The Center for Japan-U.S. Business and Economic Studies
Affiliated with the Global Business Institute

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INTRODUCTION

The Center for Japan-U.S. Business and Economic Studies at New York University’s Stern School of Business is one of the first university-based organizations in the world to focus on understanding the entire spectrum of business and economic relationships between Japan and the United States. This is accomplished through research, teaching, publications, and conferences, which are open to the general public. The Center enables New York University to study Japanese-American trade, business, and related issues in a thoughtful, objective setting, enhancing cooperation and understanding between the two countries. As of 2003, the Center became a part of Stern’s Global Business Institute.

The research programs supported by the Center are directed by the research associates, who are faculty members of various universities in Europe, Japan, and the United States. These research associates are specialists in various disciplines and lend their expertise to coordinate the Center’s research efforts. The reports generated by these research programs are published in the Center’s journal, Japan and the World Economy, and in books published by various academic publishers of the highest standing. Some of the original funding for the Center was also used to support the development of courses in different disciplines within Stern’s MBA curriculum.

In addition to scholarly activities, the Center organizes public lectures and other forums to inform the general public of pressing issues in the bilateral relations between the two nations. Eminent scholars, businessmen, and politicians have spoken at these forums. President Gerald Ford and Prime Minister Toshiki Kaifu are two former heads of state who have visited the University as guests of the Center. In May 2004, Mr. Tatsuro Toyoda, former Chairman of Toyota Motor Corporation, a supporter of the Center from its very inception and a Stern Alumnus, received an honorary doctorate from New York University; he visited the Center after the Commencement.
LETTER FROM THE DIRECTOR

This is the twentieth year of the Center and I am very delighted to report to you of the progress that was made in two decades of its existence.

• The conferences, the panel discussions and forums hosted by the Center had addressed business and economic relations between Japan, the United States and their trading partners in a scholarly and objective manner.

• We have published many monographs and founded a refereed journal, *Japan and the World Economy*, edited at the Center for sixteen years.

• Leading businessmen politicians and administrators from Japan and the United States discussed their views on bilateral and multilateral issues at the Center conferences.

• Most eminent scholars in various academic fields participated in our programs and published their researches in our monographs and the journal, *Japan and the World Economy*.

• We raised an endowment of ten million dollars to support the Center and the international programs of Stern School.

Through these efforts today the Center is the premier academic institution devoted to the study of the interrelationship between Japan and the United States.

We are very honored to have Professor Paul A. Samuelson, the first American Nobel Laureate in economics, associated with the Center from its very inception. This year the Center celebrated his ninetieth birthday with a panel discussion of his contributions. Many of his students and I spoke of his influence in our research. He has decided to retire from the Shinsei Visiting Professorship in Political Economy at the end of this academic year.

After a professional life of forth-three including twenty years as the Director of the Center, I have decided to retire. Professor Rama V. Ramachandran, Associate Director of the Center, is also retiring as of June 2005. I am delighted to let you know that my able colleague and an expert on Japanese economy, Professor Thomas Pugel, is taking over as Interim Director of the Center.

C.V. Starr Professor of Economics and Director,
The Center for Japan-U.S. Business and Economic Studies
In the spring of 1998, The Center formally established a Faculty Board of Advisors to provide advice on programs and activities. The members of the Board are:

**Ryuzo Sato**, Director and C.V. Starr Professor of Economics, *Ex officio* Chairperson

**C. Samuel Craig**, Catherine and Peter Kellner Professor of Entrepreneurship and Arts and Media Management

**Stephen Figlewski**, Professor of Finance

**Thomas A. Pugel**, Professor of Economics and Global Business; Academic Director, The Langone Program

**Lawrence J. White**, Arthur E. Imperatore Professor of Economics

**Eitan Zemel**, The W. Edwards Deming Professor of Quality and Productivity; Chairperson of Information, Operations and Management Sciences Department

The Board will continue to meet regularly to advise The Center on its activities.
As a private university located in a city where many North American headquarters of Japanese corporations are located and which hosts the largest off-shore Japanese business community in the world, New York University took the lead in fostering understanding between Japanese expatriates and the American business community. The public admiration for the Japanese economic miracle was mixed with a demand for protectionism to insulate the American corporations from unfair competition. Considering this, New York University considered it important to build a sounder base upon which the harmonious economic relations between the two nations could continue to grow.

In 1978, New York University started offering a course on American economy and business practices to Japanese businessmen, and the next year it started offering a course on Japanese business practices. Courses on the Japanese language were started in 1979.

By mid-80’s, New York University decided to expand and consolidate these programs under a Center dedicated to the relations between the two nations at what was then the Graduate School of Business. With seed money from American and Japanese corporations and the C.V. Starr Foundation, a Center for Japanese Business and Economic Studies was established and a conference was held on November 1 and 2, 1984.
In 1985, Professor Ryuzo Sato, Professor of Economics at Brown University, was appointed as the Director of the Center and C.V. Starr Professor of Economics. Dean Richard West and Professor Sato decided to change the name of the center to The Center for Japan-U.S. Business and Economic Studies, and the Center as it now stands was established in the Graduate School of Business (now the Stern School of Business) at New York University to emphasize its bi-national character. It was to be the first university-based organization to devote to all of its efforts to research, education, publication, and conferences concerning the business and economic relationship between Japan and the United States.

The Center established a Board of Advisors to review its activities and provide direction for research and teaching programs. Members of the Board were prominent business and government leaders from Japan and the United States.

Distinguished faculty members from the New York University and various universities in Japan and the United States became affiliated with the Center as Research Associates. The Center draws on them for its specific research projects.

Research activities at the Center were supported by two grants. A project on “The Problem of the U.S./Japan Financial and Trade Imbalance” was funded by a National Institute for Research Advancement (NIRA) grant. Another project, funded by the Sangyo Kenkyujo Foundation, was initiated to design and conduct research on how Japanese-American economic relations can be better promoted.

A major grant was provided by the Long-Term Credit Bank of Japan (now Shinsei Bank) to establish a visiting professorship.

During this time, the Center hosted two public lectures. Dr. Koji Kobayashi, Chairman of the Board and Chief Executive Office of NEC Corporation spoke on October 4, 1985 on “Managing Global Operations – The Case of a Japanese Company.” Nobel Laureate Paul A. Samuelson, Institute Professor and Professor of Economics at Massachusetts Institute of Technology, spoke on December 4, 1985 on “The U.S. and Japanese Economies of the Remaining Reagan Years.”

Two research seminars were held. One, given by Professor Masahiko Aoki, a Stanford University professor and a Research Associate of the Center, was on “Horizontal vs. Vertical Information Structure of the Firm.” The other, given by Professor Ryuzo Sato, was on “Technology Game and Dynamic Comparative Advantage: An Application to U.S. Japan Competition.”
A “Symposium on Financial Investment in the U.S. and Japan,” co-sponsored with Nihon Keizai Shimbun, Inc. and the International University of Japan, was held at the Center on April 27 and 28, 1987. Papers were presented by Edwin J. Elton and Martin J. Gruber of New York University, Yasushi Hamao and Stephen A. Ross of Yale University, Hal Varian of the University of Michigan, Ann Arbor, Ramachandran Jaikumar of Harvard University, Professor Richard Levich of New York University, and Marshall E. Blume of University of Pennsylvania. Allen Sinai of Shearson Lehman Brothers participated in a panel discussion as a part of the Symposium.

The inaugural lecture of Nobel Laureate Paul A. Samuelson as the Long-Term Credit Bank of Japan Visiting Professor of Political Economy was held at the Arthur K. Solomon Auditorium on October 14, 1986. Professor Samuelson spoke on “How Japan Should React to Its Long-run Balance of Payment Surplus.” Mr. Binsuke Sugiura, Chairman of the Board of the Long-term Credit Bank spoke on “A New Era of U.S.-Japan Cooperation?”
At a public lecture with Nobel Laureate James Tobin on October 1, 1987, President Kenji Kawakatsu of Sanwa Bank announced a grant for a three-year research program on “International Financial Markets.” The current account surplus, fast growth of Japanese investments, and growing prominence of Japanese banks in international finance were all drawing the attention of the political and academic community. The purpose of the grant was to support a scholarly study of changing roles in the world market.

The first of the Annual Technical Symposiums was held at the New York University on May 20, 1987. The theme was “Lie Groups and Other Dynamic Models: Applications to Economics and Finance.” Papers were presented by Rama Ramachandran of New York University, Ryuzo Sato of New York University, Paul A. Samuelson of MIT and New York University, John H. Boyd III of Rochester University, Terry A. Marsh and Gerard Gennatt of University of California, Berkeley, and Thomas Russell of University of California, Berkeley. Kazuo Mino, Thomas Mitchell, Hugo Sonnenschein, Jess Benhabib, Kotaro Suzumura, Paul C. Calem, Marti Subrahmanyam, and Shun-ichi Tsutsui are among the faculty members who participated in the program.
It was during this academic year that the Center began the tradition of holding a conference in Japan every fall. “The International Conference on U.S.-Japan Competitiveness” was held on November 5 and 6, 1987, in conjunction with Keio University. Professors Masahiro Kuroda and Kazushige Shinpo of Keio University, Yoko Sazanami of Keio University and Noboru Hamaguchi and Shujiro Urata of Waseda University, Paul Krugman of Massachusetts Institute of Technology, Ryuzo Sato of New York University and Shun-ichi Tsutsui of University of Georgia, Ryuei Shimizu of Keio University, and Menachem Brenner and Jun Uno and Marti Subrahmanyam of New York University presented papers on various aspects of competitiveness. Alan Sinai of Shearson Lehman Brothers Inc. gave the keynote speech and Hiroshi Kato of Keio University spoke at the lunch.

On March 16, 1988, Professor Paul Samuelson spoke with Dr. Naohiro Amaya, a former Vice-minister of MITI and then Executive Director of Dentsu Institute of Human Studies at a panel discussion. On March 23, 1988, Professor Martin Feldstein of Harvard University spoke on “The Dollar and the Yen.”

The Second Japan-U.S. Technical Symposium was on “Game Theory: Applications to Economics and Finance.” Professors Jess Benhabib and Roy Radner of New York University, Kunio Kawamata of Keio University, Ramasastry Ambarish of University of Wisconsin-Madison, James Brander and Barbara J. Spencer of University of British Columbia, Yasuhiro Sakai of University of Tsukuba and Takehiko Yamato of University of Tsukuba, and Shun-ichi Tsutsui of University of Georgia and Kazuo Mino of Hiroshima University presented papers.

Research Associates from Europe, Japan and the United States were selected to participate in the three-year research project on financial markets funded by Sanwa Bank. The first conference to present the papers, entitled “International Financial Markets,” was held on May 5 and 6, 1988. Papers were presented by Professors Akiyoshi Horiuchi of the University of Tokyo, Shelagh A. Heffernan of the City University Business School, Robert Cumby of New York University and John Huizinga of University of Chicago, Kazuaki Harada of Sanwa Research Institute, Yoshio Suzuki of Bank of Japan, and Ishac Diwan of New York University. Professor Paul A. Samuelson gave the keynote address.
Together with Tohoku Electric Power Company, the Center hosted a symposium on “U.S.-Japan Relations in the Post-Reagan Era,” on October 3, 1988, at which President Gerald Ford was the keynote speaker. A morning session on economic relations was followed by a panel discussion on political issues in the afternoon.

