

NUMBER

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OCTOBER 2004 ¥500

The Foreign Correspondents' Club of Japan

FROM POLISHED SHOES TO MUDDY BOOTS

Reporting on Chaotic Diversity of China

The Real Story of UFJ

FSA's Grand Plan

Tribute to Tiziano Terzani

Larger-than-Life Man of Exceptional Insight into Asia



C O N T E N T S



LEFT Advertising in Asia takes on a differing approach to the West. Check out the details in Mike Jacobs' feature, "Enter the Electron - Media and advertising go online," page 10.



COVER The rooftops of the Forbidden City in Beijing.

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C O N T R I B U T O R S

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Mack Chrysler joined the FCCJ on March 14, 1969 and was an active member for 27 years while in Japan. He was Tokyo Bureau Chief of *U.S. News & World Report* back then. In 1973, Chrysler became correspondent for the *San Francisco Examiner*. Subsequently, he worked for a number of different media, including the *San Diego Union* and Word's Communications Inc. Chrysler now resides in Utah.

Stephen Church is a Principal at Analytica Japan, a financial research-based management consultancy (www.analyticajapan.com). After graduating from Waseda University in financial economics, *kinyukeizairon*, in 1979, Church has worked in equity research and M&A research (Yamaichi, Wood Mackenzie, UBS) and private banking (UBS, Lazard) before launching Analytica Japan in 1997. He may be seen contributing to the business performance of the FCCJ Main Bar from time to time.

Steven L Herman is AP Radio's correspondent in Tokyo. He also reports for Canada's CBC, Germany's Deutsche Welle and Radio New Zealand. Over the years, he has also been seen or heard on such outlets as BBC, CBS, CNN and PBS. Herman was FCCJ President in 1997-98.

Freelancer **Mike Jacobs** has been covering Japan and the Asia Pacific region for 15 years with stories and features in the fields of travel, food, arts, music, sports and corporate affairs for newspapers and magazines. He has been a *Number 1 Shimbun* regular contributor for the past four years.

Fernando Mezzetti, at present editorial writer for various Italian newspapers (*La Nazione*, *Resto del Carlino*, *Il Giorno*, *il Gazzettino*), has been correspondent in Beijing (1980-1983) and Moscow (1983-1987) for *Il Giornale*, and in Tokyo (1987-1991) for *La Stampa*. He was an FCCJ member from December 1987 to August 1991. Mezzetti is author of several books and essays.

Australian **Murray Sayle** joined the FCCJ in 1975 after covering the fall of Saigon for *The London Sunday Times*. Sayle had previously reported wars in Laos, Cambodia, India, Pakistan, Bangladesh, the Middle East, Latin America, East Africa and many other conflict situations.

Freelance writer **Fred Varcoe** is no stranger to the world of diplomacy, but is definitely not part of it. After 15 years of barbed writing for *The Japan Times*, Fred, whose wife is Korean, found himself out the door for reasons related to a pre-World Cup article on Seoul. Having lived in Japan for 17 years, following stints in Saudi Arabia and Spain, Fred's perspective remains unique.

Jonathan Watts is the East Asia correspondent for *The Guardian* and *The Observer*. He moved to Beijing to take up this position in August 2003 after spending seven years in Tokyo as a freelancer – primarily for *The Guardian*. A London-born, Manchester-educated former English teacher, Watts was an active member of the FCCJ before his transfer. He now lives in China with his Japanese wife, Kayoko, and binational children, Aimee and Emma.

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Re-Balancing the Membership

Anthony Rowley

As this issue of *Number 1 Shimibun* was preparing to go to bed, I in turn was attempting to put the “Membership Re-Balancing Plan” to bed. By the time you read this, I fervently hope that the plan will have passed both the Board and the General Membership Meeting. I freely acknowledge that the plan may not appear to satisfy everyone in all respects and details, but I sincerely believe that the most important thing is to get in place a membership marketing “structure” at the FCCJ.

Let me explain what I mean. Over the years, various Presidents and Boards of the FCCJ – as well as the General Membership Meeting – have come up with schemes to recruit new members. However well intentioned these efforts were, they have all suffered from lack of follow-through. This is hardly surprising as Presidents and Boards get diverted in their priorities and the General Membership meets only once a quarter.

I stood for election this year on a platform of “re-balancing” the membership of the Club – i.e., remedying the imbalance between Regulars/Professional Associates and Associates, promoting a more “media-like” atmosphere in general, as well as trying to establish a young age profile among members. I will not dwell on this issue here because I believe that there is a large degree of consensus on the need for change – not least among Associate members.

It is obvious, however, that little of a lasting nature can be achieved without some sort of structure in place to ensure continuity of the membership marketing effort. The Membership Re-Balancing Plan seeks to remedy this by the appointment of a Membership Marketing Professional supported by a small and highly focused Membership Marketing Advisory Committee, consisting of senior FCCJ officials and also professional talent drawn from the ranks of the Regular, Professional Associate and Associate Memberships.

There is an abundance of ideas among Board members – and doubtless among the Regular members and Associate member community, too – about what precisely needs to be done in order to improve the composition and balance of the FCCJ’s membership makeup. These range from ideas for broadening the definition of Professional Associates (to include analysts, economists and researchers) to focusing on the journalism “factories” (news agencies), and from fee reductions to the creation of a new category of corporate membership.

Little of a lasting nature can be achieved without some sort of structure in place to ensure continuity of the membership marketing effort.

There are myriad other suggestions in between, many of them no doubt worthy of adoption and all worthy of consideration. The problem is that it is not possible to draw up a plan that would satisfy everyone and which also could be guaranteed to be viable. Nor would it be wise to load the Membership Re-Balancing Plan with too many specific resolutions or recommendations for action until inputs have been obtained “from the field,” as it were. We need “feedback” as well as structure in our recruiting efforts.

By this I mean that the Marketing Professional, once he or she is appointed, will be going out daily to talk to media outlets and organizations, companies, financial institutions, official bodies, etc. – not only explaining what the FCCJ has to offer as a unique forum for bringing together journalism and other professions, but also learning what it is that potential members expect and demand from the Club. This information can then be processed by the Membership Marketing Advisory Committee and then fed to the Board and the General Membership for action.

Obviously, this process will be a “two-way street,” and the Board and General Membership will have in place a structure for feeding in their ideas and inputs, safe in the knowledge that these will not be simply forgotten or ignored – as has often been the case in the past – but considered carefully, from a professional standpoint. The process will not be at the whim of any individual – President or otherwise – as the Membership Marketing Advisory Committee will be the watchdog of future efforts and will be required to submit regular reports to the Board and General Membership.

The other essential aspect of the Membership Re-Balancing Plan is that there should be provision for “membership care.” What I mean by this is that there is little point in attracting new recruits without follow-up action to ensure that they are properly integrated into the life of the Club. This requires follow-up action in the form of regular events aimed at “mixing” members of all categories. Constant feedback from the membership will be required, and this again requires that we have a proper structure in place linking recruitment to professional and social activities, etc., rather than leaving it to a few volunteers.

Some have argued that the Club needs to make better use of its existing resources in the realms of the Regular membership, as well as scouting new recruits. This is certainly true and, as I said in my last Column, I intend to launch the President’s Special Initiative for engaging bureau chiefs and senior correspondents more actively in the life and work of the Club (just as soon as the Membership Re-Balancing Plan is “on the road”). I am keeping my fingers crossed – and staying involved. All the best. ■

A message to all members of the FCCJ from the undersigned 2003-2004 Associate Liaison Committee Members

We all have worked hard to integrate the Regular and Associate members, and have come a long way from the past unfortunate antagonism of the two groups.

The new president Anthony Rowley has decided to unilaterally appoint Grady Loy as the new chairman of the ALC without consulting any of us. It is his privilege to appoint committee chairmen, but he could have had the courtesy to consult us beforehand.

The new president has also unilaterally decided that he does not want any Associate member to be on the Board as an observer, which again is his privilege but he could also have discussed this with us and also obtained the opinion of his new Board.

Mr. Rowley asked Ernie Salomon to work in putting together a Club directory of all members, not realizing that we had formed a subcommittee to study this possibility, which was rejected for being impractical for several reasons, one being that there is no budget allowance and the cost is estimated at minimum two million yen. When this was mentioned to him, he said that as president he will find this amount outside the budget. He also apparently never read and was unaware of the subcommittee report prepared and signed by Mark Halpern. Would he have read our monthly minutes, he would have been aware of this report. Mr. Rowley is now keen to present his priorities to the ALC without apparently being familiar with our past endeavors and work.

Mr. Rowley does not seem to realize that the ALC represents over 1,700 of the total FCCJ membership, a vast majority, and that the Associates contribute over 85% of the yearly revenue. We would have expected that he takes the ALC more seriously.

To shut out the Associate members from observer status at the Club's decision-making Board is unproductive, unrealistic and unfriendly, and therefore unacceptable to us. The Board

consists exclusively of journalists, but to run a club efficiently, one also needs lawyers, bankers, architects and other experts all available and willing to contribute among the Associates.

The policy of the new president can only be called backwards and bureaucratic, and lacks a positive vision. Look at our sister club in Hong Kong, which also has more Associates than Regulars. They have three Associates as voting members on their Board.

We are not asking for that, but a nonvoting observer status by one and only one Associate is important for the smooth running of the Club. The experience gained by this so far was entirely satisfactory. We only had constructive discussions, never a single unpleasant argument, undoubtedly due to the fact that we are all volunteers and work together for the benefit of the Club.

How can you expect the Associates to continue being involved in other committees, like the Finance Committee, if we are treated as secondary and pushed aside? The Club has changed due to its expansion, especially of Associates, and we cannot maintain the old status quo.

We herewith ask the present Board members to convince the president that the Associates are an asset and not a liability or an obstruction, and to let us continue the good work which has been proven so satisfactory to all concerned.

