

US imposes sanctions against Japan on cellular telephone

WASHINGTON, Feb 15: President Clinton's administration decided Monday to authorise sanctions against Japan on cellular telephones, officials said, increasing pressure on Tokyo after the collapse of trade talks, reports AP.

Clinton conceded trade war could erupt but warned Japan it stood to lose the most.

"It's just not acceptable for the United States to continue on the same path" after last week's breakdown in talks, Clinton said.

US officials from the president on down issued Tokyo some of the strongest warnings yet, following up quickly on last Friday's failed trade talks at a summit between Clinton and Japanese Prime Minister Morihiro Hosokawa.

"We haven't ruled anything out," Clinton declared.

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Although the cell-phone case, stemming from complaints by Motorola Inc., had

been in the works for some time, the administration found it fit conveniently into its efforts to ratchet up pressure on Tokyo.

Clinton called it a "classic example" of the difficulties US companies face in penetrating Japanese markets.

In 1989, Japan agreed to give Motorola from one-third to one-half of its cellular phone business in the Tokyo area. But Motorola officials contend Japan deliberately ignored the bargain, holding the company's percentage of business under five per cent.

Many options are under review, not all involving sanctions, said the officials.

These range from ordering a Justice Department study on anti-competitive practices of Japanese auto companies to giving closer scrutiny to tax records of Japanese companies. The United States is also considering bringing a broad complaint in Geneva against Japanese trade practices under the General Agreement on Tariffs and Trade, officials said. The administration could

also dust off a punitive trade law not used since the early days of the Bush administration, known as Super 301, that gives the president broad powers to retaliate against unfair trade practices of any nation.

Tokyo has always resented the measure, viewing it as being specifically written with Japan as its prime target.

Clinton could renew the dormant authority by executive order. But aides said this would be done only as a last resort, suggesting other, less inflammatory, approaches were being eyed first.

However, a Congressional source, who also spoke on condition of anonymity, said that he expected the administration would announce later this week that it was renewing the Super 301 process by executive order. The administration would draw up a list of "priority countries" for possible trade sanctions based on an annual review of unfair trade barriers that is issued by the government by March 30 each year.

Clinton promised "a decision within the next few days" on the overall US response to the collapse of trade talks.

"There are a number of options open to us, including some that have not been widely discussed that may offer great promise," Clinton said without elaborating.

Japan had a 120 billion dollar trade surplus with the rest of the world last year, roughly half of it with the United States.

Dispute won't affect other issues'

Another report adds: The impasse over trade will not affect US-Japanese cooperation on security, political or cultural issues, US State Department officials said Monday.

"In an adult relationship, you can walk and chew gum at the same time," said Timothy Wirth, State Department counselor who oversees global issues. He said cooperation on a wide variety of issues would continue despite last week's breakdown of trade talks.

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