The fall conference “Innovation and Global Strategy” was hosted with Hitotsubashi University on November 7 and 8, 1988. Professor Charles Fombrun of New York University, Ryuzo Sato and Rama Ramachandran of New York University, Hirotaka Takeuchi of Hitotsubashi University, Morton Kamien of Northwestern University, Therese Flaherty and Kazuhiro Mishina of Harvard University, Kiyonori Sakakibara of Hitosbayashi University, and Ken-ichi Imai of Hitotsubashi University presented papers. Mr. Tetsuo Chino, Senior Managing Director of Honda Motors gave the keynote address.
Academic Year 1988-1989 (Continued)

The Third Technical Symposium on “Microfoundations of Economics and Finance” was held on March 31, 1989. Professors Mathew Jackson of Northwestern University, Kiyohiko Nishimura of the University of Tokyo, Hajime Hori of Tohoku University, Jean-Luc Vila of New York University and Albert S. Kyle of University of California at Berkeley, Yoshiyasu Ono of Osaka University, and Martin Beckmann of Brown University presented papers. Hal Varian of University of Michigan, Thomas Russell of Santa Clara University, John H. Boyd III of University of Rochester, Paul Samuelson of MIT and New York University, Mathew Spiegel and Janusz Ordover of New York University, Shunichi Tsutsui of University of Georgia, and Julianne Nelson and Kose John of New York University also participated in the program.

The continued success of Japanese companies in penetrating the U.S. market has spawned a debate as to whether the U.S. focus on short-term financials like quarterly profits was putting them at a disadvantage compared to the Japanese firms with their focus on long-term relationships with customers, employers, and financial institutions. The symposium for this academic year examined this question from a marketing perspective.

The spring conference, co-sponsored with the Tokyo Round Table, was on “Japanese Marketing in a Global Economy” and took place on April 4 and 5, 1989. Papers were presented by Professors David Montgomery of Stanford University, Motoshige Itoh of University of Tokyo, Johny K. Johnson of the University of Washington, Sei Kuribayashi of Economic Planning Agency of Japan, Susan Douglas of New York University, Eduardo Camargo of the University of Southern California, and Kiyohiko Shibayama of MITI Research Institute. Professor Paul A. Samuelson gave the Keynote Address and the Honorable Mr. Osamu Takatori of the Japanese Diet gave a luncheon lecture. There was also a panel discussion on “The Challenges Facing Japan in the 1990s.”
Nobel Laureate Paul A. Samuelson, in his capacity as LTCB Visiting Professor of Political Economy, gave three public lectures. In one lecture, he was joined by Dr. Saburo Okita, the former Foreign Minister of Japan, for a discussion on the trade surplus.


On February 14, 1990, Professor Paul A. Samuelson and Mr. Masaya Miyoshi, President-Director General of Keidanren spoke about trade friction.

The final conference of the three-year research project funded by the Sanwa Bank was held in Honolulu on February 22 and 23, 1990. Nobel Laureate James Tobin gave a keynote address and those participating in the program presented papers.

Our fourth Technical Symposium, entitled “Internal Organization of the Firm,” was held on March 30, 1990. Papers were presented by Professors Bengt Holstorm of Yale University and Jean Triole of Massachusetts Institute of Technology, Masayuki Nishijima of Yokohama City University, Shigeo Muto of Tohoku University and Mikio Nakayama of Hosei University, Canice Prendergast of Oxford University, and Hideshi Itoh of Kyoto University.
The Center held “An International Conference on Technological Cooperation and Competition” on April 4 and 5, 1990. Professor William J. Baumol of New York University, Professors Chihiro Watanabe of Saitama University and Yukio Honda of Ministry of International Trade and Industry, Professor David Teece of University of California, Berkeley, Professors Takeshi Hiromatsu of University of Tokyo and Gosei Ohira of Tokyo International University, Yasunori Baba of National Institute of Science and Technology Policy and Mr. Shinji Takai of Mitsubishi Research Institute and Professor Ken-ichi Imai of Hitotsubashi University, and Professor Edwin Mansfield of University of Pennsylvania presented papers. Professor Paul Samuelson gave the keynote address.

On the completion of the three-year research program on international financial markets funded by the Sanwa Bank, Chairman Kenji Kawakatsu of the Sanwa Bank visited the Center on September 26, 1990 and, at a reception, announced that the Bank was establishing “The Sanwa Research Endowment Fund on International Financial Markets.” Part of this income would be used to award a grant to write a monograph on financial markets. Proposals were invited from around the world and one was chosen annually by a committee consisting of Professors Akiyoshi Horiuchi of University of Tokyo, Merton Miller of University of Chicago, James Tobin of Yale University, Ryuzo Sato (ex-officio chairperson), Marti Subrahmanyam of New York University and Richard Zeckhauser of Harvard University.

A Special Academic Convocation was held on 28th of September to confer an honorary degree of Doctor of Laws upon Toshiki Kaifu, the Prime Minister of Japan. The Center, through its contacts with Prime Minister’s Office, facilitated the Convocation.
On October 10, 1990, Dr. Takeshi Iizuka, Chairman of the TKC National Federation of Public Accountants, Japan, visited the Center and joined Mr. Dennis R. Beresford, Chairman of the Financial Accounting Standards Board, for a symposium on “The International Dimensions of Accounting and Financial Reporting.” After the symposium, Dr. Iizuka announced that he would be establishing the Takeshi Iizuka-TKC Fund for Economics, Accounting, and Data Processing at the Center to sponsor research on international dimensions of accounting.

Prime Minister Toshiki Kaifu invited Dean Richard R. West and Professor Ryuzo Sato to attend the coronation of Emperor Akihito of Japan on November 12, 1990.

The fall conference on “Japan-U.S. Relations in a Changing World” was co-sponsored by the Social Science Research Institute of the International Christian University and held in Tokyo on November 15 and 16, 1990. Professors Paul Wachtel of New York University, Norihiko Suzuki of International Christian University, Koya Azumi of International Christian University, Oscar Ornati of New York University, Robert Dekle of Boston University and Kazunori Ishiguro of the University of Tokyo presented papers. Keynote addresses were given by Mr. Yoshio Okawara, former Ambassador of Japan to the United States, and James Fallows, Washington Editor of The Atlantic Monthly.
On December 5th, Professor Paul A. Samuelson and Ambassador Masamichi Hanabusa spoke on “U.S. Japan Relations and the Gulf Crisis.”

A panel discussion on “Monetary Linkage between America, Japan & Europe: Crisis & Challenges,” was hosted by the Center on February 25, 1991. Dr. E. Gerald Corrigan, chief executive of the New York Federal Reserve Bank, Mr. Toyoo Gyohten, former Vice-Minister of Finance for International Affairs of Japan, Professor Paul A. Samuelson of the Massachusetts Institute of Technology, and Mr. Yukata Yamaguchi, Chief Representative of the Bank of Japan in New York, participated in the panel discussion moderated by Professor Lawrence J. White of New York University.

The Annual Technical Symposium was held on March 28 and 29, 1991. Professors Kotaro Suzumura of Hitotsubashi University, Hal R. Varian of the University of Michigan, Toshihiro Ihori of Osaka University, John Y. Campbell of Princeton University, Andrei Shleifer of Harvard University and Kevin M. Murphy of the University of Chicago, Michihiro Ohyama of Keio University, and Kose John of New York University, Theresa John of New York University, and Lemma W. Senbeth of University of Maryland presented papers.
Together with Nihon Keizai Shimbun, the Center hosted a panel discussion on “U.S. – Japan Relations After the Gulf War.” Panelists for the June 13, 1991 event were Professor Alan Blinder of Princeton University, Mr. Akira Kojima of The Nihon Keizai Shimbun, Professor Paul Krugman of Massachusetts Institute of Technology, Yukio Okamoto, President of Okamoto Associates, Professor Takeshi Sasaki of University of Tokyo, Professor Richard Sylla of New York University, Mr. Naoki Tanaka, a freelance economist, and Professor Louis T. Wells Jr. of Harvard University.

A conference on September 25, 1991 on cross-border investment and evaluations, organized in conjunction with Daiwa Securities America, began with a paper co-authored by Nobel Laureate Harry Markowitz, the cofounder of modern portfolio theory. Professors Alex Dantoh, Joshua Livnat, and Rebecca Todd, Paul R. Brown, Virginia E. Soybel, and Clyde P. Stickney also presented papers. Professor Paul A. Samuelson delivered the luncheon lecture.

A number of Japanese accountants attended a two-day symposium on international accounting held on October 7 and 8, 1991. Stern Professors addressed the group on various aspects of international accounting.

In remembrance of the fiftieth anniversary of Pearl Harbor, a panel discussion was held on November 4, 1991 that addressed the relationship between the United States and Japan. James Fallows of The Atlantic Monthly, Takemoto Iinuma of The Yomiuri Shimbun, Jiro Hirano of NHK, and Professors Paul Samuelson and Ryuzo Sato were the panel discussants. Professor Thomas Pugel served as moderator.
“Health Economics and Medical Systems: A Japan-U.S. Comparison,” was the theme of the fall conference held in Tokyo on November 19 and 20, 1991. It was co-sponsored by the Department of Health Care Policy of Harvard Medical School and Hospital Computer Center and Division of International Health of the University of Tokyo. Papers were presented by Professors Barbara J. McNeil of Harvard Medical School, Shigekoto Kawaihara of the University of Tokyo, Shuzo Nishimura of Kyoto University, and Joseph P. Newhouse of Harvard University.

Professor Paul A. Samuelson, in his capacity as Visiting Professor of Political Economy, continued to participate in various Center events. One such event was a panel discussion held on March 10, 1992, entitled, “Is Japan Really Open?” in which Professor Samuelson spoke with Mr. Seiji Tsutsumi, Chairman of Saison Corporation. Professor Samuelson participated in another panel discussion with Mr. Shigekuni Kawamura, President of Dainippon Ink and Chemicals, which took place on April 28, 1992.

At the Annual Technical Symposium on March 27, 1992, Professors Hajime Hori of Tohoku University, Ben Bernanke of Princeton University and Frederic Mishkin of Columbia University, Shunichi Tsutsui of Tulane University, and Avinash Dixit of Princeton University presented papers.

The activities for the year began on September 22, 1992 with a panel discussion on “Japan-U.S. Integration and Friction,” co-sponsored by the Institute of Statistical Research in Japan. Pat Choate, author and vice-chairman of the Congressional Economic Leadership Institute, Takashi Kiuchi, the chief economist of Long-term Credit Bank, Professor Ryuzo Sato, and Miyoei Shinohara, Chairman of the Institute of Statistical Research, joined Professor Paul Samuelson on September 22, 1992. The panel was moderated by Professor Robert Kavesh.

A group of Japanese accountants led by Dr. Takeshi Izuka visited the Center for the TKC Symposium on International Accounting on October 5-6, 1992. Mr. Morihisa Miyakawa of Tokio Marine Management Inc. and Professors George Sorter and James Ratliff of the Stern School addressed the accountants.