We are obviously disappointed, and if nothing is changed the undersigned have decided to abstain joining the ALC of 2004-2005 if asked. As responsible members of the Club, we shall nevertheless continue to thrive for the further success of the Club in our capacity as individuals.

Mehdi Bassiri
Tom Brown
Mark Halpern
Don Houk
Kunio Okabe
Max Petitjean
Ernie Salomon
Manny Sultan

Beginning with this issue, a new editor takes over. It was nearly a year ago that the president and the Publications Committee made the unprecedented move of asking me, an Osaka-based member, to become editor. I was surprised, and thrilled, at the request, and jumped at the opportunity.

Over the past year, the highlights of my editorship have been many, but the chance to work with superb journalists on stories of topical importance to us all has been the best thing about the position. I began my career in magazines and I still retain a special love for the format, so putting together the *Number 1 Shim-bun* was never a burden, only a joy. For their faith in me, I wish to think Myron Belkind, Jim Treece, Ron Rhodes, Pat Killen, Kristen McQuillen, Sandra Mori and many others, too numerous to count, who were always helpful, courteous and professional. I also want to thank not only the features writers, but also the many members who volunteered to write up various Club

events for nothing more than a simple "thank you." A special thanks must also go to my good friend Justin McCurry, who, despite his busy schedule as *The Guardian's* Tokyo correspondent, has contributed to the *Number 1 Shim-bun* first as a writer and then, more recently, as associate editor.

Unfortunately, my workload has increased greatly over the past couple of months, while a new administration brings with it new priorities and ways of doing things. I realized I could not do my best work, inadequate as it was at times, and felt it was time to move on. I wish the new Publications Committee every success and I ask all members to contribute to making the *Number 1 Shim-bun* the best publication it can possibly be.

Finally, a special word of thanks to David Umeda at Paradigm. I simply could not have done my job without his hard work. David, a heartfelt thank you.

Regards, and I look forward to seeing you all in the Main Bar.

Eric Johnston

FCCJ's Tuna Sandwich Problem

Until a few weeks ago, one could have the FCCJ's tuna sandwich for ¥682. Now, we have to pay ¥1,039 for a tuna bagel, or ¥1,144 with a cup of coffee.

Such price increases will only encourage many people (including myself) to have their sandwich somewhere else. One can relish a delicious tuna sandwich (regular, sesame or poppy seed baguette) and a very tasty coffee for ¥735 at a French bakery near Tokyo Station.

Allow me now to switch to the philosophical aspect of the above matter.

If one were to order a tuna bagel cum coffee 25 days a month at the FCCJ, one would spend ¥28,600. When adding the monthly ¥8,000 for the Regular members' dues and the ¥1,000 levy, one tuna bagel would cost ¥1,504 daily, and a little higher for Associate members.

For ¥1,500, one can savor a high-quality lunch at a French restaurant in Akasaka. Its generous noon menu consists of a substantial hors d'oeuvre, bread, meat or fish with vegetables, dessert and a beverage. No tax is charged at lunchtime.

If one were to order a tuna bagel, coffee and dessert for 25 days at the FCCJ, the total would run up to ¥46,787 monthly, or ¥1,871 daily. And, of course, more for Associates.

One F&B Committee member told me: "Some people do not mind paying more" and added that a decision to keep or drop the price will be taken after a three-month trial.

The Main Bar's staffers agree that the current price for the tuna sandwich is too high and noted that less people have been ordering it since its price increase.

Do we really need to wait that long before reverting to the original price?

Edwin Karmiol
Aug. 2004

COMMITTEE CHAIR COMMENTS

The Food & Beverage Committee has added two new, younger Regular members who have come up with interesting new food and beverage ideas at the July and August meetings of the new administration.

We aim to strengthen coordination and communication among the Club committees involved in various events.

In the 2003-2004 administration, the Food & Beverage Committee successfully completed a book of 200 pages of recipes showing the recipe, steps in preparing each



recipe and a color photograph of how each recipe should actually look as it is served to members. The object was to have uniformity of presentation of taste no matter which chef prepares the dish. Copies will be given to the two Club kitchens and implemented during the present administration.

The Committee also plans to revise the Main Bar and Snack menus with better photography and design, and adding new dishes.

— Bob Kirschenbaum

The Freedom of the Press Committee operates as a quick-strike reaction force or a "SWAT" team for the Club members and for the foreign press. Over the years, the committee does not have regular functions like the Professional Activities Committee or the Entertainment Committee. The committee, however, springs into action when press freedoms are at risk. The committee operates separately from the Foreign Press in Japan organization, which shoulders most of the work involving access to Japanese organizations, particularly issues



Directors, to lend public support to beleaguered journalists wherever they may be.

involving the restrictions imposed by the kisha clubs, but the committee is always available to assist or support the FPIJ. FPIJ is an "organization of news organizations," while the FCCJ is an organization composed of individual working journalists. The Freedom of the Press Committee works to assist members of the Club and also, with the approval of the Board of Directors, to lend public support to beleaguered journalists wherever they may be.

— Bruce Dunning

The Movie Committee has been working hard to provide FCCJ members with the chance to see the latest movies and special premiers for free. Over the next year we plan to focus on showing more documentaries, classics and Asian films.

We also hope that all members will take advantage of the extensive DVD and video collection we have in the library. Members can also borrow portable DVD players so they can watch foreign DVDs in the comfort of their own homes. Our collection is regularly updated, so please



contact us if there is something you think we should add to the collection.

Our "Monday Night at the Movies" offering has also been very popular, and we try hard to get films that have not yet been released in Japan. This year we have also presented many special screenings and premiers with guest filmmakers and actors. We plan to hold as many of these exciting events as we can in the future.

If you have any suggestions or questions, please contact me at joy.waitkus@kyodonews.jp.

— Joy Waitkus

FROM POLISHED SHOES TO MUDDY BOOTS

Reporting on chaotic diversity of China

It's been nearly 14 months since I had my sayonara party at the FCCJ. The memory of that night is blurred by nostalgia, age and a few too many glasses of red wine, but I will never forget two things: the warm send-off I was given by friends, colleagues and staff; and my own mixed feelings of sadness at leaving Tokyo after seven years and excitement about moving to China for the first time.

Twelve months on, those two feelings have not in the least bit been diminished – though now they are inspired by experience rather than expectation. A year in Beijing has sharpened my appreciation of Japan, and heightened my enthusiasm for covering China, which I believe – now more than ever – is the biggest, bullet-free story in the world today.

So – as one member of FCCJ asked – what has it been like working as a journalist in this nominally communist nation? How much access are reporters allowed? Does China have kisha clubs, football clubs and a foreign correspondents' club? And, of course, how does it compare to Japan?

Well, let's start at the bottom – with footwear. They say you can judge a man by his shoes. I reckon you can also judge a story. Japan was a beat for reporters wearing polished shoes – ideal for prowling the corridors of power in Nagatacho, shareholders' meetings in Otemachi and (once in a blue moon), the Imperial Palace. China, on the other hand (or should that be foot?), is a news track that requires sturdy boots, which soon get covered in mud, sand and loess from peasant farms, desert nomad camps and cave dwellings.

This is, of course, a simplification. Anyone who has covered the Fuji rock fest or Reggae Sun Splash will know you can find mud to your hearts content in

Japan. Likewise, the corridors of government offices in Beijing are no less well swept than those in Tokyo. (I suspect they may even use the same off-color Magnolia paint on the walls.) But you get the idea. Almost nobody wears a suit in China (I think my neck has been tie-free for all but two days in the last year), there is virtually no access to the corridors of power, and, besides, the most interesting material is to be found in the middle of nowhere.

After Tokyo, the diversity, scale and extremity of the stories in China sends the head spinning. Japan is a nation of relative stability, equality and uniformity; China is an empire filled with unrest, injustice and astonishing diversity. It is a more natural, more chaotic and – for a curious reporter – a far more fascinating place to be.

It is also a lot harder work. That's partly because the demand for news is greater. In Japan, which had gone off the boil by the time I left, I was writing three or four articles a week, at least one of which was usually for the business pages. In China, which is currently deemed very sexy, it is more like five or six, with a business piece only once every two weeks.

The issues also feel more extreme in scale and consequence – and not only because China's population is 10 times bigger than Japan's. One of the big stories during my time in Tokyo was a quarter percent rise in the interest rate, which – quite understandably – had people chattering for months. In China, however, there are so many life-or-death stories that you simply cannot cover them all. The worst place I've seen in my life was a village in Henan, where almost everyone was HIV positive because of the government's blood-selling scheme. When the people complained about the lack of medical treatment and compensation,

local officials sent in the riot police.

Another grim story was the death of about 30 illegal Chinese immigrants on the sands of Morecombe Bay in Britain. Many of the bereaved families in Fujian were first informed by foreign journalists. As is the mourning custom in that part of China, they wailed for as long as a stranger was in their house. They had good reason, too. As well as the loss of their loved ones and main breadwinners, these families – already impoverished – now owed the equivalent of more than 10 years' wages to Snakehead gangs.

There have been wonderful surprises, too. Much of China is horribly polluted and becoming more so. I expected that. But nothing had prepared me for the unspoiled and unforgettable beauty of many places – the giant roundhouses in Fujian (each home to extended families of more than 50 people), the chanting of monks in Tibet's Tashilumpo monastery and the moonlike landscape of Gansu. The intellectual debate also seems far more lively than in Japan. With more diversity and faster change, domestic academics, artists and journalists seem very open to new ideas. I shouldn't have been, but I was surprised by the willingness of people to criticize and poke fun at the government.

In China, foreign correspondents enjoy a privileged existence. Unlike domestic reporters, we can write what we wish with very little risk to ourselves. Restrictions on movement, residence and employment of assistants are being relaxed. We are still supposed to inform the local branch of the foreign ministry whenever we leave Beijing, but in recent years, this practice is more honored in the breach than the observance. It is no longer necessary to live in one of the diplomatic compounds, and many assistants are hired informally rather than through the Diplomatic Service.

