

Fascination with Japan

After three wonderful visits to Japan, I have a hunger to learn all I can about the country and its people. Surfing the net one day, I discovered your journal's web-site and immediately began exploring articles in the two most recent issues. The variety of topics-economics, politics, history, cultural aspects - as well as the credentials of the contributors impressed me.

I particularly enjoyed the essays written by wives of ambassadors to Japan giving their impressions of the country. (In fact, those articles inspired me to send the essay accompanying this letter telling about some of the amazing experiences a group of educators from the United States had during a four-week Fulbright-Hays Seminar in Japan for which I served as project director.) I recently read a book comparing some of the tenets of Buddhism and the tenets of Christianity, so the article "The Common Ground for Buddhism and Christianity" by Akizuki Ryomin has special interest to me.

As a professor in the area of humanities, I enjoy reading about culture and arts. I anticipate more interesting reading about Japan in future issues of your outstanding publication.

Sincerely,

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Prime Minister Mori visits G-8 countries to seek support for Okinawa summit

Prime Minister Mori Yoshiro made the rounds of seven Group of Eight (G-8) countries from late April to early May to introduce himself to their leaders and gain their cooperation for the G-8 summit meeting in Okinawa in July, which he will chair.

The nine-day trip during a holiday

territorial dispute and other issues pending between the two countries, but Mori won Putin's commitment to visit Japan in August. Japanese Foreign Ministry officials said Mori has established a trustful relationship with the Russian leader as a result of the St. Petersburg meeting.

In his subsequent talks with Italian Prime Minister Giuliano Amato in Rome, French President Jacques Chirac in Paris, German Chancellor Gerhard Schroeder in Berlin, British



Prime Minister Mori Yoshiro (left) met Russian President Vladimir Putin (right) in St. Petersburg

Photo : Kyodo News

period in Japan was his first overseas tour since he took office early in April to replace his predecessor Obuchi Keizo who suffered a stroke.

Mori first flew to St. Petersburg for talks with Russian President Vladimir Putin aimed at promoting mutual understanding between Japan and Russia and establishing individual friendship with him. There was no solid progress in their efforts to solve the controversial

Prime Minister Tony Blair in London and Canadian Prime Minister Jean Chrétien in Ottawa, Mori sought their understanding and co-operation for his plan to focus discussions at the July 21-23 Okinawa summit on the impact of the information technology (IT) revolution amid globalization of the world economy.

In Mori's judgment, while the widespread use of the Internet and the IT revolution have accelerated

the exchange of information and electronic business transactions throughout the world, wealth has accumulated in specific information-rich countries, and the gap between rich people and poor people and between rich nations and poor nations is widening. The Japanese prime minister intends to focus discussions at the summit on the advantages and disadvantages brought about by information technology, as well as the poorest countries' debts and assistance to developing countries. For poor nations, the growing "digital divide" - an information-technology gap between developed and developing countries - is an imminent concern.

During his last stop of the tour in Washington, Mori presented his agenda for the forthcoming G-8 summit to U.S. President Bill Clinton and discussed Japan-U.S. bilateral relations.

Mori expressed his determination to carry forward Obuchi's aspirations and pledged to push for Japan's economic reform, deregulation and other structural reform plans.

Clinton, for his part, expressed his view that structural reform is the key to Japan's full-scale economic recovery and urged Mori to further accelerate deregulation and other reform measures.

Returning from the tour, Mori is facing the difficult political task of setting the date of the dissolution of the House of Representatives for a general election. Also at stake is his ability to revive the Japanese economy, which is closely watched by other G-8 countries.

Some members of Mori's Liberal Democratic Party and bureaucrats are increasingly alarmed by Japan's snowballing long-term debts which

now total 600 trillion yen. They say that now is time for Japan to stop random distribution of money and cut down on spending in favor of fiscal reconstruction.

Yet, most economists find it premature to refocus on fiscal reconstruction. They point out that the Japanese economy is still a long way from full recovery, though there is a sign of recovery such as an increase in capital spending in some business sectors such as the information industry. They also point out that revenue increases and deficit reductions through positive growth are more important as the nation's economic scenario than fiscal reconstruction through spending cuts and higher taxes.

