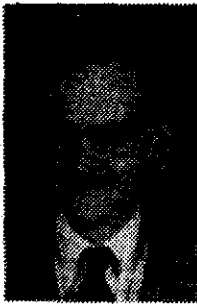


US, Japan to discuss steel payout

22/3
ST - Business Standard (11)

FT Bureau
LONDON, 21 MARCH

The US yesterday said it would negotiate on Japan's request to be compensated for the losses produced by US tariffs on steel imports, opening the door to talks that could help defuse the increasingly volatile trade dispute.



The US would enter "serious discussions" over the Japan request for about \$160 million in compensation: Zoellick

of 2 million tonnes of exports. South Korea, the world's sixth-largest steelmaker, said it would press its own case, while at the same time continue to work with Japan and the EU in a joint fight against the measures.

Robert Zoellick, US trade representative, said the US would enter "serious discussions" over the Japan request for about \$160 million in compensation, which would involve the US lowering trade barriers on other products sold by Japan. The position is a more conciliatory US stance than a week ago, when the US said it did not believe such compensation was owed.

The offer came as Japan and South Korea said they would join the European Union in filing a complaint with the World Trade Organisation over the US steel tariffs.

Takeo Hiranuma, Japan's economy, trade and industry minister, called on other steel exporting countries to join the three in challenging the US safeguard measures, which entered into effect yesterday, although Washington will wait until April 4 before collecting duties.

The Japanese government said it was considering imposing retaliatory tariffs on US exports if the US refused to pay compensation.

Tokyo estimates the US measures will cause potential losses to Japanese steelmakers of 21.8 billion yen, with tariffs affecting about 1.4 million tonnes

of 2 million tonnes of exports. South Korea, the world's sixth-largest steelmaker, said it would press its own case, while at the same time continue to work with Japan and the EU in a joint fight against the measures.

Zoellick's comments open the door as well for negotiations over compensation with the EU, which has claimed more than \$2 billion in damages. "We'd be willing to do the same thing with the Europeans or anyone else," said a US trade official.

But Zoellick continued to hit at the EU, saying that, unlike Japan, it had not taken a constructive approach. The EU is drawing up a list of US products which could be subject to immediate retaliation if Washington refuses to grant the EU compensation for lost steel trade.

In Brussels, the European Commission yesterday said it expected within days to put its own safeguard measures in place to protect European steelmakers against an anticipated surge in imports.

The measures are expected to take the form of tariff rate quotas or quantitative limits above which punitive duties would be set. They would be global quotas for the products affected by the US measures, and would initially be applied for six months.

Zoellick attacked the EU plans, saying that any safeguard required the EU to show that its steelmakers faced injury from imports.

FILE & INDEX

22 MAR 2002

Bush confident of unsure Koizumi

Tokyo, February 18

US PRESIDENT Bush on Monday gave Japanese Prime Minister Junichiro Koizumi's slowed economic reforms a ringing endorsement, even as the Japanese leader said Japan had lost confidence in itself.

"I'm confident in this man's leadership ability. I'm confident in his strategy, and I'm confident in his desire to implement that strategy," Bush said at a joint news conference with Koizumi, whose declining political popularity has raised questions over his ability to carry through reforms. Koizumi said: "Ten years ago we were over-confident," referring to the days a decade earlier when Bush's father visited Japan as president. "Now we've lost confidence. But I would like to tackle structural reform with confidence and with hope."

With Koizumi at his side, Bush also held fast to his "axis of evil" policy of targeting Iraq, Iran and North Korea as outlaw states that must be neutralised. He dismissed concerns among

allies over expanding his war on terrorism as a case of the "vapours." Koizumi appeared to differ with Bush over global warming policy and Bush's rejection of the 1997 Kyoto climate treaty. He called Bush's alternative plan a "positive proposal," but said Japan expected further efforts to fight global warming and said environmental policy need not harm the economy.

Koizumi's comments diverged from Bush's reasoning in rejecting the Kyoto treaty — that mandatory limits on emissions thought to cause global warming would cripple the economy.

The two leaders' talks on the economy appeared to follow Bush's game plan of showing public support for Koizumi while encouraging him to clean up the bad loans of Japanese banks, arrest a spiral of price declines and implement structural reforms. Before meeting at a government conference house, Bush and Koizumi watched horse-mounted archers perform a warriors' ritual.

Reuters

THE HINDUSTAN TIMES

19 FEB 2002

Bush endorses Koizumi reforms

TOKYO, FEB. 18. The U.S. President, George W. Bush, gave the Japanese Prime Minister, Junichiro Koizumi, and his slowed economic reforms a ringing endorsement today, even as the Japanese leader said his country had lost confidence in itself.