The old rules still exist, however, so it is very easy to get arrested or kicked out of places visited without permission. Even so, Beijing veterans say the situation is now much better than it was in the '80s and '90s, when foreign journalists were frequently thrown out of China. In private, foreign ministry officials admit haranguing correspondents over the content of their stories was always counterproductive. So the climate has improved in many ways. But the changes are in interpretation rather than law, so it would be very easy for the authorities to clamp down again if they chose to.

Chinese sources are more vulnerable. In the provinces, local officials exercise huge powers and the rule of law is not sufficiently developed to protect critics from retribution. In Beijing, security agents follow dissidents and bug phone lines. They make little attempt to hide their actions. I am certain that at least two of my conversations have been listened to. The first time, an environmental activist was called by police shortly before I visited him. "Why didn't you tell us *The Guardian* was coming," they asked him. The only way they could have known was by bugging one of our phones.

The second instance was shortly before the sensitive 15th anniversary of the Tiananmen Square crackdown. A dissident

who was under house arrest told me that he would light some candles in his room to remember his dead friends. Shortly after, the police told him to say he would be in trouble if he carried out such a private commemoration.

The Chinese assistants of foreign correspondents are also put in a difficult position because they are regularly debriefed by public security officials about their bosses' movements and sources. It is very heavy-handed and generates feelings of suspicion that do not reflect well on China, which is – in so many other ways – opening up and re-establishing itself as one of the world's great civilizations. The closest comparison I can draw with Japan was the very clumsy watch put on members of the former Red Army faction. I never had reason to suspect that the police ever monitored me in Tokyo. If they did, at least, they were more discrete about it.

In some areas, however, China can offer lessons to Japan and other countries. In Beijing, the weekly foreign ministry briefings are extremely well organized. They are open to domestic and foreign reporters, who can ask questions and hear the answers with simultaneous translation. By contrast, while I was in Tokyo, correspondents were segregated from their counterparts in the *gaimusho*

kisha club and usually had to wait for second-pickings. Interviews with senior Chinese officials are few and far between (faxed requests are always required but often unanswered), but I was impressed by the Tibetan governor, who allowed foreign reporters two hours for questions and responded with considerable candor to a barrage of hostile queries.

Even so, there is no doubt which country offers foreign journalists the greater access. Despite the kisha clubs and the LDP windbags, Japan's political structure is streets ahead of China's in terms of transparency and accountability. There are a few veteran Beijing correspondents who get semi-scoops on political issues, but most foreign coverage of what is happening inside the black box of the communist government is based on calculated guesswork. Apart from a few marginalized dissidents, there is no opposition looking for *gai-atsu*.

From Tokyo, I could draw reasonable assumptions about lifestyles and attitudes in Hokkaido and Kyushu. Yes, there are a few small but significant exceptions to the homogeneous majority. And yes, there is an underclass and a privileged elite that belie the notion of a middle-class nation. But, looking back, Japan does indeed seem a land of conformity.

On the other hand, from Beijing, it is hard to know the first thing about what is going on in Muslim Urumqi or Buddhist Tibet. Yes, the Han majority dominate China, but there are hundreds of other minorities (not all recognized by the government), dozens of different languages and even a handful of matriarchal communities. The only thing China's 1.3 billion people have in common is nationality and the *hanzi* (*kanji*) writing system.

For a journalist that means having to get out and about a great deal. I now treat airplanes like I used to treat trains in Japan. In the past year, I have probably flown more than once every two weeks. In Japan, I would fly less than once every two months.

Still, I would not want to be anywhere else in the world right now. Although Beijing is classified as a "hardship posting," it is a dream for any journalist to watch the development of this unique hybrid: an ultra-capitalist economy rapidly outgrowing its old communist cage. Will it turn out to be the worst of both worlds, or the best? Surely there are few more interesting stories that a correspondent can cover without a flak jacket. ■

Tiananmen Square



ENTER THE ELECTRON

Media and advertising go online.

Over the last decade, information technology has been reshaping the media and advertising industries with ruthless efficiency as consumers get wired up for an electronic future. Increasingly, readers and viewers are choosing the technology that allows information to be a matter of personal customization rather than mass subscription, and the advertisers are discovering new ways to reach them. With the reduction of time and space into a singularity and a global connection to all information and entertainment, this rapidly changing environment promises catastrophe for the old and success for the new.

Media and advertising have been bound together ever since *The Times* of London first promoted advertisers all over its front page. But times change and so too the ploys of the media and advertising folk now that the public are "well-connected." The demand to know immediately what's happening locally and internationally at all levels and ranges of interest, plus what's around to buy at keenest price, is the shape of supply to come.

Consumers can now gather Web site info in the same way as journalists do, and the effect of such distributive power between creation and delivery is reducing the printed media's role. In a world where many media outlets are distrusted, readers are setting up their personal preferences for newsgathering with searches and links able to filter out the dross or advertising. In the U.S. last year, online consumers for news on the Net increased by 118%. The new rallying cry for the media has become "if you can't beat them, then join them" as they start to upgrade TV-Web connections, Web site searches and navigation with keener tools for customization.

The Internet has gained the time consumers were spending with television, newspapers, magazines and radio; most of

whom are valuable customers, tending to be tech-savvy, more educated and have higher incomes. Business information and entertainment have been the major consumption changes, with print demand falling away. As a result, the nature of journalism is changing.

Journalist Bruce Rutledge has been closely observing such trends over the past few years in Japan and notes that: "In newsrooms, print journalists are being asked to work at 'synergy desks' with their counterparts at sister TV channels." He says that print journalists and broadcast journalists are sharing leads, discussing the week's coverage and how to work in concert for Web-based reports combining video and print.

"This is really just beginning in Japan, so you won't find much on the newspaper's Web site yet, but it is a strong trend among regional newspapers, driven by the rise of Web-based media and the desire to survive in an increasingly difficult market," Rutledge says. "A fairly high-level executive at the *Nihon Shimbun Kyokai* told me last year that



One day, global branding will develop a promotion aimed at all consumers.

print reporters had better get used to the idea of toting video cameras to news sites and doing standups in front of the camera, because that's where the industry is headed."

He feels there will be less time for thinking, more multitasking and higher pressure, with less job satisfaction. "I expect unions to begin slowing the progress of this trend as more journalists complain about being overtasked."

FCCJ members are already aware how the Club has changed over the past few years as world media organizations reduce their correspondence from Japan. The Internet now allows overseas editors or journalists to gain access to news in Japan at the same time as the man-on-the-spot and write stories using e-mails and telephones for the finer points. Georges Baumgartner grimaces painfully at the thought of the future: "The changing Club membership reflects the new times, and it's going to be much tougher to earn money purely as a correspondent." He feels that his colleagues can only "wait and see" as to where electrons may take them.

Cutting out the middleman has proven to be a popular tactic for most service industries now that consumers are online; a trend that affects Japan in particular due to its great reliance upon a plethora of "men in the middle." A good example of this anti-agency push is being felt at Dentsu Inc., a national institution as yet floundering upon the global marketplace.

At the start of the 20th century in Japan, two news telegraph services, *Kyodo* and *Jiji*, faced a dilemma: instead of being offered money for their news reports by the media, space was offered instead for turning into cash. They quickly launched an agency for selling such space for adverts and an infant Dentsu (telegraphic communications) began to thrive; one century later, this wholesaler of media space and time has grown much larger than its parents by offering a complete advertising service for 6,000 clients, many of whom are in direct marketplace competition. As a domestic advertising agency, it is the largest in the world; however, as global players, the American and European "wolf" packs are invading its home territory as the media metamorphoses into a broad band of electronic devices that will greatly change advertising.

Currently, domestic advertising is rebounding slightly in Japan after a few



London is much the same as everywhere for multinational advertisers.

years of falling due to a weak economy. Figures for April/May/June 2004 show that sales for advertising rose 5.1% to ¥1.32 trillion, with Dentsu's mammoth share increasing by 12% to reach ¥453 billion.

The future problems facing Dentsu are manifold, and other agencies and the Japanese media tend to follow this leader blindly. Dentsu admits to its leading role in creating programming and features: "Historically, we have always given content assistance to media companies. Dentsu is involved in the creation of various TV programs, radio programs, magazines and special tie-in articles carried in newspapers."

Howard W. French, writing in *The New York Times*, says: "Indeed, a growing body of press criticism says Japan's mainstream dailies suffer from their cosseted relationships with the government and other powerful institutions, while the fat, glossy-covered weeklies pull some of their punches out of fear of Japan's huge and omnipresent advertising agency, Dentsu, an integral part of a deeply conservative establishment."

However, major Japanese advertisers are becoming more interested in how to save budgets and effectively reach target audiences. The forces of globalization and the practices of internationalization differ in the media industry as well. How can a player like Dentsu, servicing major Japanese companies at home, compete in overseas local markets, where the advertising culture is so very different? Dentsu says: "Globalization is one of the most important factors impacting our future growth."

One concerned academic points out: "Western advertising tends to be more

verbally oriented, having direct and to-the-point messages, and logical; while Japanese advertising tends to be emotional and indirect. Japanese consumers know so much about the products already that the key creative issue is how the message is said."

At Dentsu's new gleaming HQ, rising to the heavens above Shimbashi, all executives and directors are Japanese, even though most of its major clients are spending huge budgets overseas. In the case of Toyota, the vast majority of its \$3.5 billion overseas communications budget goes to foreign agencies and most of its Japan \$1 billion budget goes to Dentsu. The inability of Dentsu to fully compete in western advertising cultures is somewhat offset by doing well in Asia where adverts also tend to be more indirect. Dentsu points out: "Our subsidiary Dentsu Beijing, for example, was ranked number one in gross income last year in China according to the China Advertising Association."