Using a technological metaphor, they argue that a policy shift such as cancellation of additional public works expenditure during the current fiscal year as well as higher taxation like a rise in consumption tax corresponds to the stoppage of supplementary engines of a rocket lifting off. Just as the rocket would stall before being put in an orbit without supplementary engines, the public approval rating for Mori would plummet.

Obituary; Obuchi Keizo (1937-2000)

Former Prime Minister Obuchi Keizo died on May 14 at the age of 62, six weeks after suffering a stroke. He passed away at 4:07 p.m. at the Juntendo University Hospital in Tokyo, with his wife Chizuko and other members of his family at his bed side.

Obuchi fell ill at his official residence late on the night of April 1



and was carried to the hospital early on the morning of the next day. His condition suddenly deteriorated later that day and he fell into a coma. He never regained consciousness.

As doctors considered that a full recovery was unlikely, his cabinet resigned en masse on April 4 and the Diet elected Mori Yoshiro as his successor the next day. Mori retained all members of the Obuchi cabinet.

Obuchi was in the post of prime minister for 616 days. Born in Gumma Prefecture, Obuchi was elected to the House of Representatives for the first time at the age of 26 after graduating from Waseda University and served for 12 parliamentary terms.

He became President of the Liberal Democratic Party and Prime Minister in July 1998 to succeed his predecessor Hashimoto Ryutaro who resigned in the wake of the LDP's setback in the House of Councilors election. Previously, he served as Director General of the Prime Minister's Office and was concurrently Director General of the Okinawa Development Agency, Chief Cabinet Secretary and Foreign Minister.

One of his major political

accomplishments was the formation of a coalition with the Liberal Party and the New Komeito, which helped solidify his administration.

Obuchi maintained an intense workload before he fell ill, trying hard to put the Japanese economy back on a recovery track and handling the secession of the Liberal Party from the coalition government and the volcanic eruption of Mount Usu in Hokkaido.

Public approval ratings for Obuchi remained low for the first several months after taking over as Prime Minister, due to his lack of appeal. He described himself as a "mediocre man." He was likened to "cold pizza" by the foreign media because he lacked a philosophy and clear-cut policies. But his popularity gradually picked up after he launched large-scale fiscal spending to revitalize the Japanese economy, took various measures to stabilize the financial system and decided to select Okinawa as the venue of this year's summit meeting of the Group of Eight in July, which he would have chaired. His affable and folksy character and thoughtfulness added to his popularity.

Nasdaq Japan market was launched on June 19

The Nasdaq Japan stock market, the Japanese version of the technology-heavy U.S. Nasdaq market, was launched at the Osaka Securities Exchange on June 19. Starting with eight companies which applied for listing on the market in early May, the number of listed companies is expected to grow steadily. In the future, the new market aims to conduct around-the-

clock, global electronic trades in shares of Japan's start-up companies as well as about 5,000 U.S. firms that are already listed on the U.S. Nasdaq market.

The Nasdaq Japan stock market was created by the National Association of Securities Dealers of the United States (NASD), venture business Softbank Corp. of Japan, led by President Son Masayoshi, and the Osaka Securities Exchange. It is operated by Nasdaq Japan Planning Co., a fifty-fifty joint venture between the NASD and Tokyo-based Softbank. Nasdaq Japan helps small and midsize venture businesses centering on high-tech firms raise funds and invites investment from inside and outside Japan in rapidly growing companies and those with high growth potential.

The U.S. Nasdaq market started in 1971 on computer screens, with 2,500 little known companies listed. The listed firms included a large number of growth firms such as Microsoft Corp., headed by Bill Gates, Intel Corp. and Dell Computer Corp. At present, 5,000 issues are listed on the market, with its total market value - share prices times the number of shares traded - reaching around \$6 trillion, the world's second-largest market next only to the New York Stock Exchange, whose market value stands at \$10 trillion. The Tokyo Stock Exchange is the third largest with a market value of \$4 trillion.

