

# EDITORIALS

## Ozawa's flip-flop

### His party must now make a fresh start.

Only two days after announcing his resignation as Minshuto (Democratic Party of Japan) president, Ichiro Ozawa changed his mind and said Tuesday, "This may seem really embarrassing, but I want to take another shot (as party president)." His extraordinary flip-flop must have stunned the nation.

Ozawa submitted his resignation on Sunday to take responsibility for causing intraparty confusion by suggesting a "grand coalition" with the ruling Liberal Democratic Party and New Komeito. But on Tuesday night, Ozawa agreed to remain in his post on the premise that his party would never consider joining the ruling camp.

After his meeting with Prime Minister Yasuo Fukuda on Friday, Ozawa called an emergency meeting of party executives to explain the proposed grand coalition he and Fukuda had discussed. But the party executives unanimously opposed the proposal. "I considered that the equivalent of a vote of no-confidence in me," Ozawa later commented, and his assessment of the situation was accurate.

Yet, urged by senior party members to "reconsider his decision and continue to lead the party," Ozawa retracted his resignation. Where are his principles?

Whether to form a coalition with the LDP or seize power by winning a general election is the most crucial strategic question Minshuto should be asking itself.

Only 100 days ago, Minshuto triumphed in the Upper House election by promising a change of government. But as if this was already forgotten, Ozawa flip-flopped on the party's basic strategy by considering a grand coalition one day and then changing his mind. What he has done verges on betraying the trust of those who voted for Minshuto in the last election.

Announcing his resignation on Sunday, Ozawa went so far as to tell the press, "Minshuto

is not yet completely ready to assume the responsibilities of a ruling party." He also noted that the party will have a hard time winning the next Lower House election.

Naturally, party members wonder bitterly if they can really unite under this leader for the next general election.

But what is most pathetic is the weakness of the party itself, which had to almost cling on to Ozawa and beg him to stay.

Apparently, there were concerns that once Ozawa stepped down, he might leave the party, taking along lawmakers who support him. If Ozawa formed a new party and joined the ruling coalition, that would indeed be a big blow to Minshuto.

The party has no front-runner who will eventually succeed Ozawa. A presidential election could create an intraparty rift, and this is certainly a concern within Minshuto. However, with Ozawa remaining at the helm, it will not be easy for Minshuto to regain the trust of the public.

From now, voters may doubt whatever positive promises the party may make for a change of government.

The LDP will definitely capitalize on Ozawa's flip-flop by telling voters: "You don't want a prime minister who constantly changes his mind on important national issues."

Minshuto needs to try to make a fresh start at once, not shrink into itself for fear of an internal rift or loss of popular support. The first step is for Ozawa to explain clearly to the public what has transpired and how he intends to lead the party in the days ahead.

Only then, should the party explore a means to rebuild the party's shaken credibility. After the Diet adjourns, the party should immediately call a full-fledged presidential election, with all party members voting.

Without a fresh start, Minshuto's rebirth will be difficult.

—The Asahi Shimbun, Nov. 7

## J-Green scandal

### Necessity of J-Green projects must be reexamined.

In its ruling convicting two former executives of a government-affiliated agency involved in a bid-rigging scandal, the Tokyo District Court handed down a guilty ruling and bitterly criticized their behavior. Munee Takagi, 59, who was then executive director of Japan Green Resources Agency (J-Green), was handed a two-year prison term, suspended for four years. Tsuneo Shimooki, 57, a former chief of J-Green's forestry-road planning section, was sentenced to 18 months in prison, suspended for three years.

The court said the two former senior officials tried to secure the survival of their organization at the expense of the public by continuing the traditional practice of rigging bids for the agency's contracts. They made no effort to end this unfair practice, which wasted a huge amount of taxpayers' money, in a shameful betrayal of the people's trust, the ruling said.

The two men were found guilty of bid-rigging for geological surveys, measurement and designing for forestry road construction projects contracted out by the agency. Many of the convicted executives of the four companies that won these contracts through collusive bidding are former officials of the agency or the Forestry Agency. This is the ultimate example of *kansei dango*, or bid-rigging at the initiative of government officials, since bureaucrats and former bureaucrats played a leading role.

Still, the prison terms for the former J-Green officials were suspended because the collusive bidding had been going on at the agency for years and had become a crime beyond any individual's control. The court ruling acknowledged how deep-rooted the corruption at the agency was by pointing out that the main culprit, a former J-Green executive director, had to be ready for resignation to stop the bid-rigging.

In connection with this scandal, Toshikatsu Matsuoka, who was the minister of agriculture, forestry and fisheries when the revelations emerged, killed himself in May amid allegations that he had received political donations from the contractors involved. On the following day, a former senior official of a forerunning public corporation of J-Green jumped to death from the apartment building housing his home. The two shocking suicides were part of the factors that prevented the investigation into the scandal from un-

covering the corrupt nexus between public officials and special interests benefiting from government spending on agricultural civil engineering works.