The next panel discussion, which took place on October 27, 1992, addressed, in the light looming presidential elections, “Perspectives of Japan-U.S. Relations After the Election.” Mr. Jiro Hirano, Senior Commentator of the Japanese Broadcasting Corporation, Mr. Tekemoto Inuma, Director of Yomiuri Research Institute, Professors Paul A. Samuelson and Paul Wachtel of the Stern School, and Kunimitsu Yoshinaga, Deputy Consul General of the Consulate General of Japan participated in the panel discussion, which was moderated by Professor Robert Kavesh.
The Research Associates of the Center who are stationed in Japan meet regularly to discuss their ongoing research. During the 1992-93 academic year, there were three meetings; the first took place on November 19, 1992, followed by one on January 20, 1993 and one on July 17, 1993.

The fall conference, co-sponsored by the Gerontology Division of Brigham and Women’s Hospital and the Department of Gerontology of the University of Tokyo was on “Towards Happy Old Age: Economic and Medical Perspectives,” and was held in Japan on November 20 and 21 in Tokyo. On the first day, papers were presented by Professors Catherine E. DuBeau of Harvard Medical School, Atsuaki Gunji of University of Tokyo, Seiritsu Ogura of the Nikkei Center, and Professors Ryuzo Sato and Elias Griyovannis. During the second day of the event, Professors Hajime Orimo of the University of Tokyo and Richard W. Besdine of the University of Connecticut Health Center presented papers.

On December 9, 1992, Professor Jeffrey Sachs of Harvard University, Professor Paul A. Samuelson, and Ambassador Hiromoto Seki, Consul General of Japan, participated in a panel discussion on “Japan’s Role in the 90s.” Professor Robert Kavesh served as moderator.

Two Technical Symposia were held in 1993. The first symposium, entitled “The Coase Theorem: Competition and Bargaining,” was held on March 5, 1993. Professors Hal Varian of University of Michigan, Paul A. Samuelson of MIT and New York University, Doug Baird of University of Chicago, George Priest of Yale University, Yasuo Maeda of International University of Japan, Richard Cooper of Harvard University, and Julianne Nelson of New York University presented papers.
The Sanwa Monograph Committee met on March 18, 1993, to choose the recipient of the award. After the meeting, Professors Merton Miller, Marti Subrahmanyam, James Tobin, and Richard Zeckhauser held a panel discussion entitled, “Recent Economic Trends and Japan-U.S. Relations Under the Clinton Administration.” Professor Masahiro Kawai of University of Tokyo and Mr. Masahiro Yoda, Managing Director and General Manager of Sanwa Bank also participated in the panel discussion.

The Technical Symposium on “Trade Policy and Competition” was held on March 26, 1993. Professors Richard Baldwin of Graduate Institute of International Studies, Geneva, Noriyuki Yanagawa of University of Tokyo, Avinash Dixit of Princeton University, Jota Ishikawa of Hitotsubashi University and Penelopi Goldberg of Princeton University presented papers.

The final panel discussion, entitled “Japan: A Different Kind of Capitalism?” was held on April 21, 1993. Professor Chalmers Johnson of University of California, San Diego, Mr. Susumu Ohara, a freelance journalist, and Professor Paul A. Samuelson of MIT and New York University participated in the discussion, which was moderated by Professor Robert Kavesh.
Academic Year 1993-1994

During this year, there were changes in the administrations of the United States and Japan. President William Clinton took office in United States, while in July 1993, a coalition government under Prime Minister Morihiro Hosokawa ended the thirty-eight years of rule by the Liberal Democratic Party in Japan. The first panel discussion of the year was devoted to assessing the effect of these political changes. It was held on September 23rd, and featured Professors Jagdish Bhagwati of Columbia University and Economic Policy Advisor to the Director-General of GATT, Ryuzo Sato of New York University, Paul A. Samuelson of MIT and New York University, and Hiroshi Tsukamoto, President of JETRO.

Deputy Prime Minister Hata, who has participated in various Center activities, visited the University and met President Jay Oliva and Dean Daly. President Oliva extended Deputy Prime Minister Hatta an open invitation to visit the Center.

During a panel discussion on October 18, 1993, a panel discussed the impact of historic steps toward trade liberalization, including the approval of the North American Trade Treaty. Soshichi Miyachi, Executive Director of Television Tokyo, Hiromoto Seki, Consul General of Japan in New York, Mike Synar, Second District Congressman of Oklahoma, and Professor Paul A. Samuelson of MIT and New York University participated in the discussion, which Professor Richard Sylla moderated.

The fall conference in Japan on “Trade and Competition” was co-sponsored by the NEC Corporation. Professors David Montgomery of Stanford University, Ryuzo Sato of New York University, Richard Baldwin of the Graduate Institute of International Studies, James Levinsohn of the University of Michigan, David Backus of New York University, Ryuhei Wakasugi of Yokohama National University, and Mr. Shinji Fukukawa, Director and Executive Vice President of Kobe Steel spoke at the conference, which concluded with a panel discussion.
The last panel discussion of the year took place on December 8, 1993. It was entitled, “International Competitiveness of High-Technology Industries,” and Mr. Sadahei Kusumoto, Chairman of Minolta Corporation of America, joined Professors Paul A. Samuelson of MIT and New York University and Thomas Pugel of New York University. Professor Robert Kavesh moderated this and subsequent panel discussions during the academic year.

On February 15, 1994, Professors Stephen Figlewski of New York University, Yasushi Hamao of Columbia University, and Paul A. Samuelson of MIT and New York University met during a panel discussion to address recent developments in international financial markets.

Professors Merton Miller of the University of Chicago, James Tobin of Yale University, Richard Zeckhauser of Harvard University, and Marti Subrahmanyam of New York University joined Mr. Masahiro Yoda, Managing Director and General Manger of Sanwa Bank, New York, in a discussion of recent economic and financial trends on March 8, 1994.
The Technical Symposium this year was held on three consecutive days. The first day, March 23rd, Research Associates from Japan, Professors Kotaro Suzumura of Hitotsubashi University, Tetsuo Honda of Tokyo Metropolitan University, Kazuo Mino of Tohoku University, and Hajime Hori of Tohoku University reported on the progress on a three-year research project sponsored by the Center. The next day, Yingi Quian of Stanford University, and Gerard Roland of Universite Libre de Bruxelles, Janos Kornai of Harvard University, Eric Maskin of Harvard University, Jeffrey Sachs of Harvard University, Mashiro Kawai and Juro Hashimoto of University of Tokyo and Jean Tirole of Universite Toulouse presented papers on “Soft Budget Constraint.” On the final day, Professors Paul Krugman of MIT and Stanford University, Thomas Pugel of New York University and Yui Kimura of International Christian University, Kiyohiko Nishimura of University of Tokyo, Hal Varian of the University of Michigan and John Kennan of University of Wisconsin presented papers on “Trade and Industrial Organization.”

On April 11th, Professor Willem H. Buiter of Yale University and Sanwa Monograph Award recipient discussed financial developments in Europe, Japan and United States with Professors Richard Levich of New York University, Paul A. Samuelson of MIT and New York University, and Mr. Toru Kusukawa, Chairman of the Fuji Research Institute Corporation.

The last panel discussion of the academic year was held on April 20, 1994. Fujio Cho, President and CEO of Toyota Motors Manufacturing U.S.A., and Professors Joshua Livnat of New York University and Professor Paul A. Samuelson of MIT and New York University served as discussants.
Academic Year 1994-1995

The year began with a panel discussion on September 21, 1994. The theme of the discussion was “Japan-U.S. Relations in the Second Year of the Clinton Administration,” and the panelists were Mr. Hisashi Owada, Ambassador and Permanent Representative of Japan in the United Nations, Dean George Daly of New York University, and Professors Paul Samuelson of MIT and New York University, and Ryuzo Sato of New York University. Professor Richard Sylla moderated all panel discussions for the fall semester.

On October 24th, another panel discussion on trade and competition was held with Mr. Nobuya Noguchi, President of JETRO New York, and Professors Thomas Pugel of New York University and Paul A. Samuelson of MIT and New York University.

Mr. Yasuhiro Harada, General Manger in the Americas for Bank of Japan, Professors Paul A. Samuelson of MIT and New York University, and Paul Wachtel of New York University spoke on monetary policy and financial markets on a panel discussion on November 2nd.

The fall conference was held on November 17 and 18, 1994. In this conference co-sponsored by Waseda University, papers were presented by Professors Thomas Pugel of New York University and Yui Kimura of International University of Japan, Nobuo Kawabe of Waseda University, Iain Cockburn of University of British Columbia, Eric Maskin of Harvard University, and Yoshio Terasawa, Senator and Former Minister of State for Economic Planning. Professor Paul Krugman of Stanford University delivered the keynote address, and Professor Eric Maskin of Harvard University, Ryuzo Sato of New York University and Mr. Yoshio Terasawa, Senator and Former Minister of State for Economic Planning, gave public lectures. There was a panel discussion in which Dean George Daly participated.
The final panel discussion of the fall semester, entitled “Fiscal Policy Coordination: Japan-US Dimensions,” took place on December 5th. Mr. Shuzo Nakamura, Deputy Consul General at the Consulate General of Japan and Chief Representative of Japan’s Ministry of Finance in New York, Professor Paul A. Samuelson of MIT and New York University, and Professor Lawrence White of New York University served as panelists.

The life-long association of Professor W. Edwards Deming with Stern School and his significant role in the industrial revival of Japan after the Second World War was honored by the establishment of a chair in his name with contributions from companies that benefited with his work on quality control. Nobel Laureate Robert M. Solow agreed to serve as the Visiting Deming Chair Professor during the 1995-96 academic year.

Taxes and budget deficits were the theme of the first panel discussion of the spring semester, held on February 6, 2005. Mr. Shuzo Nakamura, Chief Representative of the Japanese Ministry of Finance in New York, Professors David Backus of New York University and Paul Samuelson of MIT and New York University spoke at the occasion, which was moderated by Professor Richard Sylla.

The Center held a panel discussion focusing on recent economic and financial trends affecting Japan and the U.S. on March 8th. Mr. Isao Matsuura, the Managing Director and General Manager of Sanwa Bank New York, Professor and Nobel Laureate James Tobin of Yale University, Professor Merton Miller of University of Chicago, and Richard Zeckhauser of Harvard University all served as panelists. Professor Marti Subrahmanyam of New York University was the moderator for the discussion.

Mr. Koji Hirao, CEO for the Americas Long-term Credit Bank of Japan, spoke with Professors Paul Samuelson of MIT and New York University, and Lance Davis of California Institute of Technology and a Sanwa Monograph Recipient, discussed new directions in banking on March 21st, in a panel discussion moderated by Professor Richard Sylla.
The theme of the tenth annual Technical Symposium held on April 13, 1995 was “Recent Developments in Growth Economics.” Papers were presented by Professor William Baumol of New York University and Dr. Ralph Gomory of Sloan Foundation, Professors Tadashi Shigoka of Kyoto University, Xavier Sala-i-Martin of Yale University and Casey Mulligan of University of Chicago, Oded Galor of Brown University and The Hebrew University and Mr. Hyoungsoo Zhang of the World Bank, Professor Paul A. Samuelson of MIT and New York University, Ryuzo Sato and Rama Ramachandran of New York University, Samuel Kortum of Board of Governors of the Federal Reserve System and Professor Jonathan Eaton of Boston University, and Martin Weitzman of Harvard University.