In Japan, the Mothers market for smaller blue-chip companies has already been opened to help such businesses raise funds. Nine issues are now listed and being traded.

Besides the eight companies, which have applied for listing, a

number of other firms are making preparations to apply for listing. By the end of the year, dozens of firms are expected to list, and the number of listed firms is projected to increase to 100 by the middle of next year. Moreover, the launch of cross-border trading involving U.S. and European markets is in sight.

Total assets held by individual Japanese are estimated at 1,200 trillion yen. Today not only Japanese business corporations but individual investors as well are strongly interested in Nasdaq Japan. This spring a large sum of fixed-amount postal savings matured, and approximately 100 trillion yen of the matured funds is said to flow into private-sector investment products from the postal savings system. The Nasdaq Japan stock market thus seems to have a good opportunity to absorb such funds and is now attracting strong interest from investors concerning future movements of listed issues on the market.

English proposed as an official second language in Japan

An advisory panel to the former Prime Minister Obuchi Keizo on January 18 presented a proposal on the reshaping of Japanese society in the 21st century, including the adoption of English as its official second language.

In its final report titled, "The Frontier Within Individual Empowerment and Better Governance in the New Millennium," the Group of Japan's Vision for the 21st Century said Japan should 1) encourage public debate concerning such issues as revision of the



Foreign language schools will become increasingly important in the 21st century

Constitution and the exercise of the right of collective self-defense, 2)reinforce English language education and consider making English an official second language, 3)promote immigration, and 4)lower the voting age to 18 from the current 20.

The panel, headed by Kawai Hayao, Director General of the International Research Center for Japanese Studies, was commissioned to blueprint the mode and basic concept Japan should pursue in the new millennium.

As a key issue of educational reform, the report emphasized the need for Japanese people to practically use English as a tool. It regarded such linguistic ability as a "strategic challenge" for the nation. Global literacy is essential for Japanese to obtain and understand information, make themselves understood clearly and communicate in the international community, and, in this connection, mastery of English, which is now the lingua franca of the world, as well as the Internet and other information technologies is essential, it said.

It called on the Japanese public to

extensively debate whether to make English an official second language as a long-term goal, from educational as well as cultural viewpoints.

Noting that Japanese can neither speak nor write English properly even though they learn the language for 10 years in school, the report suggested a immediate review and reform of language education.

As a specific target, the report said that all Japanese should be able to practically use English by the time they graduate from university.

As a means of improving the English proficiency level, the report called for: 1)regrouping of English classes in school based on proficiency levels, 2)objective evaluation of English teachers and improvement of training for English teachers, 3) an increase in the number of native English teachers, 4) commissioning of English teaching to foreign language schools, and 5) compulsory bilingualism (Japanese and English) in publications and home pages of the central government and local autonomies.

Referring to national security, the report emphasized that Japan can no longer be allowed to keep aloof from international responsibilities when the United Nations adopts a resolution calling for joint armed actions.

In this connection, the report suggested a drastic review of the postwar system, including the long-tabooed issue of revision of the Constitution, as well as the

educational system.

In particular, it urged a national debate on the exercise of the right of collective self-defense, which the government has so far considered impermissible in view of Chapter 9 of the Constitution, and on Japan's use of weapons in U.N. peace-keeping operations, banned under the current constitutional interpretation.

As part of educational reform, the report called for the adoption of a three-day week for compulsory education and two days of extracurricular subjects or activities, in which students study or experience various things based on their interests.

To allow for greater diversity and push for globalization, the panel called on the government to reexamine its immigration policy and take steps to encourage foreigners to live and work in Japan. Daily use of English and the Internet as well as immigration of foreigners should combine to promote diversity and globalization. In a diversity-oriented society, discrimination will be banned and the basic human rights of all people will be respected as a matter of principle, it said.

In preparing for the acceptance of an increase in the number of immigrants, Japan must change its society from one based on unwritten rules to one based on statutory rules in order to avoid friction arising from cultural differences.

The recommendation is not binding, and it remains uncertain to what extent the panel's proposals will be actually implemented. It squarely depends on the judgment of the Cabinet and Diet.