"I'm confident in this man's leadership ability," Mr. Bush said at a news conference with Mr. Koizumi, whose declining popularity has raised questions over his ability to carry through reforms. "I'm confident in his strategy, and I'm confident in his desire to implement that strategy," Mr. Bush said.

Mr. Koizumi said: "Ten years ago Japan perhaps was a little over-confident. Now we've lost confidence. But I would like to tackle structural reform with confidence and with hope."

With Mr. Koizumi at his side, Mr. Bush also held fast to his "axis of evil" policy of targeting Iraq, Iran and North Korea as outlaw states that must be neutralised.

Demonstrators in South Korea, Mr. Bush's next stop on a three-nation Asian trip, protested a day ahead of his visit by occupying an office at the U.S. Chamber of Commerce in Seoul and denouncing the U.S. Presi-

dent as a "death merchant".
— Reuters

U.S. keeps up rhetoric on Iran, Iraq

By Sridhar Krishnaswami

WASHINGTON, FEB. 18. Even as the U.S. President, George W. Bush, has started a tour of East Asia to keep the anti-terror coalition alive, senior administration officials maintained the pressure on countries like Iraq and Iran.

Although Cabinet officials insist that the President has not made a final decision on military strikes against Iraq, the message is clear: this Republican administration will not hesitate to "act" in the face of a perceived clear and present danger.

The administration is aware of the criticism that came after Mr. Bush's State of the Union address when he labelled Iraq, Iran and North Korea as an "Axis of Evil" — a characterisation brought scorn and ridicule from the three States and heightened concern in Europe as well. "There is a bit of a stir in Europe, but it's a stir. I think we'll be able to manage with consul-



The U.S. President, George W. Bush, and the Japanese Prime Minister, Junichiro Koizumi, pose for cameras prior to a reception given by Mr. Koizumi in Tokyo on Monday. — Reuters

tations, with contacts of the kind I have almost every day with my European colleagues," the Secretary of State, Colin Powell said on a Sunday talk

shows. Gen. Powell said the President had been "direct" and "realistic".

It's not the allies alone who are apprehensive about the Bush administration's plans about extending the campaign beyond Afghanistan but domestic critics are sceptical about its success. But senior administration officials say that Saddam Hussein's regime has to "prove" that it is not making weapons of mass destruction. In its defence, Baghdad says it is only acquiring "more science" to serve the humanity but this argument has fallen on deaf ears. "I have heard that before. We have heard it for ten years," said Gen. Powell, adding that the President retained his options — political, diplomatic "and for that matter military".

The Bush administration has repeatedly asked Mr. Hussein to allow United Nations Weapons inspectors to verify that weapons of mass destruction — nuclear, chemical and biological — are not being made. Iraq refuses to allow the U.N. weapons inspectors on "Western" — read American and British — terms. Iraq is not the only country that is being watched by the U.S. these days.

THE WASHINGTON POST

FEBRUARY 18, 2001

JAPAN / U.S. PRESIDENT BEGINS FIRST STATE VISIT

10-14 18/2 vs. Jap
Bush gives a boost to Koizumi

TOKYO, FEB. 17. Opening his first State visit to Japan, the U.S. President, George W. Bush, brought the Prime Minister, Junichiro Koizumi, a double-edged message — appreciation for this island nation's anti-terrorism solidarity and growing apprehension about its deteriorating economy. The President and First Lady, Laura Bush, arrived here on Sunday night, greeted at Haneda

airport by an old friend, the U.S. Ambassador to Japan, Howard Baker, who was White House Chief of Staff when Mr. Bush's father was Vice-President. The two leaders meet on Monday for three hours at Iikura House, a government conference centre, where White House aides expected the talks to focus on the global implications of Japan's worsening economic slump.



GLOBAL WARMING GENERATES HEAT: Japanese activists hold a banner and a placard at a demonstration protesting against the American rejection of the Kyoto global warming pact, in Tokyo, on Sunday. — Reuters

Mr. Bush's visit is a balancing act of public expressions of confidence in Mr. Koizumi's economic reform plan, on the one hand, and private prodding of Mr. Koizumi to deliver quickly

on the changes he has promised. "We're obviously concerned about our friend's economy," Mr. Bush said in advance of Monday's meetings. The Bushes capped their 14

hours flight from Washington with an informal dinner at the Ambassadors' residence before retiring there for the night.

At a refuelling stop in Alaska, Mr. Bush told U.S. military personnel that he was eager not only to thank Japan and other partners in his anti-terror campaign, but also to emphasize his resolve not to rest "until we have destroyed terrorism." A much pricklier topic is Japan's economy, the world's second largest, whose problems run deep — years of recession, billions of dollars in bad government and private loans, a falling stock market, and record levels of corporate bankruptcy and unemployment. Mr. Bush is anxious to keep these troubles from spilling over into the already anaemic global economy and potentially deepening America's own recession. — AP

THE HINDU

18 FEB 2002