The last panel discussion was on competition and cooperation in information technology. Keichiro Kagiyama, President of NEC Systems Laboratory and Professors Edward Stohr of New York University and Paul A. Samuelson of MIT and New York University were on the panel on April 18th. Professor Richard Sylla moderated the panel discussion.
Academic Year 1995-1996

The first panel discussion of the year was on “Japan-U.S. Relations: The Next 50 Years.” Dean George Daly, Mr. Koji Hirao, Deputy President of the Long-term Credit Bank of Japan and Professors Paul A. Samuelson of MIT and New York University and Ryuzo Sato of New York University served as panelists. This occasion also served to celebrate the 80th birthday of Professor Paul A. Samuelson. Richard Sylla moderated all panel discussions during the fall semester.


“Japanese Investment, Past and Present” was discussed on October 18th by Mr. Kikuro Takagi, Senior Fellow of the Yomiuri Shimbun, and Professors J. Myles Shaver of New York University and Paul A. Samuelson of MIT and New York University.

The fall conference, which took place on November 13th, was a scholarly meeting on financial markets and growth in Japan. Professors Richard Sylla of New York University, Takeshi Negishi of Aoyama Gakuin University, Ryuzo Sato and Rama Ramachandran of New York University, Tatsuo Hatta of Osaka University, William Greene of New York University, and Hideaki Murase of Yokohama National University presented papers. Mr. Isamu Miyazaki, Minister of State for Economic Planning, and Dr. Edward J. Lincoln, Special Economic Advisor to the Embassy of the United States of America, spoke during lunch.
Mr. Shuzo Nakamura, Chief Representative, Japanese Ministry of Finance joined Professors Nouriel Roubini of New York University and Paul A. Samuelson of MIT and New York University for the final panel discussion of the fall semester on December 5, 1995.

The spring semester began with a discussion of new directions in industrial competition on February 21, 1996. Mr. Nobuya Noguchi, President of JETRO, spoke with Professors Lawrence J. White of New York University and Paul A. Samuelson of MIT and New York University. Professor Richard Sylla served as moderator.

On February 28th, the Center held a panel discussion to discuss trends in stock markets around the world. The panel was made up of Nobel Laureates Merton Miller of University of Chicago and James Tobin of Yale University along with Professor Richard Zeckhauser of Harvard University and Mr. Osamu Tateno, Executive Vice President of Sanwa Bank. Professor Marti Subrahmanyam of New York University moderated the discussion.

“Japan’s Role in Peace and Prosperity” was the theme of a panel discussion featuring Hisashi Owada, Ambassador and Permanent Representative of the Japan to the United Nations, Professor Paul A. Samuelson of MIT and New York University, and Paul Wachtel of New York University. The discussion was moderated by Professor Richard Sylla.
The eleventh annual Technical Symposium, held on March 29, 1996, was entitled “Bilateral and Multilateral Trade Negotiations.” Professors Jagdish Bhagwati of Columbia University and Pravin Krishna of Brown University, T. N. Srinivasan of Yale University, Aravind Panagariya of University of Maryland, Shumpei Takemori of Keio University and Masatoshi Tsumagari of Boston University, Robert Staiger of University of Wisconsin-Madison and Kyle Bagwell of Northwestern University, John Wilson of Indiana University and Jinyoung Kim of Kangwon National University, and Sadao Nagaoka of Seikei University presented papers.

The final event of the year was a panel discussion on “Japanese Multinational in Global Economy.” Susumu Yoshida, President of Sumitomo Chemical America joined Professors Kiyohiko Ito of New York University and Paul A. Samuelson of MIT and New York University for this discussion, which Professor Richard Sylla moderated.

The panel discussion on October 7, 1996 was entitled, “Stabilizing the Economies: Monetary and Fiscal Policies for Japan and the United States.” Mr. Shuzo Nakamura, Deputy Consul General at the Consulate General of Japan, Professors Holger C. Wolf of New York University and Paul A. Samuelson of MIT and New York University served as panelists.

Dean George Daly, Professor Ryuzo Sato of New York University, and Professor Paul A. Samuelson of MIT and New York University discussed the impact of the upcoming U.S. presidential election with Mr. Kazunori Iizuka of JETRO and Ms. Yoshiko Sakurai, author and newscaster at Nihon Television. Professor Ricahrd Sylla of New York University moderated the discussion.

The fall conference on “Entrepreneurial Spirit in Japan and the United States” was held in Japan. It was co-sponsored by Asahi Bank, which provided an endowment to the University to enable a Japanese Professor to visit the Center and fund symposiums and seminars on topics of relevance to the Bank and the Center. Dean George Daly of the Stern School of Business at New York University delivered the keynote address, which was followed by a panel discussion.
“Central Banking and Financial Markets” was the topic of a discussion held on November 18, 1996. Professors Richard Levich of New York University and Paul A. Samuelson of MIT and New York University were joined by Naoki Tabata, General Manager of the Bank of Japan in the United States. Richard Sylla was the moderator.

The first panel discussion of the spring semester was held on February 20, 1997. Keiichiro Kagiyama, President and CEO of HNSX Supercomputers, a subsidiary of NEC, discussed the future of information technology with Professors Thomas Pugel of New York University and Paul A. Samuelson of MIT and New York University. Professor Paul Wachtel of New York University moderated the panel discussions this semester.

Professor Kazuo Mino of Kobe University, who was visiting New York University, joined Professors Patricia Robinson of New York University and Paul A. Samuelson of MIT and New York University during a panel discussion on “Tradition and Innovation in Distribution: The Japanese and Southeast Asian Experience.” It was held on March 4, 1997 and moderated by Professor Paul Wachtel.

On March 11th, the members of the Sanwa Monograph Committee, Professors Merton Miller of the University of Chicago, James Tobin of Yale University, and Richard Zeckhauser of Harvard University joined Mr. Isao Matsuura, Senior Managing Director of Sanwa Bank, for a discussion of world economy and financial markets. Professor Marti Subrahmanyam of New York served as moderator.
The C.V. Starr Foundation gave a grant to fund a three-year study of “Global Integration and Competition.” The first draft of papers prepared under this program was presented at the Technical Symposium held on March 27 and 28, 1997. Professors Kiyohiko Nishimura of University of Tokyo, Lawrence White of New York University, Norihiko Suzuki of International Christian University, Akiyoshi Horiuchi and Katsutoshi Shimizu of University of Tokyo, Marti Subrahmanyam of New York University and Young-Ho Eom of Federal Reserve of New York and Jun Uno of QUICK Research Institute, David Backus and Jordi Gali of New York University, Masahiro Kawai of University of Tokyo, Richard Marston and Gordon Bodner of University of Pennsylvania, Ricahrd Sylla of New York University, Richard Levich of New York University and Rosario Rizzo of Bank of Italy, Hajime Hori of Tohoku University, Kotaro Suzumura of Hitotsubashi University, Gene Grossman and Giovanni Maggi of Princeton University, Paul A. Samuelson of Massachusetts Institute of Technology and New York University, Paul Krugman of Massachusetts Institute of Technology, William Baumol of New York University, Ryuzo Sato, Rama Ramachandran and Yongduk Kim of New York University, Toshihiro Ihori of University of Tokyo, Eric Maskin of Harvard University and Kazuo Mino of Kobe University presented papers.

The final panel discussion was on business negotiations across cultures. Barbara Katz of New York University and Paul A. Samuelson of MIT and New York University were joined by Ms. Michiko Ito, Partner, Morrison & Foerster, for this discussion on April 15, 1997. Professor Paul Wachtel moderated the discussion.
A cademic Year 1997-1998

On March 26, 1997, Ms. Fumiko Hosoda gave a million dollar endowment to support the Center and the Stern Undergraduate Program at New York University.

The first panel discussion of the academic year was on “The ‘Big Bang’ in Japan: Impact on Fiscal and Monetary Policy.” Mr. Shuzo Nakmura, Consul General at the Consulate General of Japan in New York, joined Professors Nouriel Roubini and Paul A. Samuelson for the discussion, which was held on October 15, 1997. Professor Richard Sylla moderated all panel discussions during the fall semester.

The second panel discussion was held on November 12, 1997, and featured Mr. Tetsuo Makabe, Chairman of the LTCB Trust Company, Professor Edward I. Altman of New York University, and Professor Paul A. Samuelson of MIT and New York University as panelists. They discussed new trends in international banking.

The fall conference on “The Future of Electronic Communications: Globalization and Integration,” was co-sponsored by the Institute of Posts and Telecommunications Policy of the Ministry of Posts and Telecommunication of Japan. The conference was held in Tokyo on December 4, 1997. Professor Lawrence J. White of New York University and Mr. Mitsuo Igarashi, Vice-Minister of Posts and Telecommunications, gave keynote addresses. Research papers were presented by Professor Nicholas Economides of New York University and Professor Toshihiko Hayashi of Osaka University.
Those who were participating in a three year research program on “Global Integration and Competition,” funded by the C.V. Starr Foundation, met at Total Hotel Japan in Shimoda, Japan to discuss the progress of the work. Shimoda was considered an appropriate location for this conference, as it was here that Commodore Perry’s black ships forced Japan in open its ports to foreigners in 1854.

Professor Paul A. Samuelson of MIT and New York University, Professor Richard Sylla of New York University, and Mr. Testuo Makabe, Chairman of LTGB Trust Company, discussed new trends in international banking on February 24, 1998.

The members of the Sanwa Monograph Selection Committee, Professor Merton Miller of University of Chicago, Professor Emeritus James Tobin of Yale University, Richard Zeckhauser of Harvard University, and Mr. Takashi Mori, Managing Director and General-Manager of the Sanwa Bank, New York discussed Asian Financial Crisis on March 2, 1998. The discussion was moderated by Professor Marti Subrahmanyam.

The Fourteenth Annual Technical Symposium took place on March 27, 1998, and was entitled “Economic Development: An Historical Perspective.” Professors Hugh Rockoff of Rutgers University, Tetsuji Okazaki of University of Tokyo and Takafumi Korenaga of Hitotsubashi University, Richard Sylla of New York University and Jack W. Wilson of North Carolina State University, Masatoshi Amano of Kobe University, and John A. James and Mark Thomas of the University of Virginia in conjunction with Michael G. Palumbo of University of Huston presented papers. Professor Paul A. Samuelson delivered the luncheon lecture.

Professor William J. Baumol of New York University, Professor Paul A. Samuelson of MIT and New York University, Professor Lawrence White of New York University, and Mr. Mitsuo Igarashi, Vice-Minister of Posts and Telecommunication of Japan, were panelists for a discussion of “The Telecommunication Industry in Japan and the United States,” on April 15, 1998, moderated by Professor Richard Sylla.
“Recent Turmoil in the Financial Markets” was discussed at a panel discussion on October 1, 1998. The panelists were Mr. Toyoo Gyohten, President, Institute for International Monetary Affairs and Special Advisor to the Prime Minister of Japan, Dr. Paul A. Volcker, former Chairman of the Board of Governors of the Federal Reserve Bank and Visiting Professor at Stern School of Business, Professor Ryuzo Sato of New York University, and Professor Paul A. Samuelson of MIT and New York University. Professor Richard Sylla served as moderator.

On October 26, 1998, Professors Jagdish Bhagwati of Columbia University, Nouriel Roubini of New York University, and James Tobin of Yale University discussed the “Asian Financial Crisis.” Professor William Greene of New York University was the moderator.