Why are Japanese advertising agencies like Dentsu at a disadvantage as IT creates a global approach to readers/consumers, the main artery of all leading economies? Critics of their practices are numerous and they point out many reasons why Dentsu cannot repeat its domestic success in the other G-7 economies, where a reaction against advertising can be seen in a growing demand of do-not-call lists, spam filters, online ad blockers and ad skipping on digital video recorders (DVRs).

In the U.S., it is estimated that five years from now the growth of on-demand TV will cut traditional ad viewing by 19%, to a tune of \$7 billion, but advertising and subscription from video on-demand

will make up such a loss. Dentsu, however, does not believe that this will happen in Japan: "There is no indication that devices for removing advertising will erode the value of TV commercials' effect."

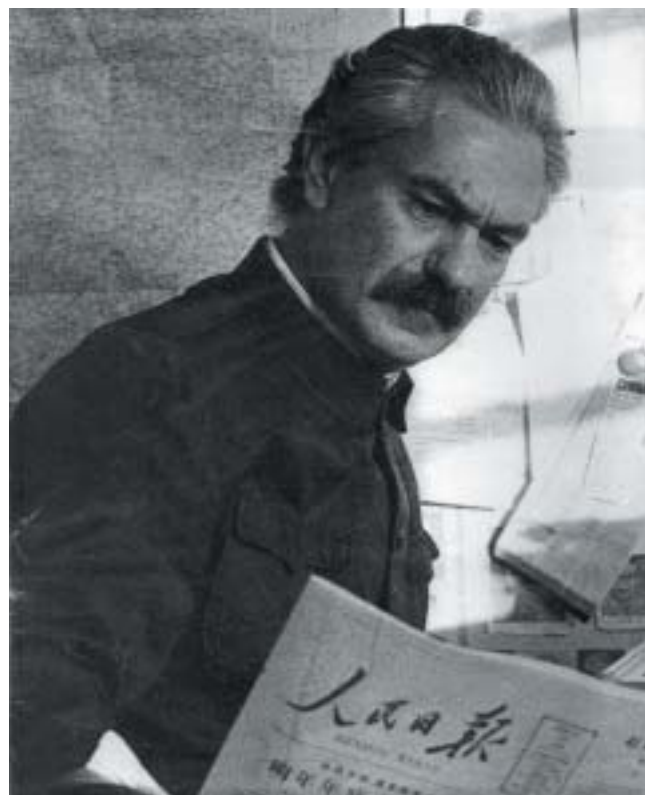
On top of all that, enter the search engines and the Web-entry portals; super media highways for tens of millions of daily travelers on their way to news, views, features, idle chat and music, or whatever Cyberspace may proffer. The advertisers are now realizing the true value of such selective hoardings for their wares; and the IPO of Google, which valued the search machine at \$30 billion, is simply the advertising bucks that will desert the old ways for new. Forrester Research says: "Google will maintain its position as a general search utility and will become an effective – and lucrative – ad network."

Can Dentsu grab its share of Internet revenues which have grown in Japan from ¥16 million in 1996 to ¥1.2 billion in 2003, and still only account for 2.1% of Japan's total advertising expenditures in 2003? An editorial in *J@pan Inc.* noted: "Changes are coming, thanks to the Internet. While Dentsu has been the chokepoint for conventional media, they have yet to figure out the online business. Instead, innovative ad-media companies such as ValueCommerce, ValueClick and others are leading the way with results-oriented business models that Japanese cyber advertisers find hard to resist."

Rutledge expects advertisers to spend more on Web-based advertising, especially on location-based advertising and other new trends. "Generally, a company's advertising budget is going to be split into more pieces – TV, radio, print, Internet, i-mode, satellite, cable – than ever before. Advertisers also love the way Net-based advertising can give them such an intimate profile of their customers."

The time the new electronic media and advertising takes to settle down into a proven formula may take a few more years. However, two good things are for sure: readers needing valuable information will rely less on the delivery of newspapers and magazines; and major Japanese corporations will be reaping higher profits by producing the same advertising promotion for Japan as used for the rest of their global consumers. ■

TRIBUTE TO TIZIANO TERZANI



There was his time in the Turtle House in Bangkok, a style Thai house and garden in the midst of fast high-rising Bangkok with a pond and a huge voracious old turtle and a meeting place for writers, artists and even politicians from all over Asia. Tiziano understood his own good fortune was to be expressed in his environment, and Angela, his wife, added to both the diversity of the visitors and the aura of easy hospitality.

Not that Tiziano wasn't ill at ease with much of modern Asia. Vietnam eroded many of his hopes, four years in China showed him the brutality of power and of Communist absolutism in particular. The Forbidden Door was his vivid account of that society's oppressions even in the relatively more liberal climate under Deng Xiaoping.

Wary of western materialism he was troubled by Asia's embrace of it and destruction of much of the old. Perhaps for this reason to me he never seemed quite at home in Japan. Had it managed a successful compromise?

His last years saw him battling both cancer and the west's most recent attempt to impose its will on Asia. His "Letters Against the War" in Afghanistan and his battles against Islamophobia in his native Italy won him a bigger following than ever.

But his international public legacy will probably be two books which were the outcome of a yen to travel and a desire to find out what really moved societies. Best known is *A Fortune Teller Told Me*, but my personal favorite is *Goodnight Mister Lenin*, an account of a 1991 journey through the Soviet Asian republics just at the point when that empire was falling apart.

For those lucky enough to know him, whether as the flamboyant war correspondent of 1973 or the white-bearded, kurta-clad guru in Delhi 2003, he was the friend who never changed his personal loyalties however much his idealism was contradicted by his experience as a journalist. He, for one, did not lapse into cynicism but always used his talents in pursuit of a better world for all.



— Philip Bowring

The vacuum Tiziano Terzani leaves behind is much larger than the position he had in international journalism. His town, Florence, where, in his words, his "spirit leaves the body," has paid him the highest tribute with an official ceremony at Palazzo Vecchio – the historical heart of the town – attended by a crowd as large as one would expect for a pop star. But Tiziano was not a pop star in search of cheap popularity. He was a man of character, and as such was a rather intractable character: though he never tried to impose his principles on other people, he was constantly committed to upholding them.

Setting aside differences of opinion, he was the kindest of people when he was with colleagues who he knew practised journalism as

he did, working in the field, respecting facts and events, although seeing them through the lens of one's own cultural formation. But he did not conceal his disdain for people who transform reality according to their wishes or needs. His booming voice still resounds in the bar of the FCCJ, where he enjoyed sitting with his companions at the correspondents' tables, exuberant with his sense of humour and warm gaze, which could also be an icy glance towards those whose professional behaviour he felt to be questionable.

He was not a man used to concealing his feelings, particularly on matters of journalistic ethics. On one occasion, he publicly exposed the malfeasance of a journalist who had written articles about his dangerous travels in a troubled country while enjoying the comforts of a grand hotel in a different capital. He was once asked by the editor of an Italian newspaper to write his stories in a "more flowing manner," to embellish them with the colourful and the fictional, making them more attractive, more entertaining. He quit on the spot. For him journalism was serious stuff, not infotainment. After all, he had quit a very promising career in business in order to enter journalism.

As a graduate of one of Italy's most prestigious universities, where his roommate was a future prime minister of Italy, and having completed Chinese studies at Columbia University, he was hired by Olivetti, with the perspective of a brilliant future. Intellectually supported by his wife Angela, he gave it all up and moved to Southeast Asia as a stringer for an Italian newspaper until he was hired fulltime as a correspondent by *Der Spiegel*. Here is a hint of Tiziano's peculiarity: an Italian, whose prose in his native language was brilliant, writing with the same elegance major stories in German.

Covering a country meant immersing himself in its language, culture, the way of life of the common people, seeking reality behind the official smokescreen. In the early eighties in China, he paid a high price for his ideals. Finding it impossible to negate the truth of his reporting, the authorities expelled him with ludicrous charges related to the purchase of antiques at official shops. That expulsion was one of the finest medals any journalist could have been awarded.

Tiziano was committed to working in the field at all times. In August 1991, while covering the troubles besetting the Soviets, he avoided Moscow, the centre of political manoeuvring after the failed coup, travelling instead to the breakaway republics to report deep inside the soon-to-collapse Soviet Union on the shockwaves emanating from the capital.

With his knowledge of Asian cultures, Tiziano pursued a certain idea of Asia, never reconciling himself to the idea of "wild Westernisation." He preferred an older Japan, which saw nobility also in failure, to contemporary Japan, where success is the major indicator. At the end of his assignment in Tokyo, he experienced one of the country's deep-rooted traditions, spending 40 solitary days on Mount Fuji that ended with an ascent to its summit. It was in India, after years in Bangkok, that he reached the deepest point of cultural immersion, anguishing in an intellectual journey in search of the non-violence Gandhi had once preached. It is no paradox that a journalist and writer who cherished a bygone Asia has left us with some of the most vibrant articles and books on modern Asia.



— Fernando Mezzetti
(turn to p.15)

OBITUARY

Obituaries: Carl Mydans & Kotaro Washida



Mydans in 1959

It is with sincere regret that we acknowledge the death of Carl Mydans, the much respected photojournalist who was a member of this Club in the late 1960s and early 1970s, and who died of heart failure at the age of 97 on Monday, August 16. (We are grateful to Professional Associate member Bob Kirschenbaum for bringing this sad event to our notice.)

Carl was one of the "old school" of postwar journalists who have left an indelible mark on the Asian landscape and whom the FCCJ was privileged to count among its members. He was best known to most of us from his photograph on the front cover of the Club's official history, "Foreign Correspondents in Japan." (He appears on the extreme left of the picture.)

As has been reported in numerous obituaries in the international press, Carl photographed 20th-century events from the Great Depression through to modern times. He was a "charter member" of the *Life* magazine staff who pioneered magazine photojournalism. Carl traveled the world with his

camera, witnessing and recording for posterity some of the great landmarks of the postwar world – from the tragedy of the American dust bowl of the 1930s to the triumph of General Douglas MacArthur wading ashore in the Philippines near the end of World War Two.

