

## Grieving Our Editor's Passing

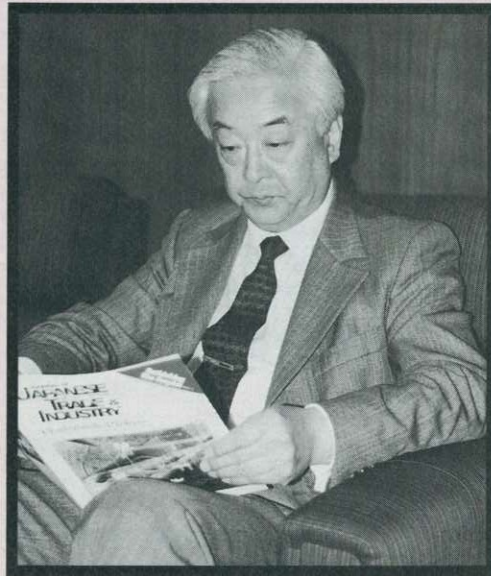
by Iwasaki Toshio

**S**uetsune Takashi, the *Journal's* editor, died on July 17, 1996. He was 65. This natural-born journalist, who until only a few months before his passing worked vigorously at making this journal a conduit of information about Japan for the international community, was struck suddenly with stomach cancer.

Suetsune Takashi was born in Tokyo in 1931. Immediately after graduating from the Tokyo University of Foreign Studies in 1955, he entered the Japan Broadcasting Corporation (NHK) as a news reporter. This was his first step into the world of journalism. Suetsune's father was a well known reporter for the *Asahi Shimbun* making Suetsune a "thoroughbred" journalist from the outset. Suetsune was eventually assigned as NHK's diplomatic reporter and spent a total thirteen years stationed in Rome, New York and Washington DC. In all, Suetsune reported tumultuous changes on the world stage to the Japanese public for the better part of thirty years.

Later in his career at NHK, Suetsune served as anchorman for the evening news as well as main reporter for special news reports from abroad. Television appearances made him a familiar face among Japanese viewers. Suetsune then decided to change gears, namely rather than convey foreign news to the Japanese public, he would present news from Japan to the world. Suetsune left NHK in 1991 to join the Japan Economic Foundation. He was then awarded the editorship of the *Journal of Japanese Trade and Industry*, a post he accepted with passion and zest. However, only four and one half years later cancer laid its claim.

As Suetsune's predecessor, I wholeheartedly acknowledge that his contributions greatly enriched the *Journal*. Suetsune's carefully honed ability to penetrate and grasp informa-



The late Suetsune Takashi, managing editor, JJTI.

tion most likely to raise international understanding as well as his natural skill brought depth and substance to the *Journal*.

Besides friendly competition with Suetsune on this publication, we were rival (healthily so) news reporters at NHK. Moreover, we were colleagues and close friends. I saw first hand how, as a journalist, he burnt with enthusiasm over the exchange of information internationally, and the mutual understanding gained thereby. Although his sudden loss is tragic for myself as well as all who knew him, I remember how he phoned about the *Journal* from his hospital bed until his very last, and I know that he completed his life's mission as fully as anyone could. As a colleague on a similar path, my sorrow is eased with a deeper sense of respect and admiration. Therefore, we can only regret how quickly death approached and how little time it left us.

JJTI contents and cover stories are now available on the home page of the internet at <http://www.jef.or.jp/>

The *Journal* welcomes letters of opinion or comment from its readers. Letters, including the writer's name and address, should be sent to: Editor, Japan Economic Foundation, 11th Floor, Fukoku Seimei Bldg., 2-2 Uchisaiwai-cho 2-chome, Chiyoda-ku, Tokyo, 100 Japan. Letters may be edited for reasons of space and clarity.