The scandal has led to the government's decision to scrap J-Green at the end of March. After so many years of wrongdoing, the agency certainly deserves the fate. To our great surprise, however, most of the agency's public works projects are likely to be continued at local governments and another organization. That means many of the wasteful projects created for the sole purpose of securing juicy jobs for retiring officials could be kept alive.

J-Green may be an unfamiliar name for many people. It was created through a merger between two public corporations—the Forest Development Corp. and the Japan Agricultural Land Development Agency. Its main job is the development of forests and farmland. The farm ministry plans to transfer to prefectural governments the forestry road projects in which the bid-rigging took place. The ministry appears to help the prefectures to receive necessary money for these projects from the central government.

J-Green's remaining projects, including plans for developing water source forests and integrated agricultural-forestry development projects in intermediate and mountainous areas, will be taken over by another independent administrative agency supervised by the farm ministry. The some 730 employees of J-Green will also be transferred to the agency. All these steps will turn the abolition of J-Green into a change of name.

Even more outrageous, the ministry has requested 59 billion yen of outlays in the budget for next fiscal year for the projects that have been carried out by J-Green. The amount represents a slight increase from the J-Green budget for current fiscal year.

This agency kept the costs of its projects unreasonably high through the bid-rigging scheme. Even if some of its projects need to be continued, the budgets for them should be slashed substantially. The farm ministry's plans for J-Green's projects leave little doubt that it is not doing any soul-searching about the scandal.

The government should put all the J-Green projects back on the drawing board. Then, it should reexamine them to evaluate their necessity and review their costs rigorously.

Special to The Asahi Shimbun

Prime Minister Yasuo Fukuda, son of late Prime Minister Takeo Fukuda, will fly to the United States this month, three decades after his father's first summit in America. He will land in a country that has changed considerably in 30 years.

Most noticeably, in 1977, 220 million people lived in the United States; today there are more than 300 million, a gain equivalent to nearly two-thirds of Japan's population. Japan, by contrast, has only grown by fewer than 14 million citizens since 1977. The Japanese population is now declining.

In 2007, when another Fukuda might be prime minister, there could be 380 million Americans. Thus, Japan looks increasingly small and elderly compared with the United States.

On the economic front, there was much anxiety about the Japanese industrial juggernaut in 1977. Americans feared that the "American Century" was giving way to the era of Japanese dominance. In 1979, Ezra Vogel of Harvard, in his "Japan as Number One," advised his fellow citizens to emulate Japan.

Thirty years later, however, America has demonstrated its primacy in the key technologies of our era, and there is less concern about U.S. decline, although the long shadow of the

subprime crisis is darkening this rosy picture.

Japan is now seen as lagging in the technological revolution headquartered in Silicon Valley and throughout the United States. If Americans think that they will be dethroned economically, they fear China rather than Japan.

America's international position and its attitude to the outside world have also evolved. In 1977, the Cold War found the United States to its allies. The Soviet threat dictated the massive deployment of American forces in Eurasia backed by the political, economic, cultural, and military weight of U.S. partners.

In 2007, the Soviet Union is no more. Russia is unfriendly, but many times less dangerous than the USSR. Even if China harbors hostile ambitions, it is surely not a threat comparable to the Soviet one.

North Korea, Iran, al-Qaida, Cuba, and Venezuela have nuisance value, but taken together amount to a fraction of the menace posed by the Red Army and international bolshevism.

Therefore, Prime Minister Fukuda should expect to find an America that projects self-confidence and calm. But on the contrary, he will find the American psyche gripped by anxiety.

Americans, regardless of party affiliation, are still traumatized by the Sept. 11 attacks. The suicide hijackings were an imaginative plot by foes with

### POINT OF VIEW / Robert Dujarric

## Fukuda has chance to tighten future U.S. ties



Robert Dujarric

limited resources and unable to seriously threaten the United States. But Americans believe a new "world war" had been declared. In part due to this "post-traumatic stress disorder," which afflicts the American elite even more than the general public, President George W. Bush was able to invade Iraq, hence precipitating a cascade of catastrophic events for the United States.

Moreover, 9/11 fueled a Manichaeon world view, best exemplified by the president's Leninist slogan: "You're either with us or against us."

Prime Minister Fukuda would be wrong to think that only President Bush and his neo-conservative advocates have adopted this attitude. The acceptance by many American politicians of torture and their support for continuing the war in Iraq, or at best their tepid opposition to it, indicate that the president reflects the feelings of the American political and intellectual establishment of both parties.