He was a prisoner of war of Japan, and in 1943 he and his wife Shelley were repatriated under a POW exchange. He then returned to the theater of war, covering Allied invasions in Italy and France. Later he came to Tokyo to cover the postwar U.S. occupation of Japan and the Korean War, after which he roamed the globe for *Life* magazine. Carl is survived by his son, a *New York Times* reporter, and by his daughter Misty. His wife died two years ago.

— Anthony Rowley, FCCJ President
Aug. 19, 2004

We greatly regret to have to announce that Kotaro Washida, a former general manager of the Foreign Correspondents' Club of Japan and a very long-serving member of the Club's staff, passed away at the age of 82 on August 23.

Mr. Washida will be remembered well by longer-serving members and staff of the Club as



he began work as a night telephone operator at the original FCCJ premises in the old Marunouchi Kaikan in August 1945, in the days when the Club was operated as a full "billeting" establishment for press corps members accredited to the General Headquarters (GHQ) of the Supreme Commander Allied Powers, or SCAP.

He became the FCCJ's first general manager in October 1954 and held the position for twenty-seven and a half years until April 1982. Mr. Washida then continued working for the Club in the newly created post of senior advisor to the manager and the Board.

The Club has sent flowers and a letter of condolence to Mr. Washida's family. The wake was held at 6:00 p.m. on Wednesday, August 25, at Tenrei Kaikan (048-687-4000), and the funeral was held at 10:20 a.m. on Thursday, August 26.

— Anthony Rowley, FCCJ President
Aug. 2004

PHOTOGRAPHS OF TIZIANO FROM LIBRARY ARCHIVE

PHOTOGRAPH OF MYDANS AP PHOTOS

continued from page 13 – Tribute

Few people ever forgot a first meeting with Tiziano Terzani. Mine was in 1972, the era of U.S. withdrawal, endless “peace talks” and the feeling among old ‘Nam hands (I had been there, on and off since 1966) that the war would go on forever, or would end in tears for the inhabitants of the then, and future, Saigon. Tiziano would have none of it. Vietnam, he explained to us, was simple. The Vietcong/North Vietnamese (he made no distinction, one of the many things the war was supposed to be about) were the Good Guys, and would soon triumph, as surely as the Italian Resistance had finished off Mussolini. Tiziano was the most Italian Italian I have ever been dazzled by: charming, passionately enthusiastic for the cause of the moment, poetic and earthy at the same time. The “ano” in Tiziano he explained was Italian for “anus.” It may be – my dictionary is shy – but I never afterwards got his name wrong.

The events of 1975 inspired Tiziano to his first book, *Giai Phong!* (*Liberation!*) about what is otherwise known as the fall of Saigon. It was a best-seller, especially in Italy. Later, when Mao’s China and liberated Vietnam started fighting, he was not so sure. He had studied Chinese with the cherished aim of being a correspondent in Beijing, which he achieved. Embarrassed, he tried to buy back *Giai Phong!* To his credit, I thought: the readiness to learn is the mark of an honest, active mind. China repeated his passionate involvement and disillusionment. Tiziano and his wife Angela dressed in Mao gear and sent their children, Folco and Saskia, to local Chinese schools. The Chinese authorities, deeply suspicious, eventually decided he was an undercover antique dealer, and in 1985 he was forced to move on, this time to Japan and a well-remembered spell at our Club.

Tiziano and Angela did a good job for his magazine, *Der Spiegel*, in Japan, but his adventurous heart didn’t warm to economic conundrums and LDP plots. Like many another newcomer, he tramped the Philippines backblocks searching in vain for the Yamashita Treasure (clue: there never was one). With tireless persistence, Tiziano saw his kind of story developing as the Soviet Union tottered. He was making a long-sought cruise on the Amur River when he read the news, jumped ashore and traveled through the rebelling republics towards Moscow. The result, *Goodnight Mister Lenin*, is my favorite among his many books: sharp, insightful, sympathetic, pure Tiziano. But the Sayle family owes Angela and Tiziano a more personal debt. When our house burned down in the winter of 1988 they took all five of us in, and we slept out of the cold, courtesy of *Spiegel*, surrounded by human warmth, books and mementos from all over Asia, while our village neighbors found us a new house to rent in our snowbound mountains.

Tiziano’s last transformation was into a bearded Hindu holy man in the high Himalayas, perhaps to be expected when *Spiegel* moved the Terzanis to India and, predictably, he looked for the most extreme experience of his new assignment. Next step might have been cyberspace, or whatever the new century has in store for us, but it was not to be. Tiziano gave much to the world, in fine writing, excellent reporting, a powerful record of his times. To us, however – and to many more like us – he was much more: a good friend, there when it counted.



—Murray and Jenny Sayle

Making the Headlines

Erdal Dogan and Ahmet Kazankiran – “Two Kurdish Families Seek Asylum” – Aug. 19.

Takayuki Noguchi, NGO NK refugee helper – “NGO Life Funds for North Korean Refugees” – Aug. 19.

John Bosnitch, Committee to Free Bobby Fischer; and **Miyoko Watai**, Japan Chess Association president – Aug. 19.

Don Oberdorfer, award-winning journalist and author – “The View from Washington” – Aug. 10.

Shoko Ieda, writer – “Kabuki-cho on Parade” – Culture Series, Aug. 4.

Abdul Amir Al-Rikaby, a leader of the Iraqi Democratic National Current – July 30.

Bunya Kato, attorney for Tokyo teachers – “Teachers Seek Injunction against Tokyo Education Board” – July 30.

Hinomitsu Ishi, chairman of the Prime Minister’s Tax Commission; and **Shinichi Sato**, director of the Finance Ministry’s Corporation Tax Policy Division – “Implications for Future Tax Policy” – July 28.

James Hyman, nephew of Charles Jenkins, alleged U.S. military deserter and husband of Hitomi Soga – July 24.

Mohammad Himu Islam – “al-Qaeda Suspect Released by Court” – July 27.



(continued from September 2004 issue)

Our return trip was uneventful until we were stopped a few miles south of Kompong Chnang. Soldiers said the VC had “cut the road” and turned us back. Disappointed but resigned, we reversed course and drove back to Kompong Chnang’s Bungalow, one of a series of hostleries built by the French to accommodate foreign travelers in Cambodia’s out-of-the-way spots. There, we were assigned a large room with three double beds and, an hour later, were dining on the outdoor front patio, bathed by an evening breeze.

Across the street to our right was the government-run PTT (Post, Telephone and Telecommunications) office. To our left, on spacious acreage surrounded by an iron fence, was the Governor’s mansion. Cambodian soldiers were dug in along the inside of the fence and behind sandbags around the PTT building.

Halfway through a delicious dinner washed down by an excellent French burgundy, a young Cambodian army captain drove up in a Mercedes 190 coupe, parked with a flourish and sat down at our table uninvited. He informed us cheerfully that the VC were massing on the flanks of Kompong Chnang and would attack at midnight. We finished our dinner, thanked the Captain for his encouraging words and returned to our room. It held little aside from the three beds and was poorly lit, so we turned in early.

Around midnight, all hell broke loose – gradually. First there was a rifle shot. Then two more. A burst from an automatic weapon followed and a .50 caliber machine gun replied. The firing grew slowly in intensity. The fact that outgoing mortar rounds were not offset by incoming offered no comfort as the sounds of smaller weapons grew unmistakably closer. It was terrifying and we were terrified, convinced that, at any moment, a VC sapper would force open our door and lob in a grenade or two. We were unable to defend ourselves with anything but mattresses under

which we covered on the tile floor, awaiting the worst.

It was hot and the floor was hard. As the hours crept by, discomfort finally overcame terror. Mattresses went back onto beds. We had reached that point past which it’s impossible to become more frightened, when you decide if you are going to die you might as well do so in comfort. Shortly before dawn the firing petered out, but we were still wary as the pale light of morning began to filter into our room. An hour passed. The firing had stopped but no sounds broke the silence. Curious and bored, I got up. There seemed little point in spending the rest of our lives in a bungalow bedroom on or under a mattress, so I opened the door.

Across the lane our Peugeot rested on all four tires, unscathed and intact. However, at the end of the lane, the porch posts and front wall of the servants’ quarters where our driver spent the night were scarred by .50 caliber bullets. Yet, miraculously the servants and our driver, like the Peugeot, had escaped unscathed.

The neighborhood came alive later than usual as resident heads poked above walls and around corners not knowing what to expect. Over breakfast on the patio, we finally pieced together what had happened. Untrained and trigger-happy Cambodian soldiers on the outskirts of town, made even edgier than usual by warnings of a VC attack, had begun the Grand Shoot-off and those guarding the Governor’s mansion and the PTT building enthusiastically responded. There was no VC. Green troops spent the night firing at dogs, cats, shadows, bushes, trees, clouds, the moon and each other, as well as the inoffensive servants’ quarters.

The next problem was how to get back to Phnom Penh. We were assured that the road south, as well as the one west to the train station, were unsafe so we drove north to Battambang, abandoned car and driver, and boarded the southbound morning train. Standing room only, hot and humid, jammed with produce and people. We

reached Phnom Penh around noon and found the train station awash in soldiers. Afraid we had missed out on something important and anxious to find out



what was going on, we intercepted a senior Cambodian officer who turned out to be a graduate of a U.S. university. In excellent English, he explained that his troops were preparing to head north by train for Kompong Chnang to engage the enemy.

To underscore their state of readiness, he led us into the station courtyard where soldiers were milling about in full battle gear, packs on their backs, weapons in hand, grenades pinned to belts. As we walked casually among them, we were stopped by a distinctive “clank” as a live grenade bounced on the concrete sidewalk at our feet. A careless soldier had not fastened it properly to his belt. We froze.

There was no time – or place – to retreat in the crowded courtyard, nothing to do but wait a few seconds to see if the grenade pin was still on his belt. Fortunately for him – and us – it was still in the grenade, and we retired to The Royal Phnom Hotel to repair our shattered nerves.