## Japan, U.S. Continue Efforts to Address Okinawa Base Issue

In the first ever prefecture-wide plebiscite on September 8, a majority of voters in Okinawa supported Governor Ota Masahide's proposal for reductions in U.S. bases in the island and a review of the Japan-U.S. Status of Forces Agreement. The turnout was 59.53%, with 89.09% of them, or more than half of all voters, voting in favor. The outcome of the plebiscite is not binding, but it is regarded as indication that Governor Ota won a vote of confidence from the people of the island. Commenting on the results of the plebiscite, Ota said the people of Okinawa felt the existence of U.S. bases was adversely affecting their livelihood.

The anti-base vote prompted Prime Minister Hashimoto Ryutaro to hold an urgent meeting with Governor Ota in Tokyo on September 10 to seek reconciliation. Hashimoto outlined a package of measures to help develop Okinawa's economy if Ota cooperates on the base issue. Included in the package are the inauguration of a

### COMING UP

With the drastic experience of the bubble's collapse behind it, Japan's economy finally seems to have embarked on a course of moderate improvement. Japanese consumers, however, were strongly affected by the collapse, and we are seeing some changes in Japanese consumption patterns. The next issue will feature a multifaceted analysis and theoretical examination of consumer activity, policy response and other changes in Japan's post-bubble consumption structure.





Okinawa Governor Ota formally reads a public announcement.

Okinawans cast their ballots.

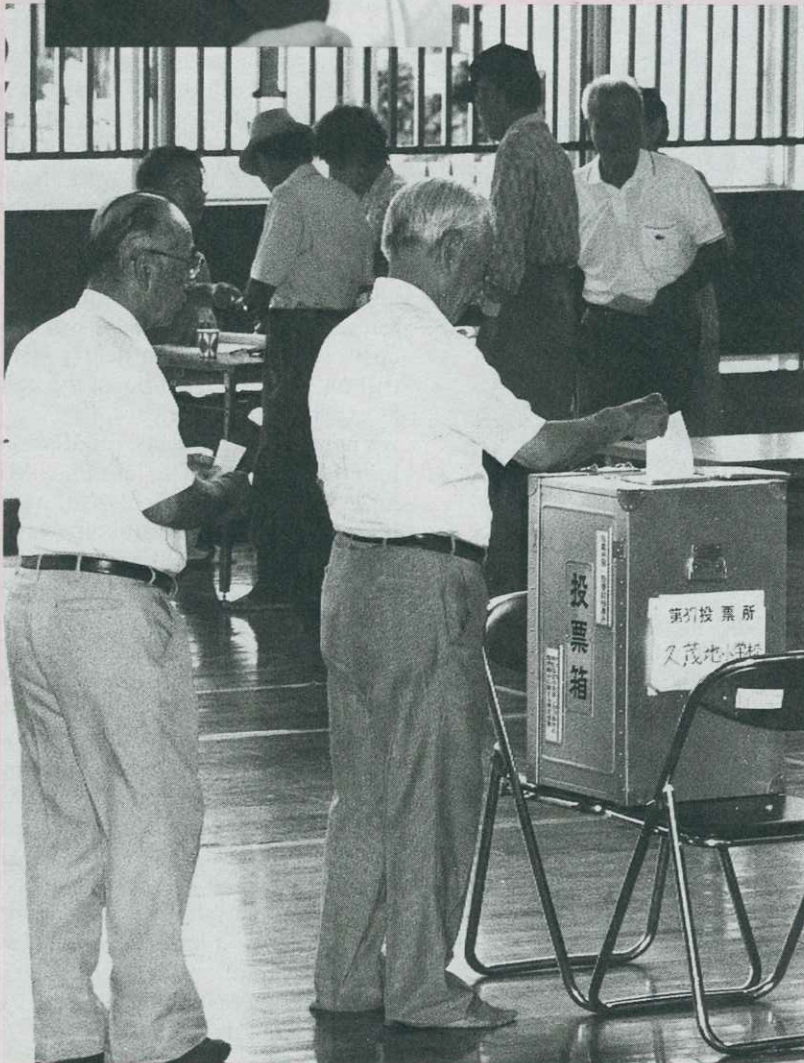


Photo: Kyodo News Service

working group to discuss the future of Okinawa; an early budgetary appropriation of ¥5 billion for economic reconstruction of the island; promotion of Okinawa's industries and trade through the construction of new airports and communications facilities as well as expansion of free trade areas; and upgrading tourist facilities.