The third panel discussion was on “The Future of Industrial Structure in Japan and the United States of America.” The panelists for this November 12th discussion were Mr. Noriyasu Yamada, President JETRO New York, Professor Thomas A. Pugel of New York University, and Professor Paul A. Samuelson of MIT and New York University. Professor Richard Sylla moderated the discussion.

“The Inaugural Symposium of the Deming Chair” was held in Tokyo on December 1, 1998. The Keynote Speeches were delivered by Professor Eitan Zemel, W. Edward Deming Professor of Quality and Productivity at Stern School of Business, and Dr. Tadahiro Sekimoto, Senior Member of the Board, NEC Corporation. The speeches were followed by a panel discussion.

The Sanwa Monograph Committee met on March 9, 1990 and its members held a panel discussion on financial markets. Mr. Takanobu Igarashi, Senior Vice-president and Senior Economist of Sanwa Bank, New York Branch joined Professors Paul Krugman, James Tobin, and Richard Zeckhauser for the discussion, which was moderated by Professor Marti Subrahmanym.

The final panel discussion of the academic year took place on April 15, 1999, and was entitled “Banking Issues in Japan and the United States.” Professor Edward I. Altman of New York University, Professor Paul A. Samuelson of MIT and New York University, and Professor Paul A. Volker, Henry Kaufman Visiting Professor at Stern School, were joined by Ms. Nami Numoto, Representative in the Americas for Bank of Japan.

The Center lost a friend and supporter when Mr. Shigekuni Kawamura passed away in 1998. As the only Chairman of the Japanese Board of Advisors from its inception, he was instrumental in raising endowments for the Center. Through his efforts, the Center became one of the best funded centers dedicated to study of the relationship between Japan and its trading partners.

The Japanese Research Associate Workshop was held on August 28 and 29, 1998, in Japan.

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Mr. Yoshiyuki Kasai, President of JR Central (Central Japan Railway Company), joined Professors Martin J. Beckmann of Brown University, Paul A. Samuelson of MIT and New York University and Ryuzo Sato of New York University in a panel discussion on “The Transportation Revolution and its Impact on the Economy,” on October 4, 1999. Professor Richard Sylla served as moderator.
A research seminar on “Reform of Banking Regulation in Japan and the U.S.” was held on October 26, 1999. Professors Alan Blinder of Princeton University, Takeo Hoshi of University of California at San Diego, Lawrence J. White of New York University, and Professor Akiyoshi Horiuchi of University of Tokyo and Director of the Center for International Research on the Japanese Economy presented papers.

On November 1st the Center held a research seminar on “Budgetary Reform.” Professors Alan J. Auerbach of University of California at Berkley, Toshihiro Ihori of University of Tokyo, Richard Musgrave, Professor Emeritus at Harvard University, and Fabrizio Perri of New York University presented papers. Professor Thomas Pugel of New York University moderated the discussion.

Professor Stephen Figlewski, Professor Paul A. Samuelson of MIT and New York University, Mr. Takeo Shikado, Chief Representative of the Japanese Ministry of Finance in New York, and Dr. Benjamin Wolkowitz, Managing Director of Morgan Stanley Dean Witter spoke on “Securities Markets” on November 16, 1999. Professor Richard Sylla moderated the discussion.
The fall conference, “Global Media Marketing,” was co-sponsored by Shiseido Company and took place in Japan. Professor C. Samuel Craig of New York University and Mr. Kichisaburo Nomura, President of All Nippon Airlines, both gave keynote addresses. A panel discussion took place during the afternoon session.

The members of the Sanwa Monograph Committee, Professors Paul Krugman of Massachusetts Institute of Technology, James Tobin of Yale University, Richard Zeckhauser of Harvard University, and Marti Subrahmanyan of New York University, met on March 9, 2000, to discuss “International Trade and Financial Markets.” Mr. Shinichi Goda of Sanwa Bank joined the panel discussion.

The Sixteenth Annual Technical Symposium on “Differential Games: Applications to Economics and Finance,” was held on March 31, 2000. Professor Engelbert J. Dockner of University of Vienna, Ryuzo Sato of New York University, Kazuo Mino of Kobe University, Ngo Van Long of McGill University, and Koji Shimomura of Kobe University presented papers. Professor Paul A. Samuelson of MIT and New York University delivered a luncheon lecture.
The last panel discussion of the academic year was entitled “Japan, the United States, and Asia: International Relations in New Millennium.” Professor Paul Samuleson of MIT and New York University, Professor Bernard Yeung of New York University, and Mr. Takekazu Kawamura, Ambassador and Consulate General of Japan in New York, served on the panel. Professor Richard Sylla moderated the discussion, which took place on April 12, 2000.

The Japanese Research Associates Workshop was held on August 28 and 29, 1999 in Japan.
A Committee chaired by Professor Takashi Negishi and six other members from Japan and the United States decided to honor Professor Ryuzo Sato, the Director of the Center, for his professional achievements as a scholar and his dedication to commitment to the success of the Center as its Director. Scholars associated with Professor Sato during his long career agreed to contribute to a *Festschrift.* A three-day seminar was held in Lenox, Massachusetts, in September 2000 to allow a preliminary presentation of the papers, which the authors would have the opportunity to revise before being published in *Economic Theory, Dynamics and Markets: Essays in Honor of Professor Sato,* edited by Takashi Negishi, Rama Ramchandran, and Kazuo Mino, and published by Kluwer Academic Publishers. The volume was to be presented to Professor Ryuzo Sato on his birthday on July 5, 2001.

A panel discussion on “Global Strategies of Multinational Firms” was held on September 14, 2000. Professors Susan P. Douglas and Ryuzo Sato of New York University along with Professor Paul A. Samuelson of MIT and New York University joined Mr. Yoshiharu Fukuhara, Chairman of the Board of Shiseido Company, as panelists. Professor Richard Sylla moderated the panel discussions during this academic year.
Academic Year 2000-2001 (Continued)


The fall conference in Japan on December 1, 2000 was organized in cooperation with Shiseido Company. Professor Richard Sylla of New York University and Mr. Minoru Mori, President of Mori Building Company Ltd. gave keynote speeches. A panel discussion on “Incubating Entrepreneurship” was held during the afternoon session.

The UFJ Sanwa Monograph Committee met on April 7, 2001, in a panel discussion entitled, “Has the U.S. Economy run out of steam?” Mr. Toshiyuki Suzuki, Chief Economist of Sanwa Bank’s Treasury and Trading Dept., served as a panelist with the committee members.

“Production Technology and Productivity Growth” was the theme of the Seventeenth Annual Technical Symposium, which was held on March 30, 2001. Professors Subal C. Kumbhakar of the State University of New York at Binghamton, Takanobu Nakjima of Keio University, Catherine J. Morrison-Paul of University of California, Davis, Jiro Nemoto of Nagoya University, and Ramesh K. Diwan of Rensselaer Polytechnic Institute presented papers. Professor Paul A. Samuelson spoke at the luncheon lecture.

The panel discussion on “Deregulation of the Electric Power Industry in Japan and the United States: Will the Experience of California be Repeated?” was held on April 11, 2001. Professor Luis Cabral of New York University, Professor Paul A. Samuelson of MIT and New York University, and Mr. Minoru Takahashi, General Manager, Tohoku Electric Power Company, New York Office served as panelists.

A Conference on “Information Technology and the Global Economy,” was held in Tokyo on July 5, 2001. Professor Paul Krugman of Princeton University, Mr. Takeo Shiina, Senior Advisor, IBM Japan Ltd., and Professor Ryuzo Sato of New York University spoke at the conference. After the conference, a dinner reception took place to honor Professor Ryuzo Sato on his 70th birthday. The Festschrift was presented to him during this occasion.
A panel discussion entitled, “Information Technology and the Global Economic Recovery: Perspectives for Japan and the U.S.” was held on October 3, 2001. Mr. Yoshinori Uda, Senior Vice President, NTT DoCoMo USA, joined Professors Yannis Bakos of New York University and Professor Paul A. Samuelson of MIT and New York University on the panel. Professor Richard Sylla of New York University moderated the panel discussions during this academic year.

The fall conference and Research Associates Workshop was held on November 30th and December 1st at Spausa Odawara in Japan. Professors Jota Ishikawa of Hitotsubashi University, Thomas Cooley of New York University and Mehemet Yorukoglu of University of Chicago, Kazuharu Kiyono of Waseda University, Tohru Kikuchi of Kobe University, and Keisuke Higashida of Fukushima University presented papers.

The Sanwa Monograph Committee met on March 7, 2002. Professor Robert Merton of Harvard University had joined the Committee and attended it for the first time. The meeting was followed by a panel discussion entitled “Is the Recovery of the U.S. Economy Robust? What are its International Implications?” Mr. Toshiyuki Suzuki, Senior Economist of UFJ Bank, joined the Committee for the panel discussion.

The Center co-sponsored a panel discussion on The Global Law School Program of NYU Law School on “Deregulation and Efficiency: Economic and Legal Aspects.” Professors Harry First of New York University, Paul A. Samuelson of MIT and New York University, Frank Upham of New York University, and Mr. Etsuro Honda, Chief Representative of the Japanese Ministry of Finance, served on the panel.
Academic Year 2001-2002 (Continued)

The Eighteenth Annual Technical Symposium on “Industrial Organization and International Trade” was held on April 5, 2002. Professors Kyle Bagwell of Columbia University, Jota Ishikawa of Hitotsubashi University, Luís M.B. Cabral of New York University, Kazuharu Kiyono of Waseda University, and Thomas Prusa of Rutgers University presented papers. Professor Paul A. Samuelson of MIT and New York University gave the luncheon lecture.

The Center lost a committed friend and scholar when James Tobin of Yale University passed away. From the inception of the UFJ (Sanwa) Monograph Award program, James Tobin was not only involved in the selection process, but was also a demanding reviewer of submitted manuscripts. Many eminent scholars in economics and finance found not only their analyses but also their exposition challenged by James Tobin.

The fall conference in Japan, which took place on January 15, 2003, was entitled, “Risk Management.” The conference was co-sponsored by the Global Business Study program of the Graduate School of Business of Nihon University and the Risk Management Foundation of Harvard Medical Institutions. Professor Richard Sylla of New York University, Dr. John L. McCarthy, President of the Risk Management Foundation of Harvard Medical Institutions, and Kichisaburo Nomura, Chairman of the Board of All Nippon Airways, spoke on various aspects of risk management.

The UFJ (Sanwa) Monograph Committee met on February 26, 2003. It was followed by a panel discussion of the “Gyrations of the Global Financial Markets.” Mr. Toshiyuki Suzuki, Senior Economist of UFJ Bank joined as a discussant.


The Stern Global Business Institute (GBI) was established in 2003 to consolidate an array of long-standing academic activities and create a coherent platform for their future development. The Stern Global Business Institute addresses the substance and uniqueness of the international aspects of various disciplines represented in the Stern School. They include Finance, Economics, Marketing, Accounting, Politics, Strategy, and Organizational Structure and Behavior. As of this year, the Center for Japan-US Business and Economic Studies became affiliated with the Stern Global Business Institute.
Academic Year 2003-2004

As Professor Ryuzo Sato, the Director of the Center, was on sabbatical leave during this academic year, Professor Kenn Ariga of Kyoto University was resident at the Center as Acting Director. On November 13, 2003, he made a presentation entitled, “What is Happening to the Japanese Youth? Some Hard Facts Behind Easy Life,” as part of the Japan-U.S. Forums held at the Center.