We had ridden the second-to-last train to arrive in Phnom Penh from the north during Lon Nol’s ill-starred regime. The troops in the station left for the north later that morning but failed to secure the railroad. Only one more southbound train made it before Communist forces reduced rail travel to zero. A few weeks later, the Khmer Rouge seized control of the country and began a bloodbath that claimed over a million Cambodian lives, taking particular pleasure in executing the educated classes.

— Mark Chrysler

Postscript: Sydney Schanberg chose to stay on after the rest of the foreign press left. His report entitled “The Killing Fields” about the survival of his interpreter was published in *The New York Times Sunday Magazine* and made into a movie. — MC

GALLERY NOTES

October Shows

The schedule of shows at the Club for October was not available at the time of going to press, so please refer to the FCCJ Notices (www.fccj.or.jp) at the beginning of the month for details.

— Exhibitions Committee

Carry on Banking or ...



As “Carry on Banking,” the UFJ Event has certainly been a marvelous financial comedy story in the media and on the stock market: it has been laughs, spills and thrills all the way. However, as “The Little Bank that could and then couldn’t,” the UFJ Event has proven to be a gritty drama of salaryman life in the rough and tough world of post-Credit Bubble Japan. Finally, as “*arifinantsu monogatari*,” the UFJ Event has been just a part, the smoke part, of the smoke and mirrors that is the Principal of Japanese financial regulation.

Table 1 summarizes the entire financial situation of the four megabanks – Mizuho, Mitsubishi-Tokyo, Sumitomo Mitsui and UFJ, together with the self-styled super-regional, Resona – using a single measure. The notes describe the calculations involved to produce this failure-risk measure. The banks are ranked in order of failure risk as of June 30, 2004, with UFJ the weakest and MTFG the strongest. For the technically curious, the pro forma measure from the June 30 data for the merged UFJ and MTFG is -3.0 (and for the merged UFJ and SMFG is -5.3). In other words, merging with UFJ is fairly obviously one giant leap backwards in balance sheet terms. The UFJ failure-risk value of -9.5 is a level more associated with the five most problematic of the 89 listed regional banks: Fukushima -12.1, Kyushu Shinwa -9.8, Biwako -9.4, Daito -9.1 and Kanto Tsukuba -8.6 (note: parent-basis data as of March 31, 2004).

The comedy

As a well-placed information source said, “... problem one was the FSA’s Takenaka and his personal animosity towards members of the previous UFJ senior management for involved private reasons that are known, but cannot be divulged; and problem two was the FSA’s irritation with UFJ’s unwisely slow-paced nonperforming loan [“bad loan” or NPL] resolution of the small number of high-profile problem

Table 1: Megabank failure risk analysis

(percentage points)

Megabank	Mar 31, 04	Est. Diff.	June 30, 04
UFJ	-7.6	-1.9	-9.5
UFJ + SMFG	-4.8	-0.5	-5.3
UFJ + MTFG	-2.0	-1.0	-3.0
SMFG	-2.7	+0.3	-2.4
Resona	-3.1	+1.1	-2.0
Mizuho	-0.8	+0.4	-0.4
MTFG	+3.1	+0.3	+3.4

Source: *Analytica Japan*

Note: Failure risk is consolidated Tier 1 Basel Accord defined capital ex-net DTAs percent minus FSA defined NPL exposure percent.

Ex-net DTAs means Tier 1 being adjusted for the tax effect Deferred Tax debtor and Deferred Tax creditor balances.

Value for March is taken from the respective megabank *kessan tanshin renketsu + setsumeishiyo* data.

Value for Jun. is taken using an estimated difference (Est. Diff.) methodology from ditto *daiichi shihanki johu* data.

UFJ + SMFG and UFJ + MTFG are simple pro forma consolidations.

borrowers, so upsetting the FSA’s own March 2005 NPL exposure reduction target deadline ...” These bad relations were then worsened by the problem borrowers’ worst-case scenarios being hidden in the infamous UFJ storeroom and so being intentionally concealed from the FSA inspectors hot on the trail of under-provisioned balance sheets. From late 2003 the somewhat unequal UFJ/FSA battle was joined. One unimpeachable authority said, “... bad faith concealment of the worst-case borrower scenarios amounts to what may be reasonably termed criminal fraud ...”

Trust bankers are very unhappy at being put on the children’s table at the megabankers’ tea party.

Desperate to raise capital to maintain the Basel Accord capital adequacy ratio, while still meeting the FSA NPL exposure reduction deadline as the external auditors, working hand-in-glove with the FSA, unhelpfully ratcheted the NPL balances ever higher, UFJ senior management launched a series of ill-coordinated measures to save an already clearly sinking ship. In the confusion, a double set of negotiating exclusivity agreements was signed; and, as they say, the rest is history – and so is the rescue merger with MTFG. There was a particularly fine cameo performance from Yoshifumi Nishikawa of SMFG who managed, in a series of canny moves, to build a quiet ripple of support variously from: 1. Sumitomo Trust & Banking (by coordinating with its head-strong president Atsushi Takahashi); 2. foreign investors (by making an implied hostile bid and providing share price action); and 3. political players (as Bankers Association chairman being subtly Takenaka, plus Koizumi-friendly on JP *yucho* Bank structuring). The SMFG hostile bid of one trillion yen of funding and a merger share ratio of 1:1 is still on the table, although both have been refused by UFJ. At the time of writing in late August,



there are persistent rumors of a hostile tender offer eventuating in early September. These rumors are supported by a weak chain of circumstantial evidence.

After all the dust had settled, Atsushi Takahashi was left famously to rant to assorted journalists about the inequities of the Japanese legal system. This outburst is best understood as the frustration felt by many trust bankers who realize that one of the lessons of the UFJ Event is that trust banking is due to go the way of long-term credit banking and become obsolete. Trust bankers are very unhappy at being put on the children’s table at the megabankers’ tea party.

A major MoF concern is, as always, the budget and therefore tax revenues.

The drama

As one retired Sanwa Bank senior employee said, “... in the heavy banking intermediation post-War, the *keiretsu* – *fuyo*, *ichikan*, *mitsui*, *mitsubishi*, *sumitomo* and the very special *kogin* – gave the edge with a better class of corporate borrower, while Sanwa was the non-*keiretsu* ‘Osaka People’s Bank’ that came up to Tokyo late. I started in Osaka on a monthly salary of ¥17,000 and was in the advance party landing in Tokyo in 1965. Sanwa has always been the odd man out and fought the *keiretsu* banks on grossly unequal terms ...” Sanwa was at a structural competitive disadvantage in a

system heavily oriented to relationship banking and was remarkably similarly placed to Hokkaido Takushoku Bank that failed in late 1997 for exactly the same reasons. Sanwa’s business base was the weak Osaka economy, and its local SMEs (for Hokutaku read Hokkaido) and the borrowing corporates in Tokyo were post-War companies in a variety of businesses badly hit by the collapse in property prices and weak consumer demand (for Hokutaku, read “Hokkaido”). The Resona Event has similarities, but somewhat less clear on account of the complications of its own very special New York Fiasco.

A peculiar problem was that as a Tokyo new entrant employer, there were poor connections with the better class of university, so recruiting quality graduates was difficult. This led the Sanwa personnel department into making unrealistic promises of career prospects to the professors at the targeted universities responsible for the targeted seminars. The professors would be personally introduced by the ex-seminar members employed by Sanwa, and the result was an extreme form of *gakubatsu*, university factionalism, within Sanwa as each university faction desperately tried to perform on its promises. This problem is alleged to be at the bottom of the well-known erratic pattern of Sanwa management policy as senior management rotated by university faction.

By the time the UFJ Event had got to the stage of selling off UFJ Trust Bank and the associated asset-management operations, it was clear the game was up as the disposal was an admission that the megabanking dream was an impossibility: the little bank that could and then couldn’t. As another source modestly, but succinctly, said, “... am now in a branch in the deepest countryside and have no hard information to hand, but there is a suspicion that the core Sanwa’s reliance on an

Osaka sole trader and SME borrower base meant the megabanking ambitions were in cold reality just an impossibility ...”

The kabuki

The Allfinanz Reform, which is running from 1985 to 2015, is the bureaucrat scheme to recast Japanese financial services on a German-speaking European banking universalization model, reduce the high level of intermediation, build a Japanese investment-banking industry, build a retail private banking industry, re-establish the Japanese banks overseas, re-weight household financial assets away from deposits and towards marketable securities, and do lots of other good things too numerous to mention here. This involved scheme is the little known kabuki piece “*arifinantsu monogatari*,” or “The Tale of Allfinanz.”

As a key information source said, “... there was a growing Establishment conviction that three megabanks were quite sufficient for Japan and that the current economic buoyancy was the ideal opportunity to eliminate the unwanted UFJ. For reasons of business and geographical segment fit, there had been private sector-level Mitsubishi/Sanwa merger discussions on and off for years. A strong NPL-provisioning requirement shove from the FSA was all that was needed to collapse the number down to the desired three ...” A major MoF concern is, as always, the budget and therefore tax revenues. Three strong megabanks in investment-banking wholesale and asset-management retail earning healthy fee and commission income largely untroubled by NPL credit costs would be able to generate a steady stream of corporate tax revenue for the MoF. Also being strong overseas, Japanese overseas business would have no reason not to use the Japanese megabanks, which are so conveniently open to inspection by the Japanese regulatory and tax authorities, and so open to the policing of any major corporate tax evasion. Similarly, a strong domestic private banking industry would act to exclude the many cowboy foreign-service providers and so help to reduce the scale of petty individual tax evasion.

— Stephen Church

FSA – Financial Services Agency

MoF – Ministry of Finance

MTFG – Mitsubishi-Tokyo Financial Group

NPL – nonperforming loan

SMFG – Sumitomo Mitsui Financial Group

UFJ – United Financial of Japan

A Whine about FCCJ Wine

I have come to the realization that our esteemed Club, with its sushi bar, FCCJ house sake and Japanese cultural nights is without a single drop of Japanese wine. We have bottles from France, Spain, Italy, the United States, Chile and other nations, but nary a bottle of domestic vino. This must be rectified.