One of the consequences of this situation is the replacement of "alliance" with the concept of the "coalition of the willing," which in plain English

means that the United States makes all decisions even if the allies contribute resources.

How do these developments make the Fukuda's visit different from that of his father? One positive change is that, partly due to the focus on China and the opening of Japan's markets, there is much less hostility to Japanese trade than there was in the 1970s. Therefore, the Japanese leader will not have to face a barrage of criticism from protectionist lobbies.

But due to the relative decline of Japan's population and the economic rise of the rest of East Asia, Japan now looks less important in American eyes. Additionally, the current American focus on "terror" and the unwillingness to listen to allies make the United States a difficult partner to deal with.

As the Bush administration enters its twilight, Fukuda should use his time in Washington to get to better know members of Congress and the presidential candidates and to enlighten them about issues that are of importance to Japan.

It may not yield immediate results but could help lay the foundations for a better Japan-American relationship in the future.

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### POINT OF VIEW / Kultida Samabuddhi

## Fight terrorism by stopping sources of funding

Walking the streets of Colombo, one can easily bump into the anti-car bomb barriers, steel barricades with razor-sharp barbed wire, watchtowers with armed police, roadblocks, and so on.

Why the Sri Lankan government and defense agencies have to come up with such stringent security measures is understandable. Even those who have not followed the long battle between the government and the Liberation Tigers of Tamil Eelam (LTTE) can quickly sense the tension that grips this nation. Simply scanning local newspapers reveals reports of LTTE attacks.

Suicide bombings, assassinations and attempted assassinations of hundreds of prominent figures and foreign dignitaries, as well as mass killings of civilians, have haunted this island state for more than three decades.

According to the Sri Lankan Foreign Ministry, the Tigers' trail of atrocities has resulted in the killing of some 60,000 people since the organization was formed in the mid-1970s.

The fact that the LTTE, which has been described by one terrorism expert as "probably the most sophisticated terrorist organization in the world," also runs activities in other countries and could have links with international terror networks has prompted the Sri Lankan government to come to the conclusion that they cannot fight the Tigers alone.

Thailand has been named part of the LTTE's global web. The country has long been identified by Sri Lankan officials as a transit point in the LTTE's

arm-smuggling network.

Geographically speaking, shipping smuggled arms can be done easily from Thai ports, and across the Bay of Bengal to Sri Lanka.

In a fresh bid to draw international cooperation, particularly among Asian countries, to help combat terrorism on their home soil, the Sri Lankan Ministry of Foreign Affairs recently organized the first International Conference on Countering Terrorism (Oct. 19-21) in Colombo.

The three-day event brought together terrorism experts, academics, intelligence officers, diplomatic officials and media from 23 countries.

Terrorist financing was discussed by conference participants, who agreed little has been done to cut the financial pipeline of terrorist groups.

"Terrorists' money-laundering activity works 24 hours. They are much more committed to their work than us," said David Leppan, director of the London-based World-Check, a private intelligence provider.

According to the agency, methods used by terrorist groups to fund their operations include credit card fraud, arms trafficking, human trafficking, extortion, cigarette smuggling, and the sale of pirated CDs.

Terrorism expert Shanaka Jayasekara, from the center for policing, intelligence and counter-terrorism at Australia's Macquarie University, said using front organizations was a popular method for terrorist groups, including the LTTE, to earn money.

"The LTTE international network established several humanitarian front organizations that successfully engage in fund-raising activities. In most cases these front organizations have a dual function—the organizations engage in humanitarian activities with much publicity and are a channel for LTTE fund-raising," he said.

The LTTE is known to own and operate business enterprises, including restaurants and supermarkets in Europe, Canada and Southeast Asia. Prepaid phone card and Hindu temple management businesses were other sources of income for the group, according to his research.

"The LTTE has found the business of temple management to be lucrative, and also has the benefit of charitable status and earns funds with a minimum paper trail. There are several cases recorded in the U.K., Canada, and Australia where strong-arm tactics were used to gain control of temple management," said the expert.

Jayasekara said fund-raising tactics employed by the LTTE will "definitely be replicated by other terrorist and criminal groups." Therefore, it was a must for governments and anti-terrorism task forces around the world to watch these businesses.

Joan De Zilva Moonesinghe, former director of the Central Bank of Sri Lanka's bank supervision and consultant, financial intelligence unit, said that tsunami donations and the establishment of non-profit organizations for tsunami rehabilitation had emerged as

a potential channel to fund the LTTE. Sri Lanka is one of the countries hardest hit by the December 2004 tsunami, which killed almost 40,000 people there.

Within a year of the catastrophe, as many as 256 new NGOs were set up there with about \$400 million (45.6 billion yen) in funding.

Concerned authorities had neither examined these NGOs nor their financial reports because the damage was so great and a lot of money was urgently needed to restore the tsunami-ravaged country, she said.