Spurred by the olive branch offered by Hashimoto and by an earlier Supreme Court ruling in the central government's favor on the base issue, Ota reversed his hardline stance and agreed to take the legal steps needed to continue the forced leasing of land used by the U.S. forces. Ota's concession has effectively put an end to the confrontation between Tokyo and Okinawa which was precipitated by Ota's refusal in September 1995 to sign documents to renew the land leases.

But, Japan and the U.S. have yet to settle the difficult issue of reducing and consolidating U.S. bases in Okinawa, particularly relocating a heliport from the Futenma Air Station on the island. The U.S. side has proposed building a giant facility off Okinawa as one possible solution to the ongoing search for a site. The offshore facility could be removed later and would not pose a severe threat, such as noise or safety problems, to the environment.

## Budget Requests for Fiscal 1997 Total ¥81.44 Trillion

Budget requests for fiscal 1997 from individual ministries and agencies total ¥81.44 trillion, topping the ¥80 trillion mark for the first time, according a report submitted to the Cabinet by Finance Minister Kubo Wataru on September 10. The amount represented an increase of 8.4% over the initial fiscal 1996 budget.

Requests for the general fiscal 1997 investment and loan program total





Photo: Kyodo News Service

Prime Minister Hashimoto.

¥42.13 trillion, up 3.9% from the initial program for fiscal 1996.

All requests were submitted to the Finance Ministry by the end of August, and the ministry is now screening them to draft a budget by the end of the year.

General expenditures—the policy-related portion of the general account budget—grew a marginal 3.4% to ¥44.62 trillion, the lowest growth in budget requests in seven years. The growth rate in real terms is down further to 2.2% after excepting special factors such as higher national treasury charges resulting from an

increase in the consumption tax scheduled for next April. The fiscal 1997 budget is thus expected to be of an austere nature, reflecting the Finance Ministry's policy of making fiscal 1997 the first year of reform of the nation's fiscal structure.

There will likely be a gap of more than ¥12 trillion between the budget requests and tax revenue estimates, even if construction bonds are issued to an amount similar to the fiscal 1996 level.

The Finance Ministry is expected to trim the requests to somewhere between ¥75 trillion and ¥80 trillion

in the screening process, yet the ministry will find it inevitable to issue deficit bonds in fiscal 1997. This will mark the second consecutive year that the initial budget includes issuance of deficit bonds.

Testifying to the severe financial situation foreseeable in fiscal 1997, the budget-request standards stopped exceptional treatment for defense spending, which was set at ¥4.99 trillion, up 2.88% year on year, compared with the 1.9% growth for fiscal 1996. Official development assistance, another "sanctuary" item, was not immune either from spending cuts, as its growth was limited to 2.6%, the lowest level ever.

Requests for tax grants to local governments swelled 26.8% to nearly ¥17.25 trillion as the ratio of taxes allocated to municipalities will be raised to 29.5% in April from the current 24%, in addition to the consumption tax increase.

To cope with redemptions of a huge amount of bonds issued in the past, requests for national debt-servicing costs soared 11.6% to nearly ¥18.27 trillion, which helped boost the general expenditure.

There were requests for disbursement for research to combat AIDS and for study on reform of the high-cost economic structure, among others, from the ¥300 billion fund set aside by the government for structural reform of the economy.

Requests for the general fiscal 1997 investment and loan program, which is funded by government-financed financial institutions backed by postal savings and other financial sources, included ¥796.1 billion, down 20.8% from the previous year, for the National Railway Liquidation Foundation. The substantial decrease was a result of fund requests made only for the first half of the fiscal year on the assumption that debt servicing for the defunct National Railways will be completed during fiscal 1997.