The Japanese have been making wine for more than a century and, admittedly, the domestic industry, by worldwide standards, is still fledging. Japan has become, since the bubble era, one of the world's top wine markets. It imports nearly 2/3 of the wine that is poured here. The Japanese each year drink more than 250,000 kiloliters of wine and per capita consumption has nearly tripled in less than a decade to three liters. The rest is either entirely locally produced or the result of mixing local and imported wines.

Only a small fraction of the wine the Japanese sip – less than eight percent – is made purely from Japanese grapes. The experts I recently consulted, combined with my own on-location tastings, confirm that there is now Japanese wine worth ordering, especially such reds as the merlots, muscats and cabernet sauvignons. Among the whites, we need to stock up on fruity Rieslings, sparkling wines and those made with the indigenous Kosu grape.

With Japanese sommeliers mainly pushing French wines on patrons, at least in Tokyo, the domestic makers are fighting an uphill battle at home as well. Japanese spend more than ¥100 billion annually just on French wine.

Up in Kofu I swished wine glasses with Professor Yoshihide Yamakawa of Yamanashi Gakuen University, considered one of this country's top wine scientists. He says some Japanese dishes go very well with inexpensive but perfectly decent Japanese wines. However, the professor complains about the Japanese sommeliers who turn up their noses at the homegrown wines.

Daily Yomiuri wine columnist and vino-educator Sandra Shoji, a Club member, says many of the large domestic producers have failed to attract Japan's sophisticated drinkers – mainly women – who know the difference between a vintage Bordeaux and beaujolais

nouveau. "At one time, they [the makers] went for bottles that actually had no writing on them, just flowers. So if you bought a pansy, maybe you got a pinot noir. If you bought a rose, you got a merlot. And some wine came in smaller bottles because, supposedly, women don't drink as much," she recalls. "But that doesn't work. Women, especially recently, are just too well-educated about wine."



In Japan, where suitable land is scarce and expensive, and the weather fickle, grapes get tender loving care. Some bunches are individually wrapped to protect them from bacteria and bugs.

At Coco Farm in Tochigi-ken, where much of the labor is done by the intellectually challenged, there has been success combating preconceived notions about domestic labels. Coco Farm has increased sales to 200,000 bottles a year and is experimenting with different grape varieties after a leaf-roll virus forced it to give up on the traditional, but acidic, Kosu grape.

Vinters and scientists agree that, whatever the cause, the climate has been significantly warming in the Japanese wine country over the past half-century. This is causing a variety of problems, from grape rot to anemic-looking fruit. The viticulturist, Professor Yamakawa, says red grapes need a 20-degree Celsius temperature change between day and night to trigger production of anthocyanin, the pigment that produces the blood-rich color. But it is just not getting that cool anymore in the evenings in the birthplace of Japanese wine, Yamanashi, which enjoys a 70 percent share of the domestic market.

That has grape growers moving farther north or experimenting with different varieties of grapes better suited to warmer climates. But Bruce Gutlove, the managing director of Coco Farm, notes that his neighbors to the north, who have built a reputation for outstanding full-body red wines, are now facing trouble as well.

"You talk to some of the older growers there, and they are saying, 'It's getting harder and harder to grow merlot.' They're thinking of going to cabernet sauvignon," says Gutlove.

In the meantime, the domestic vintners are trying to entice more Japanese diners to choose wines closer to home for those shouts of *kampai*.

— Steven L. Herman

AROUND THE CLUB

Masafumi Iori



Iori holding his first son, Masaki

Kitchen

A gourmand and bon vivant who has an interest in foods from around the world, Masafumi Iori has worked in the Kitchen for nearly 17 years. He has long had an interest in food and, as a boy, wanted to be a baker. After high school, he attended a culinary school in Tokyo.

This interest in food led him to want to join FCCJ.

"The great thing about FCCJ is that it introduces foods, and culture, from all over the world. In particular, the evening events that showcase different foods from around the world are quite exciting. I hope all members will use FCCJ to expand their culinary interest and, in the process, help make Japan a bigger place."

Hiroyuki Aoki



Kitchen

Although he is now racing around the FCCJ Kitchen, as a boy Hiroyuki Aoki wanted to be a racecar driver. Like his *senpai* (by one month) Iori-san, Aoki-san had other interests as a boy, including food.

"What I like about FCCJ is its 'at home' atmosphere.

I hope that members will work with the staff to continue to make FCCJ a comfortable place to visit," he says.

— Akiko Miyake

PHOTOGRAPH OF IORI BY ANEMI IORI, AOKI BY KAZUYOSHI TOMINAGA

PHOTOGRAPHS BY AKIKO MIYAKE



Samba Night served *churrasco*, fish and prawn stew, Brazilian salad, *feijoada* and Club favorites, along with great entertainment by the Asakusa Samba group, Aug. 24.



Awaodori Night, featuring delicious Japanese cuisine and a performance by the popular Kanagawayamato-Ren group, Aug. 17.



Turkish Night, serving shish kebab, leg of lamb, Circassian chicken and Club favorites, with special performance by belly dancer Ms. Shala, Aug. 10.



Ryo Ikebe, famed postwar movie star, and the screening of "Snow Country" – Culture Series, Aug. 5.



Hawaiian Night, offering roast pork, rice salad, Mahimahi and Club favorites, along with live Hawaiian music, Aug. 3.



Blues & jazz vocalist Latonya also celebrated her birthday at the Aug. 14 SNL.



Tibetan nomadic folk group Sonam Gonpo, July 31 SNL.



Professional Journalist & Associate Members

Toshiyuki Fujita, *Apec Consultant Co.*
 Sakika Funa, *ALC Press, English Journal*
 Iwaki Hashimoto, *Lizon Co. Ltd.*
 Deborah Hodgson, *Newsweek Japan*
 Richard Horodeck, *Hedge Japan*
 Toshishige Kasuga, *ICAN Company Ltd.*
 Kazuyasu Kitaoka
The Japan Titanium Society
 Hamish Macaskill, *The English Agency (Japan)*
 Katsuhisa Nakashima
PricewaterhouseCoopers Japan
 Satoru Nakayama, *Hatomi & Co. Ltd.*
 Ryoichi Obitsu, *Obitsu Sankei Hospital*
 Keiko Otsuki, *Morgan Stanley Japan Limited*
 Simon Rolando Pangrazio
Burson-Marsteller
 Hiroshi Saiga, *No affiliation*
 Hiroshi Saji, *Mizuho Securities Co., Ltd.*
 Mitsuru Sato, *Sato Mitsuru Int'l Management & Agriculture Institute*
 Noritada Terasawa, *No affiliation*
 Toshio Ueda, *Ueda Clinic*
 Mario Andrea Vattani
Embassy of Italy- Tokyo
 Motoyoshi Yanaka, *Yanaka Corporation*

Reinstatement (Regular)

Ryoichi Hamamoto, *The Yomiuri Shimbun*
 Yoji Sugaya, *Kyodo News*
 Stanley White, *Dow Jones*

Ryoichi Hamamoto



Ryoichi Hamamoto works for *The Yomiuri Shimbun*. Since 1985, he had been assigned as a correspondent in Jakarta, Shanghai, Beijing, Hong Kong and Beijing, P.R.C. Hamamoto was in Beijing from 2002 until February of this year. It was during this period he covered SARS, the North Korean issue and the transition of power by the new leadership of Hu Jingtao and Wen Jiabao. He was also there earlier to cover the Tiananmen incident in 1989 and the handover of Hong Kong to the P.R.C. in 1997.

Hamamoto strongly feels how important it is to have an international point of view when seeing and judging any event in Japan and outside this country. Just as during his stay in Beijing and Hong Kong when he belonged to FCC China and FCC HK, Hamamoto would like to join again the FCCJ and enjoy the winds of multi-nationalism.

Stanley White



Stanley White has recently returned to Japan after a two-year stint in Hong Kong and may be a familiar face to some members of the Club.

Currently, he is working for Dow Jones Newswires in Tokyo as a copy editor. Before taking this position, White was a business news editor and supervising producer for CNN's morning news show "News Biz Today." This show, which has since been renamed, was broadcast out of Hong Kong, and White could often be seen walking around the newsroom behind the set. Prior to moving to Hong Kong, he lived in Japan for six years and was an active member of the Club. He worked as a TV correspondent for Reuters Television covering the Japanese economy and corporate news. White began his career in the news business with longtime Club member Bradley Martin as a reporter for AFI, a business news Web site.

LIBRARY

NEW BOOK LIST FOR OCTOBER 2004

Shashinshu Yoshida Shigeru

Yoshioka, Senzo
Chuokoron-sha
 Gift from Seiji Wada



Know Your Own Bone

Nevins, Thomas J.
TMT Inc.
 Gift from Thomas J. Nevins

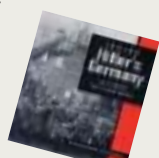
Japan True or False

Nevins, Thomas J.
TMT Inc.
 Gift from Thomas J. Nevins



Inside Hitler's Germany

Hughes, Matthew
MJF Books
 Gift from John W. Brady



The Rule of Four

Caldwell, Ian
The Dial Press
 Gift from John W. Brady

Hidden Prey

Sandford, John
G. P. Putnam's Sons
 Gift from John W. Brady

Memorial Day

Flynn, Vince
Atria Books
 Gift from John W. Brady

The Face of Jizo

Inoue, Hisashi
Komatsuza
 Gift from Hisashi Inoue

A Pretext for War

Bamford, James
DoubleDay
 Gift from John W. Brady

A View from the Chuo Line and Other Stories

Richie, Donald
Printed Matter Press
 Gift from Donald Richie



Sharp no Nazo

Osada, Takahito
President-sha
 Gift from Sharp Corporation

Japan's Cultural Code Words

De Mente, Boyé Lafayette
Tuttle Publishing
 Gift from Boyé Lafayette De Mente

East Asia -1

Garner, Roy
iUniverse, Inc.
 Gift from Roy Garner

Kenryoku no Doke

Sakurai, Yoshiko
Shincho-sha
 Gift from Yoshiko Sakurai



The East Asian Strategic Review

National Institute for Defense Studies Japan
The Japan Times
 Gift from NIDS (National Institute for Defense Studies Japan)



A Tale to Tell

In 1995, just after the staid and respectable Bank of Commerce and Credit International collapsed, rumors were flying around Osaka that Singapore-based trader Nic Leeson had used his "Osaka connections" to bilk the company out of billions. As a newspaper journalist who was just starting out, I heard a few whispered tales of briefcases full of cash on midnight flights to Southeast Asia, sex and drug-fueled nights in south Osaka involving Leeson's traders, and mysterious Asian and Middle Eastern investors with BCCI who blew into town, stayed at the plush hotels and partied in the most expensive nightclubs. We all knew there was something there, but the BCCI/Nic Leeson/Osaka traders/mafia story was too slippery, too shadowy, and too vague to pin down.

