," is one piece of evidence that all is not well. Technological development and globalization of economies have undoubtedly brought us an almost immeasurable degree of prosperity. However, it cannot be denied that the tides of technology and the tides of so-called progress have not been kind to some people.

With advances in shipping methods such as larger cargo planes and container shipping, packages from the U.S. and Europe arrive in Japan in a matter of days. With new communication methods, particular the use of the Internet, information circles the globe in an instant. Clearly, globalization is occurring. However, we must

not forget that only a very small fraction of the world's people have the opportunity to enjoy these advances in human civilization.

The recent explosion of the TWA flight in New York and the terrorist bombing in Atlanta are evidence that growing numbers of people are dissatisfied with the current state of society, even in the U.S., the very symbol of prosperity.

As I watched the Olympic games, it occurred to me that we may come up with themes centered on "dreams" and "hopes" precisely because we are experiencing some vague anxiety about the future. Isn't the issue of how to create happiness in the lives of the weaker members of the global society—people living in areas that haven't benefited from 20th century "progress," citizens of less developed countries and workers threatened with unemployment in a globalized economy because they cannot keep pace with new scientific and technological developments? All the people of the world must work together even harder to answer the question of how we can help both those plagued by misfortune and those uneasy about the future to attain their own individual dreams.

COMING UP

Religion has been a strong political motivation since time immemorial. That Japan and the West have differing religious heritages—Buddhism and Christianity—could reflect in their dealings with and attitudes toward one another. Then again, they could share common ground. The next issue of the *Journal* delves into these issues and more.

There will also be an analysis of the U.S.–Japan Security Treaty, appropriate for the recent chain of events that have caused controversy over it.

Jusen Disposal Scheme Set in Action

A high-powered body aimed at recovering swollen non-performing loans left by seven failed home loan companies or *jusen* has been established, setting in motion a controversial government scheme to clean up the mess that has badly shaken Japan's banking industry long reputed for its sound financial standing. The establishment of Housing Loan Administration Corp. on July 26 is at the core of the scheme, which is based on a package of six bills passed by the parliament in June.

The House of Councillors approved the bills on June 18 without any amendment, clearing the way for the use of ¥685 billion in taxpayers' money to help liquidate the soured loans. The upper house action gave the go-ahead to the government-crafted process of soaking up the *jusen* debts which Finance Minister Kubo Wataru said signify the bad loan issue that "overshadows the Japanese economy like dark clouds."

These six bills include those authorizing the cleanup corporation, halting the statute of limitation regarding *jusen* loans, revising the Deposit Insurance Law and ensuring the soundness of financial institutions. The other two bills are Act for Improving the Reorganization and Bankruptcy Procedure for Financial Institutions, and revision of the Act to Agricultural and Fishery Cooperative Savings Insurance Law.

The seven *jusen* companies will be liquidated and settled based on these six new laws by classification of their outstanding loans, totaling ¥13.19 trillion, into ¥6.41 trillion in irrecoverable loans and ¥6.78 trillion in loans to be taken over

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Jusen disposal plan concluded at Upper House plenary session.

Photo: Kyodo News Service

by Housing Loan Administration Corp. for recovery. In winding up the irrecoverable loans, major commercial banks that have founded the mortgage firms will waive their loans to them, other banks will relinquish part of them, agricultural financial institutions will contribute some funds, and the rest left over after these measures are taken will be covered by the ¥685 billion tax money.

In view of taxpayers' strong complaints over the use of their own money, a ¥900 billion fund will be set up with contributions from the financial industry so it "will in consequence reduce the burden on taxpayers," as Prime Minister Hashimoto Ryutaro has put it. The fund is designed to earn returns on investment of the money over a period of 15 years. The government estimates such profits will reach at least ¥560 billion.

The cleanup corporation, a subsidiary of Deposit Insurance Corp., is to launch operations in early October. It is headed by Nakabo Kohei, former chief of the Japan Federation of Bar Associations. It is staffed by some 1,000 people from the jusen companies,

police, prosecutors, legal experts, tax officials and the Bank of Japan to ensure smooth recovery of the loans.

Murdoch's News Corp. Takes Stake in Japanese TV Group



International media king Rupert Murdoch to capitalize in TV Asahi.

Photo: Kyodo News Service

News Corp. of Australia and personal computer company Softbank Corp. of Japan announced on June 22 that they will buy a 21.4% stake in major television network Asahi National Broadcasting Co. (TV Asahi).

News Corp. and Softbank will shortly establish a joint venture to buy Obunsha Media, which holds 21.4%, or 5.136%, of TV Asahi by the end of September for ¥42.75 billion. Obunsha Media is a wholly owned subsidiary of publishing firm Obunsha.

News Corp., led by media baron Rupert Murdoch, is the first foreign company to enter Japan's broadcasting business, though on an indirect basis.

Development of cable television and satellite broadcasting has led to reorganization of the TV-radio business in the United States and Europe with the entry of foreign investors. In Japan, however, strict licensing systems and restrictions on share holdings by foreigners have kept foreign investors away.

Murdoch intends to launch in Japan within two years a digital multi-channel broadcast network, called JskyB using a communication satellite with about 100 channels. JskyB will be the Japanese version of BskyB in Britain and AskyB in the United States.

Japanese TV operators' reaction to Murdoch's expansion into Japan was mixed. A spokesman for Fuji Television Network regarded it as a part of Murdoch's Asian strategy ultimately targeting China. An executive of Nippon Television Network viewed the move as a threat to Japan's TV business.

On the other hand, Posts and Telecommunications Minister Hino Ichiro welcomed the move, saying a foreign company's entry into the Japanese media market within the framework of Japan's Radio Law will help promote competition. It is important to ease regulations as much as possible and allow foreign companies to enter the market to promote competition, he added.