In November, Dean Thomas F. Cooley of the Stern School visited Japan for the first time since taking office as Dean. On November 14th, he hosted a luncheon for the business executives who support the Center and the Stern School. In the afternoon, Dean Cooley participated in the Center’s fall conference on “Economic Recovery in the U.S. and Japan: Fact or Fiction,” which was hosted in conjunction with University of Tokyo. Dean Thomas F. Cooley, Professor Hiroshi Yoshikawa of University of Tokyo, and Professor Ryuzo Sato of New York University and University of Tokyo spoke at the occasion, which was followed by a panel discussion.

In the spring semester, Professor Fumio Hayashi of University of Tokyo was at the Center as Acting Director. On March 25, 2004, Professor Hayashi spoke on “Japan’s Lost Decade” at a Japan-U.S. Forum held at the Center.
The Twentieth Annual Technical Symposium, entitled, “Understanding Macroeconomic Slowdowns,” was held on April 9, 2004. Professors Hugo A. Hopenhayn and Pablo A. Neumeyer of Universidad Torcuato Di Tella, Masanao Aoki of University of California at Los Angeles and Hiroshi Yoshikawa of University of Tokyo, Levon Barseghyan of Cornell University, Airel Burnstein of University of California at Los Angeles and Martin Eichenbaum of Northwestern University, Nezih Gunner of the University of Pennsylvania, Gustavo Ventura of the Pennsylvania State University and Xu Yi of Pennsylvania State University, Harold L. Cole of University of California at Los Angeles, Lee E. Ohanian of University of California at Los Angeles, Alvaro Riascos of Banco de la Republica de Columbia, and James Schmitz of Federal Reserve Bank of Minneapolis presented papers. Professor Thomas Sargent of New York University gave a luncheon lecture.

At the New York University Commencement in May 2004, Mr. Tatsuro Toyoda, an alumnus of the Stern School of Business and a member from the inception of the Japanese Board of Advisors, was awarded an honorary doctoral degree.
Given the debate that Professor Paul A. Samuelson’s paper, “Where Ricardo and Mill Rebut and Confirm Arguments of Mainstream Economists Supporting Globalization,” had spawned, the Center and the Financial History Seminar Series of the Economics Department of the Stern School organized a scholarly debate on the paper. The discussion, entitled “Productivity Growth in Developing Countries and Outsourcing: Do They Threaten Rich-country Competitiveness?” was held on November 12, 2004. Professor Paul A. Samuelson of MIT and New York University, Professor Douglas Irwin of Dartmouth College, Professor William Baumol of New York University, and Dr. Ralph Gomory of the Sloan Foundation made presentations attended by faculty members and graduate students.

The Research Associates Workshop was held at Hotel VIVI Atami Shizenkyo in Japan on December 17 and 18, 2004. Professors Jota Ishikawa of Hitotsubashi University, Koji Shimomura of Kobe University, Tadashi Sekiguchi of Kyoto University, Takanobu Nakajima of Keio University, Tetsuji Okazaki of University of Tokyo, Junji Narita of Aoyama Gakuin University, Luis Cabral of New York University, and Kazuya Kamiya and Mariko Fujii of University of Tokyo presented papers.
To celebrate both the long association of Professor Paul A. Samuelson, Shinsei Bank Visiting Professor of Political Economy, with the Center and his 90th birthday, “A Panel Discussion in Honor of Nobel Laureate Paul A. Samuelson,” was held on April 8, 2005. The speakers, two of whom were Nobel Laureate students of Professor Samuelson, spoke of the professor’s influence on both them and their research. The panelists for the morning session, which was moderated by Stephen Figlewski of New York University, were Alan Blinder of Princeton University, Robert Shiller of Yale University, Joseph Stiglitz of Columbia University, and Ryuzo Sato of New York University. The panelists during the afternoon session, which was moderated by Richard Sylla of New York University, included Paul Krugman of Princeton University, Robert Merton of Harvard University, and Jeremy Siegel of University of Pennsylvania.
One of the missions of the Center is to increase awareness of the issues affecting Japanese businesses in the University community. From its inception, the Center has organized a series of lunch forums at which Japanese business leaders and government officials from greater New York area are invited to speak. The Center holds three to four forums each semester.

In the academic year 2004–2005, six forums were held.

The first forum was held on September 15, 2004. Mr. Kenzo Yamamoto, General Manager of the Bank of Japan for the Americas spoke on “Economic Recovery in Japan: How Has Quantitative Monetary Easing Functioned?”

Professor Kiyohiko Nishimura, Professor of Economics, University of Tokyo and Fellow of ESRI, Cabinet Office of the Government of Japan, spoke on October 12, 2004. The topic was “Restructuring Japan: Is Current Recovery Sustainable?”


The last forum of the fall semester was held on November 18, 2004. Mr. Ikuo Mori, Chairman and CEO of Daiwa Securities America spoke on “Future Strategies for Japanese Financial Institutions.”

Mr. Toshiyuki Suzuki, Senior Economist of the UFJ Bank of New York, was the speaker at the first Japan-U.S. Forum in spring semester. “Structural Weakness of the Japanese Economy” was the theme of Mr. Suzuki’s lecture.
“Deregulation and Overseas Business: A Japanese Experience,” was the topic of Mr. Ichiro Maeda’s presentation on March 9, 2005. Mr. Maeda is Deputy General Manager at the Washington Office of Tokyo Electric Power Company, Inc.

At the last forum of the spring semester was held on April 13, 2005. “Changing in the World of Marketing,” was the topic of Mr. Sadahei Kusmoto, Chairman Emeritus, Konica Minolta Business Solutions.
Professor Ryuzo Sato, C.V. Starr Professor of Economics, was the Director of the Center from 1995. In August 2005, Professor Sato will retire from both his administrative and faculty positions and become the C. V. Starr Emeritus Professor of Economics. Professor Sato will continue to assist the Center by making contacts in Japan and will also teach part-time at the University of Tokyo.

After receiving his bachelor’s degree from Hitotsubashi University, Professor Sato received a doctorate in economics from John Hopkins University as well as from Hitotsubashi University. He served as a Professor of Economics at Brown University from 1967 to 1985 before taking the position at New York University.


In addition to teaching and research, Professor Sato has exercised leadership through extensive fundraising efforts in Japan for both the Center and the Stern School.
SHINSEI BANK VISITING PROFESSOR OF POLITICAL ECONOMY

The Shinsei Bank, formerly known as the Long-Term Credit Bank of Japan, provided an endowment in 1985 to establish a chair, which is occupied by the first American Nobel Laureate in Economics, Paul A. Samuelson. Professor Samuelson needs no introduction; he has made definitive contributions to consumer theory, international trade, public finance, the theory of finance and welfare economics. His analysis of the effect of international trade on wages, known as the factor price equalization theorem, was at the center of the new debate on why wages are not increasing in the United States in spite of productivity growth. His classic introductory textbook on economics is one of the most popular of its kind.

In the spring of 1996, President Clinton awarded Professor Samuelson the National Medal of Science Award.

After nineteen years, Professor Paul A. Samuelson is retiring from his chair professorship.

Paul A. Samuelson, Shinsei Bank Visiting Professor of Political Economy speaking at an MBA panel discussion

Paul A. Samuelson and Ryuzo Sato engaged in a discussion
Rama V. Ramachandran is Associate Director of the Center and Adjunct Professor of Economics at the Stern School. He joined the Center in 1987 and will retire from the Center on May 31, 2005.

He received his undergraduate degree in Mathematics from the Travancore University and his masters in Economics from Madras University in India. He spent two years at Institut für Weltwirtschaft at University of Kiel studying under Professor Eric Schneider. Returning to India, he taught at a college in Kerala for seven years before coming to the United States to pursue a Ph. D in economics at Brown University in Providence, Rhode Island. Professor Ramachandran wrote his thesis under Professor Ryuzu Sato, after which he joined Southern Methodist University in Dallas, Texas, where he was Chairman of the Department of Economics for a term for four years.

Professor Ramachandran was recipient of the Outstanding Professor Award of Dedman College of Southern Methodist University in 1980, 1983, and 1984. He was nominated for teaching award of the Stern School of Business in 2002.

Professor Ramachandran’s research interests are in growth theory, microeconomics, and decision making under uncertainty. He has published many papers in economics and was author or editor of several books. Professor Ramachandran served as Coordinating Editor of the scholarly journal, *Japan and the World Economy*, from 1988 to 2005.

Upon his retirement, Professor Ramachandran is moving back to Plano, Texas.
INTERIM DIRECTOR OF THE CENTER

Thomas A. Pugel, Professor of Economics and Global Business, will be the Interim Director of the Center for the academic year 2005-2006. He has been involved with the Japan-U.S. Center since its inception, having served as the Acting Associate Director in the year prior to Professor Sato’s arrival at Stern. Professor Pugel is also the co-editor (with Robert Hawkins) of *Fragile Interdependence: Economic Issues in U.S.-Japanese Trade and Investment*, the volume that resulted from the Center’s first conference.

Professor Pugel has been on the faculty of New York University since 1978 and is currently Academic Director, Langone Part-time MBA Program for Working Professionals. He received his B.A. in Economics from Michigan State University in 1974 and his Ph.D. in Economics from Harvard University in 1978. He served as Vice Dean for Faculty at the Stern School of Business during 1994-1998, and as the Chairperson of School’s International Business Area during 1990-1994 and 1998-2003. He was Visiting Professor at Aoyama Gakuin University, Japan, and a Visiting Scholar at the Board of Governors of the Federal Reserve System.

Dr. Pugel’s research focuses on international industrial competition, with emphasis on market structure, strategy, and performance, and on government policies toward international trade and industry. He is author of three books and numerous articles in professional journals and chapters in books. His teaching interests include the economics of international trade and investment and the economic analysis of firms and markets.
Faculty Appointments and Visiting Scholars (continued)

THE W. EDWARDS DEMING CHAIR IN QUALITY & PRODUCTIVITY

Professor Eitan Zemel is the W. Edwards Deming Professor of Quality and Productivity and Chairperson of Information, Operations and Management Sciences Department. Formerly the Harold L. Stuart Professor of Operations Research at the Kellogg School of Management at Northwestern University, he received his doctorate in Operations Research from Carnegie-Mellon University in 1976.

Author of thirty-five published papers, Professor Zemel is also associate editor of Operations Research Letters and Manufacturing Review. He played an active role in the development of management education at the Kellog School and is a consultant to many corporations.

MANAGEMENT EDUCATION AND RESEARCH PROGRAM FOR JAPANESE EXECUTIVES

The increasing presence of Japanese financial and manufacturing firms in the international market has made Japanese firms aware of the need to train their executives in the management theory and techniques of their trading partners. The Management Education and Research Program for Japanese Executives was developed to train middle-level executives in international management. Those participating in the program spend a year at Stern, assisting in the organization of The Center’s activities. The researchers, who come from a wide variety of prominent Japanese companies, are enrolled as special students at the Stern School and as such take courses that are directly related to their professional goals. The Japan-U.S. Forum is an outcome of the program, and contributes to improving initiative and management skills.

