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BOOKS RECEIVED

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Global Organized Crime: The New Empire of Evil. Edited by Frank J. Cillufo and Linnea P. Raine. Washington, D.C.: The Center for Strategic and International Studies, 1994. Pp. xvi, 185.

Investors may be surprised to learn that their brokers do not have any information on the world's fastest growing business: global organized crime. With profits estimated at one trillion dollars, worldwide alliances are being forged in every criminal field from money laundering and currency counterfeiting to trafficking in drugs and nuclear materials. Leaders of the financial, intelligence and law enforcement communities met in September, 1994, to discuss strategies for confronting the vast dimensions of transnational crime. In *Global Organized Crime*, speakers including Louis Freeh, William Webster and R. James Woolsey discuss a fascinating array of topics ranging from "hacking" in the cyberspace jungle to more theoretical perspectives on crime without borders.

Among the more chilling anecdotal evidence cited by the speakers: counterfeit currency is being used to fund terrorist activities throughout the world. Iran and Iraq alone have counterfeited ten billion dollars worth of near-perfect one hundred dollar bills. Some 5,700 Russian criminal gangs dominate every aspect of political, economic, and social life in the former Soviet Republics. Many of the gangs have established relations with counterparts in twenty-nine other countries including the United States. One woman with a high school diploma is the regulator for 520 commercial banks in the Cayman Islands. The variety and complexity of the subjects discussed give credence to Mr. Freeh's contention that the ravages of transnational crime are the greatest long term threat to the security of the United States and that the very fabric of democratic society is at risk everywhere due to the seriousness of the threat.

The Fall of the U.S. Consumer Electronics Industry: An American Trade Tragedy. By Philip J. Curtis. Westport: Quorum Books, 1994. Pp. xv, 357. Index.

How did United States consumer electronics giants, who dominated the industry from its inception through the 1960's, fall prey to Japanese competitors? The answer may not be as simple as Japan-bashers would like to believe. Mr. Curtis' account of the rise and fall of the American consumer electronics industry puts a large part of the blame on the ease with which influence in Washington can be bought, preventing fair enforcement of international trade rules. At its best, the book provides fascinating accounts of the decades of events leading up to the Supreme Court's landmark decision in *Matsushita et al. v. Zenith*. Mr. Curtis' credibility wanes, however, when he blames the success of the alleged cartel of Japanese manufacturers on every party involved except Zenith: lobbyists are guilty of peddling influence, government officials are guilty of selling influence, the Japanese are guilty of buying influence, and the Supreme Court is portrayed as naive and incompetent for not realizing what was happening. Zenith, meanwhile, is the All-American underdog, fighting with its hands tied against the Japanese, who seem to have all the advantages.

But, despite Mr. Curtis' lapses in objectivity (he acted as counsel for Zenith throughout the *Matsushita* litigation), *The Fall of the U.S. Consumer Electronics Industry* at least raises important questions about access to the United States court system. The Supreme Court granted certiorari in *Matsushita* only after the Japanese government made a "request" for the Court to review the case. Apart from the question of the correctness of the Court's five to four reversal of the lower court's unanimous decision in favor of Zenith, one wonders whether requests of foreign governments are appropriate factors to consider in determining the allocation of access to the Supreme Court's docket.

Chinese Foreign Investment Laws and Policies. By Wei Jia. Westport: Quorum Books, 1994. Pp. xxii, 185. Index.

China's vast population and resources have entranced Western investors for decades, and the potential for major economic and political change has never seemed greater than today. Foreign direct investment has been and will continue to be the driving force behind this change well into the next century. *Chinese Foreign Investment*

Laws and Policies presents a comprehensive picture of the prevailing Chinese foreign investment climate. Western business and legal communities should find the author's straightforward coverage of standard international trade issues in the context of trade with China to be a helpful introduction and bibliography for entering and competing in the Chinese market.

Measuring the Costs of Protection in Japan. By Yoko Sazanami, Shujiro Urata, and Hiroki Kawai. Washington, D.C.: Institute for International Economics, 1995. Pp. xi, 76.

Americans concerned about Japanese trade barriers may be surprised to learn that Japanese economists are also concerned about the cost of such barriers to Japanese consumers. The authors of *Measuring the Costs of Protection in Japan* state that Japanese tariff and non-tariff trade barriers inflicted a cost of at least ten trillion yen in 1989, or between 2.6 and 3.8 percent of Japan's total gross national product. Frustrated free trade advocates, however, will empathize with the difficulty that Japan's political system faces in removing import barriers. According to the study, Japanese producers and importers reaped about ten trillion yen (sixty-five to ninety billion dollars at then current exchange rates) at the expense of consumers. This is a familiar story of a few privileged industries preserving profits and jobs at an enormously high cost to society as a whole.