Until now. Ben Mezrich, whose previous book *Bringing Down the House* detailed the efforts of a group of college students to take Las Vegas for millions, claims to have finally solved the mysteries. In *Ugly Americans*,

we learn that "John Malcolm," a naive ex-football player from Princeton, and a few of his other trader buddies were at their computer terminals in Osaka the day it all came crashing down for Leeson and BCCI. That, in turn, led to other opportunities in Osaka and, later, Tokyo that culminated in a huge deal worth a half a million dollars.

Using aliases throughout and mixing speculation with reporting, Mezrich tells the story of how Malcolm and a small group of young American Ivy League hotshots arrived in Osaka and Tokyo after the bubble economy had collapsed, and went on a trading spree, racking up hundreds of millions of dollars in profits and bonuses by buying and selling once proud firms, and some not-so-proud ones.

It's a tale of excess, unbelievably tense days, followed by raunchy nights in the bars, strip clubs, whorehouses and *yakuza* dens of Tokyo and Osaka. As the Japanese economy stagnates, the young traders, all of whom are men and most of whom are under 30 years old, snap up assets, resell them and earn themselves huge profits that allow them to indulge in every whim from Ferraris to luxury apartments to high-class hostesses.

Finally, things get out of hand. Malcolm gets involved in one deal too many when he discovers that his friend is involved with the *yakuza* and tries to help. In a scene that could have come straight out of *Black Rain*, he is run down by a mysterious BMW not long after an encounter with *yakuza* who are squatting on property his company now owns and is trying to sell. In the end, though, it all works out. Malcolm makes the "Deal of a Lifetime" and wins the hearts of the beautiful doe-eyed Japanese lass and her *yakuza* father, who gives his blessing for the two to live happily ever after in Bermuda.

Yeah, right. Well, at least it's a ripping good yarn and Mezrich tells it well. He has, no doubt, already done lunch with several Hollywood agents about screenplay possibilities and movie rights (perhaps, Toby McGwire as the young, wide-eyed Malcolm?). But how much of this yarn is true? Even Mezrich isn't sure. On the cover, Mezrich insists that this is all a "true story of high stakes, dirty deals, and one man's 500 million dollar gamble." Yet, when you look on the inside and read the fine print, you discover that he qualifies



things by saying it is only "based on a true story."

Some of the numbers in the book don't add up. At one point, Mezrich has the Osaka traders living in apartments that are 4,000ft². Four hundred square feet, don't you mean, Ben?

Professional gamblers, pit bosses and casino industry experts have long questioned the facts and figures that Mezrich presents in his previous book, *Bringing Down the House*, and have charged they are grossly inflated. Reporting that traders live in Osaka apartments 10 times larger than anything available doesn't do much to refute those charges.

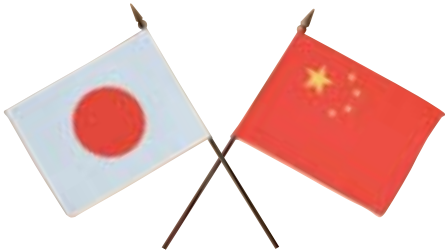
But how much of this yarn is true? Even Mezrich isn't sure.

And it does seem Mezrich has a problem with getting his figures straight. On the back cover of *Ugly Americans*, Mezrich claims that Malcolm made 21 million dollars off of betting on the updating of the Nikkei 225, while another section claims Malcolm made 50 million dollars off of the same deal. Simple error at the proofreading stage, or a sign that Mezrich doesn't know what he's doing?

Still, it does appear that Mezrich was on to something; and, if even part of his fantastic tale can be verified, it would go a long way in explaining what happened to the Japanese economy between 1993 and 1997 or so. But the use of aliases, the contrived love story, the dubious and contradictory numbers, and the all-too-pat Hollywood ending strain Mezrich's credentials as a journalist digging for the facts, well past the breaking point. Great read, but put this one beside the John Grisham, Tom Clancy and Clive Cussler novels where it belongs and hope that a real investigative journalist will eventually come along and give us the facts.

— Eric Johnston

The Asian Cup Ends In Mass Hysteria



Imagine you are a lone Japanese imprisoned in a Chinese jail and on comes the final of the Asian Cup – China vs. Japan – and Japan wins with a disputed goal (or three). How scary would that be?

Not scary at all, apparently. Takayuki Noguchi, who was serving time for trying to smuggle North Koreans out of China, found himself in that very situation in August. The lead-up to the final was all about how the Chinese were fanatically anti-Japanese, to the point of violence. Fans and the team bus had been attacked. After the final, a Japanese diplomat car – supposedly under police protection – was kicked and had its back window smashed in.

“There were no problems at all,” Noguchi recalled during a press dinner at the FCCJ. “The Chinese prisoners even congratulated me after the game.”

Up in Beijing (and previously in Chongqing, where Japan played four of its five preliminary games), the story was somewhat different. Thousands of Chinese fans attended the Japan games solely, so it seems, to berate the Japanese. This was good, old-fashioned national hatred that had little to do with soccer. The contrast between the casual acceptance of the result by Noguchi’s fellow inmates and the rabid fans in and around the stadiums was significant.

If nothing else, it was a lesson in communication and diplomacy. Noguchi had gotten to know his fellow inmates and, in spite of their obvious differences in background, had developed a rapport with them. But the hysterical mobs in Chongqing and Beijing had no obvious links to Japan, and even the rationality of intelligent people can get lost in the power of the masses – and the mass media, who often ride in tandem with mass hysteria.

While Chinese politicians and diplomats mouthed political niceties in the general direction of the Japanese, their state-controlled media sent a decidedly mixed message, and it was hard to believe they were unhappy with the message of the fans. On the one hand, the platitudes about it only being a game were repeated, but the bitterness over World War II was never far below the surface.

At times, it was right in your face. In an opinion piece in the *China Daily*, writer Yan Xizao wrote:

“The Chongqing fans weren’t booing without reason.

“For more than five years since 1938, the city of Chongqing underwent extensive bombardments by the Japanese. Almost 12,000 people were killed and 14,000 injured.

“As of today, no apology has been heard from Japan. Not to mention compensation. Instead of squarely facing its past, the Japanese Government has resorted to distorting and obliterating it. In Japanese textbooks, acts of aggression are beautified into benevolence of liberation.

“Would you be so generous as to respect a liar?”

“The Japanese Government has repeatedly accused victims of Japanese wartime atrocities as dwelling in the past. It never bothers to ask itself why Germany was pardoned and embraced by its past foes.”

And just how embracing and forgiving are Germany’s foes? *The Daily Telegraph’s* top football writer Henry Winter reckons that the Dutch and the French still obsessively hate the Germans because of the war. “And you know what the English are like – obsessed with the war because things have not been great since. The officially sanctioned England fans’ band invariably start up with the theme from [the war movie] ‘The Great Escape,’ and who can forget that favorite England chant towards the Germans of ‘Two world wars, one World Cup, tra-la-la.’ As I recall, England were due to play Germany five or six years ago, but the date

was switched because no one had noticed until the last moment that it was Adolf Hitler’s birthday!”

In 1996, England reached the semifinals of the European Championship on its home soil. Unfortunately, Germany, England’s nemesis on the pitch as well as on the battlefield, was the opponent. The tabloids went to town and the war was waged all over again. The pick of the headlines was from the *The Daily Mirror*: “Achtung surrender, for you Fritz the Euro ’96 is over.”

When England thrashed Germany 5-1 in September 2001, the tabloids were quick to mention the war (again): “Blitzed” was *The Sunday Mirror’s* choice of headline (they also talked about “finishing off the Germans with ruthless efficiency”), while the *News of the World* went with a slightly more subtle, “Don’t Mention the Score” (from the phrase, “Don’t mention the war”).

Curiously, the bitterness of the past does not dominate Japan’s on-the-pitch rivalry with its other main wartime victim, South Korea. And here you think the Noguchi factor comes into play.

While China is still a totalitarian state run by the Communist Party, South Korea is a fully-fledged democracy, and its people free to engage with the world. And its main engagement with Japan in the last decade has been in football with the co-hosting of the 2002 World Cup.

While the battle to secure the cup was originally as ugly as you’d expect it to be between two countries with so much hate to share, FIFA’s judgment of Solomon helped the two countries realize they had more to gain than to lose by working together. While the scars of the war won’t go away – thanks to the ultra nationalists and their media mouthpieces – the personal relationship between the people of the two countries is helping to break down the barriers between them.

As for Chinese fans, they should bear in mind that their government is just as efficient at killing its own citizens (not to mention those of other countries such as Tibet) as the Japanese were.

I’d heartily endorse the voice of protest for that. Perhaps at the 2008 Beijing Olympics?



— Fred Varcoe