Visiting Researchers at The Center

Kunio Takagi, Tokyo Electric Power Company Inc.
Yuzo Furusaki, Tohoku Electric Power Company, Inc.
The UFJ Bank (Sanwa) Monograph award is presented each year, and the awardee is chosen by a committee consisting of Akiyoshi Horiuchi of The University of Tokyo, Paul Krugman of Princeton University, Ryozo Sato and Marti Subrahmanymam of New York University, Robert Merton of Harvard University, and Joseph Stiglitz of Columbia University. Eminent scholars are invited to submit proposals, and one proposal is chosen. In conjunction with the annual meeting, The Center holds a panel discussion on a topic of current interest; the event is open to the New York University community and to the public. Last year’s panel discussion, held on February 26, 2003, had “Gyration of the Global Financial Markets” as the theme. The panelists were Paul Krugman, Toshiyuki Suzuki (Senior Economist of UFJ Bank’s International Treasury and Trading Department), Paul Wachtel, and Marti Subrahmanymam who also acted as the moderator. There were no awards this year.

Sanwa Monograph Recipients

1991: Richard C. Marston, University of Pennsylvania
1992: Willem H. Buiter, Yale University, Giancarlo Corsetti, Universita degli Studi di Roma and Paolo A. Pesenti, Princeton University
1993: Robert Gallman, University of North Carolina and Lance E. Davis, California Institute of Technology
1994: Piet Sercu, Katholieke Universiteit Leuven and Raman Uppal, University of British Columbia
1995: Pete Garber, Brown University and Robert Flood, International Monetary Fund
1996: Maurice Obstfeld, University of California at Berkeley and Alan Taylor, Northwestern University
1997: Pravin Krishna, Brown University and the Center for Economic Policy, Stanford University
1998: Kose John, Stern School of Business, New York University
1999: Caroline Fohlin, California Institute of Technology
2000: J. Bradford DeLong, University of California at Berkeley
2001: Barry J. Eichengreen, University of California at Berkeley
2002: Hiroshi Yoshikawa, The University of Tokyo and Masanao Aoki, University of California, Los Angeles
In Spring 2005, the Undergraduate Division of the Stern School offered three sections of the International Studies Project focusing on Japan. One section was taught by Professor Thomas Pugel, another by Professor Ryzuo Sato, and the third by Professor Richard Katz of the International Business Department. The objective of the course was to expose the students to the cultural settings in which business operates in Japan and the United States. Using one of the disciplines they have studied at Stern, the students are required to research one of four firms: UFJ Bank Ltd., NEC Corporation, Dainippon Ink & Chemicals Inc., and Toyota Motor Corporation. The first part of the course is devoted to guiding the students on undertaking the research project. During the Spring Break in March, the class visited Japan and the company they were analyzing. In the second half of the semester, they finalized their research, submitted a written report and made presentations of their findings.

The Center assisted the Undergraduate Division of the Stern School in making arrangements for the trip to Japan and for the trips to companies where senior executives addressed the students.
The Board has taken the lead in acting as a liaison between The Center and the business community in Japan. Chaired by Mr. Shigekuni Kawamura, until his passing in April 1999, it has initiated fundraising efforts, garnering the support that makes The Center’s activities possible. The members of the Board come from the honor roll of Japanese business and civic leaders.
Support for The Center

ADVISORS EMERITUS OF THE JAPANESE BOARD OF ADVISORS

Tadao Ishikawa
Professor Emeritus,
Keio University

Sohei Nakayama
Chairman, Promotion Committee of
International University of Japan;
Honorary Advisor,
Formerly The Industrial Bank of Japan, Ltd.

Matsuo Suzuki
Chairman of the Board,
Nippon Research Center, Ltd.

Yusuke Kashiwagi
Senior Advisor,
The Bank of Tokyo-Mitsubishi, Ltd.
Deceased, August 2004

Sawako Noma
President and CEO,
Kodansha Ltd.

Isao Yonekura
Senior Advisor,
C. Itoh & Co., Ltd.
Support for The Center

ENDOWMENTS

Resona Holding (Asahi Bank) International Research Endowment
Resona Holding Inc. established an endowment at The Center to support two primary activities. The first is a visiting position for a professor from Japan to enable him/her to further his/her research by interacting with Stern School faculty. The other activity is research seminars and symposia on topics of relevance to the Bank and to The Center. The Endowment’s goal is to strengthen the relationship between the Bank and the Stern School. Together, The Center and the Bank organized a symposium entitled *Entrepreneurial Spirit in Japan and the U.S.*, which took place in Tokyo in the fall of 1996.

C.V. Starr Foundation
The Starr Foundation, under the guidance of Maurice R. Greenberg and T.C. Hsu, provided a gift in 1983 to establish both The Center and a Chair in Economics, to be occupied by the Center’s Director. Professor Ryuzo Sato has occupied the chair since its establishment. The Foundation subsequently provided a challenge grant, which has supported a three-year project on international competition and cooperation. Research papers prepared as part of the project have been published as monographs from Kluwer Academic Publishers.

Japan Foundation
The Japan Foundation assists The Center’s fundraising committee in raising contributions from corporations. Some of the endowments listed below were raised through the Foundation.

Shinsei Bank Visiting Professor of Political Economy
The Chair was established in 1985 and has since been held by Nobel Laureate Paul A. Samuelson. In addition to participating in panel discussions to promote better understanding between the business and civic communities of the two nations, Professor Samuelson also participates in the research programs of The Center.

NEC Faculty Fellowships
The NEC Corporation established a faculty fellowship to support research by senior faculty on the business and economic implications of innovative technology. The scope of the program is broad enough to encompass economic, financial, managerial and marketing issues that affect the introduction of innovation.

UFJ (Sanwa) Bank Research Endowment Fund on International Financial Markets
The Sanwa Bank established an endowment to support research on international financial markets. The Center invites proposals each year for a competitive award for writing a monograph. This year, the award was given to J. Bradford DeLong. The latest volume to be published is by Robert E. Gallman and Lance E. Davis, entitled *International Capital Flows, Domestic Capital Markets, and Economic Growth in Four Frontier Countries*.

Shinbashi-Hosoda Endowment for Business Research and Education
Mrs. Fumiko Hosoda, Founder-Owner of Shinbashi Restaurant, established an endowment of one million dollars in 1997. Half the income from the Shinbashi-Hosoda Endowment is dedicated to research in two areas. The first is the effects of globalization in the food industry; and the other is the economics of the art market. The other half of the income is used to support international programs in the Undergraduate Division.
TKC-Iizuka Research Fund for Economics, Accounting and Data Processing
The Fund was established with an endowment from Dr. Takeshi Iizuka to promote research on similarities and differences between the accounting systems in the two countries. Its projects include a symposium entitled *The International Dimensions of Accounting and Financial Reporting*, as well as a number of seminars for Japanese accountants, held at the Stern School.

W. Edwards Deming Chair of Quality & Productivity
The Chair was established to honor Professor Deming’s life-long association with the Stern School and his significant role in the industrial revival of Japan after the Second World War. Contributions came from companies that benefited from his work on quality control. Professor Robert Solow served as the first W. Edwards Deming Professor of Quality and Productivity, beginning in 1995. Professor Eitan Zemel, formerly the Harold L. Stuart Professor of Management at the Kellogg Graduate School of Management at Northwestern University, assumed the Chair in August 1998.

**RESEARCH GRANTS**

<table>
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<tr>
<th>AFLAC</th>
<th>Japanese Certified Public Tax Accountants and Customers Association</th>
<th>Sanwa Co., Ltd.</th>
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<td>All Nippon Airways Co., Ltd.</td>
<td>May Corporation Co., Ltd.</td>
<td>Suehiro Motors Company Ltd.</td>
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<td>Ando International Co., Ltd.</td>
<td>Maeta Concrete Industry Ltd.</td>
<td>SumitomoMitsui Banking Corp.</td>
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<td><em>Formerly</em> Asahi Bank</td>
<td>Ministry of Economy, Trade and Industry</td>
<td>The Sankei Shimbun</td>
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<td>Goldman, Sachs and Co.</td>
<td>Nippon Life Insurance Co.</td>
<td>UFJ (Sanwa) Bank</td>
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<td>Hasegawa Shoten, Ltd.</td>
<td>NTT DoCoMo</td>
<td>U.S.-Japan Friendship Committee</td>
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<td>Hayakawa Co., Ltd.</td>
<td>Ohmori Managment Advisory Office, Inc.</td>
<td>Yamahisa and Company Ltd.</td>
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<td>IBM</td>
<td>RCA</td>
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<td>Institute of Posts and Telecommunications</td>
<td>Salomon Brothers, Inc.</td>
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<td>ITOCHU Corporation</td>
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CORPORATE ASSOCIATES

Many Japanese corporations sponsor MBA students by participating in the Corporate Associates Program. Their support is used to finance activities that are designed for Japanese MBA students, including providing Japanese newspapers and journals and sponsoring luncheon lectures with local business leaders.

AFLAC
Aichi Sangyo co., Ltd.
All Nippon Airways
American Express International
Formerly Asahi Bank
Asahi Mutual Life Insurance Co.
Bank of Japan
Bank of Tokyo-Mitsubishi Ltd.
Bank of Yokohama
Chubu Electric Power Co.
Chugai Pharmaceutical
Chuo Mitsui Trust & Banking Co., Ltd.
Formerly Dai-Ichi Kangyo Bank, Ltd.
The Dai-Ichi Mutual Life Insurance Co.
Dainippon Ink & Chemicals, Inc.
Formerly Daiwa Bank, Ltd.
Daiwa Securities Co., Ltd.
Development Bank of Japan
Dowa Mining Co., Ltd.
Electric Power Development Co., Ltd.
Formerly Fuji Bank, Ltd.
Fujitsu, Ltd.
Hachijuni Bank, Ltd.
Hiroshima Bank, Ltd.
Hitachi, Ltd.
Fumiko Hosoda
Hyakujushi Bank, Ltd.
Institute of Posts and Telecommunications
ITOUCHU Corporation
Japan Airlines Co., Ltd.
JGC Corp.
Kansai Electric Power Co.
Kawasaki Steel America, Inc.
Kirin Brewery
Kobe Steel, Ltd.
Kodansha, Ltd.
Formerly Kokusai Securities
Kyoei Life Insurance Co.
Maeda Corporation
Marubeni Corp.
Matsushita Electric Industrial Co.
May Corporation Co., Ltd.
Meiji Life Insurance Co.
Mitsubishi Estate Co.
Mitsubishi Heavy Industries, Ltd.
Mitsui Fudosan Co., Ltd.
Mitsui Mutual Life Insurance Co.
Mitsui OSK Lines
Mobile Sekiyu Kabushiki Kaisha
NEC Corp.
NEC Technologies, Inc.
Nikko Kyoda Co., Ltd.
Formerly Nippon Credit Bank, Ltd.
Nippon KOA
Nippon Life Insurance Co., Ltd.
Nippon Steel Corp.
Formerly Nippon Trust Bank Co., Ltd.
Nissan Motor
Formerly Nissho Iwai Co.
Nomura Securities Co., Ltd.
Norinchukin Bank, Ltd.
NTT Data Communications Systems, Corp.
NTT DoCoMo
Oksan International Securities, Ltd.
Pfizer Pharmaceuticals, Inc.
Recruit Co., Ltd.
Sanwa Co., Ltd.
Seibu Department Stores, Ltd.
Shinsei Bank, Ltd.
Sony Corp.
Suehiro Motors Company Ltd.
Suitsa International Inc.
Sumitomo Electric Industries, Ltd.
Sumitomo Marine & Fire Insurance Co., Ltd.
Sumitomo Mitsui Banking Corp.
Sumitomo Trust and Banking Co., Ltd.
Suntory International Corp.
Takeda Chemical Inc.
The Sankei Shimbun
Toho Gas Co., Ltd.
Tohoku Electric Power Co., Inc.
Formerly Tokai Bank, Ltd.
Tokio Marine & Fire Insurance Co.
Tokio Marine Management, Inc.
Tokyo Electric Power Co., Inc.
Tokyo Gas Co., Ltd.
Tokyu Corporation
Toray Industries
Toshiba Corp.
Formerly Toyo Trust & Banking Co., Ltd.
Toyota Motor Corp.
Ube Industries, Inc.
UFJ Bank, Ltd.
Yamahisa and Company Ltd.
Yamanouchi Pharmaceutical Co., Ltd.
Yano Research Institute
Yasuda Fire & Marine Insurance Co.
The Center’s publishing objective is to make activities of The Center available to a broad audience, reaching over and beyond the academic community. Scholarly works are published in a series by Kluwer Academic Publishers. *An Empirical Investigation of Stock Markets: The CCF Approach* is the most recent book in this category. Additionally, both the Center’s conference volumes and its Sanwa Monograph series, aimed at a wider audience, are published by Cambridge University Press. Books on general business topics are published by New York University Press, and North Holland publishes the quarterly journal, *Japan and the World Economy*, which is edited by The Center. Copies of the working papers listed in this report can be obtained from The Center.