Within a year, 80 percent of the donations left the banks and there was no proof if the money had been used for tsunami rehabilitation or not, Moonesinghe told the conference.

"Banks have been reluctant to perform the due diligence on the remittance for fear of losing clients," said the former banker.

Inspection units should be set up in tsunami-hit countries with active insurgency groups to monitor the NGO operations and track down the money used by these groups, she said.

Without an effective scheme to counter terrorism financing, each country will waste a lot of money and manpower on anti-terrorism operations and devices, including those which dot the city of Colombo, to safeguard people from terrorist attacks.

And no one knows if these devices and security operations will be enough to prevent the next strike.

The Bangkok Post

## Fuel price hikes do not advance energy conservation

The recent 8-percent price hike on major oil products highlighted the need to address the supply shortage that is creeping across China.

Price hikes for basic necessities should not be treated as a stopgap way to boost production. Policymakers must do more to promote energy conservation.

When announcing that the prices of gasoline, diesel oil and jet fuel would be raised by 500 yuan (7,648 yen) per ton, the National Development and Reform Commission (NDRC), the country's top economic planner, stressed

that the revision was intended to ensure domestic fuel supplies and encourage energy saving.

The first argument is self-evident.

The gap between the prices of global crude and domestic oil products is widening significantly, especially since the former recently topped \$90 (10,264 yen) a barrel. Consequently, Chinese oil refiners are losing money by selling fuel at below-market prices.

When some domestic refineries stop processing to avoid losses, a price hike for oil products becomes necessary to ease shortages or tighten supplies.

It is not easy for policymakers to make such decisions.

In the face of the mounting pressure of inflation, which stood at 6.2 percent in September, the authorities have kept a tight lid on domestic fuel prices to keep prices in check. Though it is estimated that the latest price hike will only lift the monthly consumer price index by 0.05 percentage point, it is far from clear what ripple effects it will have on prices of other products and the overall rate of inflation.

It appears that policymakers have risked inflation to ensure oil supply in

the domestic market.

But this costly hike addresses what is really just a short-term price problem. Policymakers should take this opportunity to advance China's long-term goal of conserving energy.

A blanket fuel-price rise will do little to tend use by energy-consuming enterprises and individuals. The authorities should speed up efforts to introduce a market-driven pricing system that will push fuel prices high enough to punish those who are dragging their feet over energy saving.

—China Daily editorial, Nov. 2

### VOX POPULI, VOX DEI

## Ozawa needs to come clean on discussions

Nowadays, we rarely see bushes in urban areas. But *yabu*, the Japanese word for bush, is still used in idioms. For example, if we beat a bush, snakes come out of it as in the idiom *yabube-hi*, which means something has the opposite effect as was intended. *Yabu kara Bo* is another common idiom, which literally translates as "sticks come out of bushes." It means something happens without the slightest warning.

Indeed, the talks toward forming a grand coalition held between the leaders of the ruling Liberal Democratic Party and opposition Minshuto (Democratic Party of Japan) on Friday were so unexpected that it would make a good example of how the idiom is actually used. With the same

abruptness, Minshuto President Ichiro Ozawa, who tendered his resignation, then decided to remain in the job.

However, what both sides say differs, and the truth remains a mystery, or *Yabu no Naka* (in the bush). According to Ozawa, Prime Minister Yasuo Fukuda completely accepted his pet argument on the overseas dispatch of the Self-Defense Forces. But when asked to confirm the truth, the prime minister gave an evasive answer. Also with regard to a new law aimed at having the Maritime SDF resume refueling activities in the Indian Ocean, the two differ on whether the prime minister is set on passing the bill into law.

To begin with, it is wrong for the

two men to try to decide important issues that affect the course of the nation by themselves. If they want to discuss them, they should do so in the open for all to see. The way they talked about the SDF behind closed doors brings to mind the image of children playing with fire behind a bush.

Speaking of uncertainty, Ozawa himself has continued to be a flashpoint of political reorganization. Perhaps, when Minshuto accepted him as its leader, it should have been prepared to suffer burns to some extent. Minshuto supporters must have felt disillusioned watching Ozawa going up in flames and those around him trying to put out the fire in an attempt to have him stay on.

Since Ozawa made up his mind to

remain as Minshuto president, I urge him to settle the talks he had "in the bush" with Fukuda in a Diet debate that was postponed. They should actively exchange views and discuss their differences, including who brought up the idea of forming a grand coalition, not in the bush but in the open field called the Diet.

Ozawa was quoted as saying: "This may seem really embarrassing, but I want to take another shot (as party president)." Even if it means embarrassing himself, he should come out in the open to give a full explanation. Ozawa's first job as the "new" president of Minshuto is to show what was in the bush at a news conference Wednesday.

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