### SCHOLARLY PUBLICATIONS

<table>
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<tr>
<th>Title</th>
<th>Editor(s)</th>
<th>Publisher/Year</th>
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# Publications

## Monographs and Conference Volumes on Policy Issues

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<tr>
<th>Title</th>
<th>Author(s)</th>
<th>Publisher</th>
<th>Year</th>
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<tr>
<td>Trade Blocs: Economics and Politics</td>
<td>Pravin Krishna</td>
<td>Cambridge University Press</td>
<td>expected 2004</td>
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<tr>
<td>Global Capital Markets: Integration, Crisis and Growth</td>
<td>Maurice Obstfeld and Alan Taylor</td>
<td>Cambridge University Press</td>
<td>2003</td>
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<tr>
<td>International Financial Integration: A Study of Interest Differentials Between the Major Industrial Countries</td>
<td>Richard C. Marston</td>
<td>Cambridge University Press</td>
<td>1995</td>
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## Non-Technical Books

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<th>Title</th>
<th>Author(s)</th>
<th>Publisher</th>
<th>Year</th>
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<tr>
<td>The Quest for Self: Zen in Business and Life</td>
<td>Takeshi Iizuka</td>
<td>New York University Press</td>
<td>1995</td>
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</table>
Publications

WORKING PAPER SERIES

The Working Paper series is intended to quickly disseminate the ongoing research of the Center. Though many of these papers are ultimately published in refereed journals, the Working Papers come out about two years ahead of such publications.

Working Paper #315

The Argentine Great Depression 1975-1990

Hugo A. Hopenhayn, Universidad T. di Tella & University of California, Los Angeles
Pablo A. Neumeyer, Universidad T. di Tella & CONICET

Working Paper #316

Uncertainty, Policy Ineffectiveness, and Long Stagnation of the Macroeconomy

Masanao Aoki, University of California, Los Angeles
Hiroshi Yoshikawa, University of Tokyo

Working Paper #317

Non-Performing Loans, Prospective Bailouts, and Japan’s Slowdown

Levon Barseghyan, Cornell University

Working Paper #318

Large Devaluations and the Real Exchange Rate

Ariel Burnstein, University of California, Los Angeles
Martin Eichenbaum, Northwestern University, NBER and Federal Reserve of Chicago
Sergio Rebelo, Northwestern University, NBER and CEPR

Working Paper #319

Macroeconomic Implications of Restrictions on Size

Nezih Guner, The Pennsylvania State University
Gustavo Ventura, The Pennsylvania State University
Xu Yi, The Pennsylvania State University

Working Paper #320

Latin America in the Rear View Mirror

Harold L. Cole, University of California, Los Angeles
Lee E. Ohanian, University of California, Los Angeles & Federal Reserve Bank of Minneapolis
Alvaro Riascos, Banco de la Republica de Colombia
James Schmitz, Federal Reserve Bank of Minneapolis
The Center is the editorial office of *Japan and the World Economy*, edited by Professor Sato, and published by North Holland. Original theoretical and empirical papers in accounting, economics, finance and management that are relevant to the understanding of business relations between Japan and the United States are selected for publishing on the basis of referee reports.

**Editor:**

Ryuzo Sato

**Associate Editors:**

Hajime Hori
Takashi Negishi
Rama Ramachandran
Paul Wachtel
Richard Zeckhauser

**Volume 16, Number 1**

Exchange rate sensitivity of Japan’s bilateral page flows

Moshen Bahmani-Oskooee, The University of Wisconsin-Milwaukee
Gour Gobinda Goswami, The University of Wisconsin-Milwaukee

International parity relationships between the USA and Japan

Katarina Juselius, University of Copenhagen
Ronald MacDonald, University of Strathclyde

Skill formation and international migration: welfare perspective of developing countries

Saibal Kar, Northern Illinois University
Hamid Beladi, North Dakota State University

Factors affecting colonial industrialization in the endowment view of settlement versus extinction

Yong Jin Kim, College of Arts and Science

Central Banks’ preferences in Japan, the UK, and the US

Minoru Tachibana, Osaka University

Programme evaluation of unemployment benefits in Japan
An average treatment effect approach

Yasushi Ohkusa, Osaka University

Japan’s economy and monetary policy: a pragmatic evaluation

Hirohide Yamaguchi, Bank of Japan
The productivity-bias hypothesis and the PPP theorem: new evidence from panel vector autoregressive models

Johan Ericsson, Stockholm School of Economics
Manuchehr Irandoust, University of Örebro

How does trade affect the labour market? Evidence from Japanese manufacturing

Kojiro Sakurai, Development Bank of Japan

The effect of solvency regulations to a bank

Akira Momota, Osaka Prefecture University
Yasuo Maeda, Keio University

The Japanese stagnation: an assessment of the productivity slowdown hypothesis

Claudio Morana, Università del Piemonte Orientale

Trade integration and business cycle co-movements: the case of Korea with other Asian countries

Kwanho Shin, Korea University
Yunjong Wang, Korea Institute for International Economic Policy

Foreign aid, tariff revenue, and factor adjustment costs

Yasuhiro Takarada, Shobi-Gakuen University

Weitzman’s rule with market distortions

Kazuo Mino, Kobe University

Perspectives on Weitzman’s stationary equivalent
Discussion of Kazuo Mino’s “Weitzman’s Rule with Market Distortions”

Geir B. Asheim, University of Oslo

Sustaining periodic motion and maintaining capital in classical mechanics

John M. Hartwick, Queen’s University

Investing capital rentals to sustain periodic motion in classical mechanics by John Hartwick

Thomas Russell, Santa Clara University

Applying exterior differential calculus to economics: a presentation and some new results

Pierre André Chiappori, University of Chicago
Ivar Ekeland, University of British Columbia

Testing the expected utility maximization hypothesis with limited experimental data

James B. Cooper, Johannes Kepler University
Thomas Russell, Santa Clara University
Paul A. Samuelson, Massachusetts Institute of Technology


Vladislav V. Goldberg, New Jersey Institute of Technology
Publications

Volume 16, Number 4

Pricing behaviour in Japanese manufacturing: a comparative study
Michael Olive, Macquarie University

On the optimal external tariff of a free trade area with internal market integration
Hiroshi Mukunoki, Gakushuin University

Protection of trade for innovation: the roles of Northern and Southern Tariffs
Larry D. Qiu, Hong Kong University of Science and Technology
Edwin L.-C. Lai, City University of Hong Kong

The winner-loser effect in Japanese stock returns
Yoshio Iihara, Toyo University
Hideaki Kiyoshi Kato, University of Tsukuba
and Kobe University
Toshifumi Tokunaga, Nanzan University

Demand for broad money and expenditure components in Japan: an empirical study
Tuck Cheong Tang, Monash University

Exchange rate volatility and its impact on the transaction costs for covered interest rate parity
Ramprasad Bhar, The University of New South Wales
Suk-Joong Kim, The University of New South Wales
Toan M. Pham, The University of New South Wales

Towards a sustainable growth path
Masaru Hayami, Former Governor of the Bank of Japan
ONGOING RESEARCH

The Center supports a number of research programs in Japan and the United States. The research funded by The Center appears in a two book series, and some of it is also published in a quarterly journal, Japan and the World Economy, which is edited at the Center. The Sanwa Monographs are published by Cambridge University Press and are addressed to a wide audience. The second series, which includes technical and policy-oriented research monographs, is published by Kluwer Academic Publishers.

The Center is now actively encouraging a number of Japanese scholars to write monographs to be published under the Kluwer Series. The latest book in the this series is, An Empirical Investigation of Stock Markets: The CCF Approach by Professor Shigeyuki Hamori. Other volumes are under preparation.

RESEARCH ASSOCIATES MEMBERSHIP

The following is a list of current scholars who comprise The Center’s Research Associates:

Edward Altman
New York University

Antonio Alvarez
University of Oveido

Masatoshi Amano
Kobe University

Yakov Amihud
New York University

Masanao Aoki
University of California, Los Angeles

Kenn Ariga
Kyoto University

David Backus
New York University

Mariagiovanna Baccara
New York University

Heski Bar-Isaac
New York University

William Baumol
New York University

Martin Beckmann
Brown University

Jess Benhabib
New York University

Jagdish Bhagwati
Columbia University

Alan S. Blinder
Princeton University

Dieter Bös, Deceased
University of Bonn

Adam Brandenburger
New York University

Stephen Brown
New York University

Luis Cabral
New York University

Frederick Choi
New York University

Gian Luca Clementi
New York University

Thomas Cooley
New York University

Richard Cooper
Harvard University

Giancarlo Corsetti
University of Rome and Yale University

C. Samuel Craig
New York University

Lance E. Davis
California Institute of Technology

Robert Dekle
University of Southern California

Daniel E. Diamond
New York University

Avinash Dixit
Princeton University

Engelbert J. Dockner
University of Vienna
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<td>Susan Douglas</td>
<td>New York University</td>
<td>Joel Hasbrouck</td>
<td>New York University</td>
<td>Motoo Kaji</td>
<td>The International House of Japan</td>
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<td>Tatsuo Hatta</td>
<td>International Christian University</td>
<td>Koichi Kanazawa</td>
<td>National Institute for Research Advancement</td>
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<td>Edwin Elton</td>
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<td>Hiroshi Kato</td>
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<td>Takeo Hoshi</td>
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<td>Masao Fukuoka</td>
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