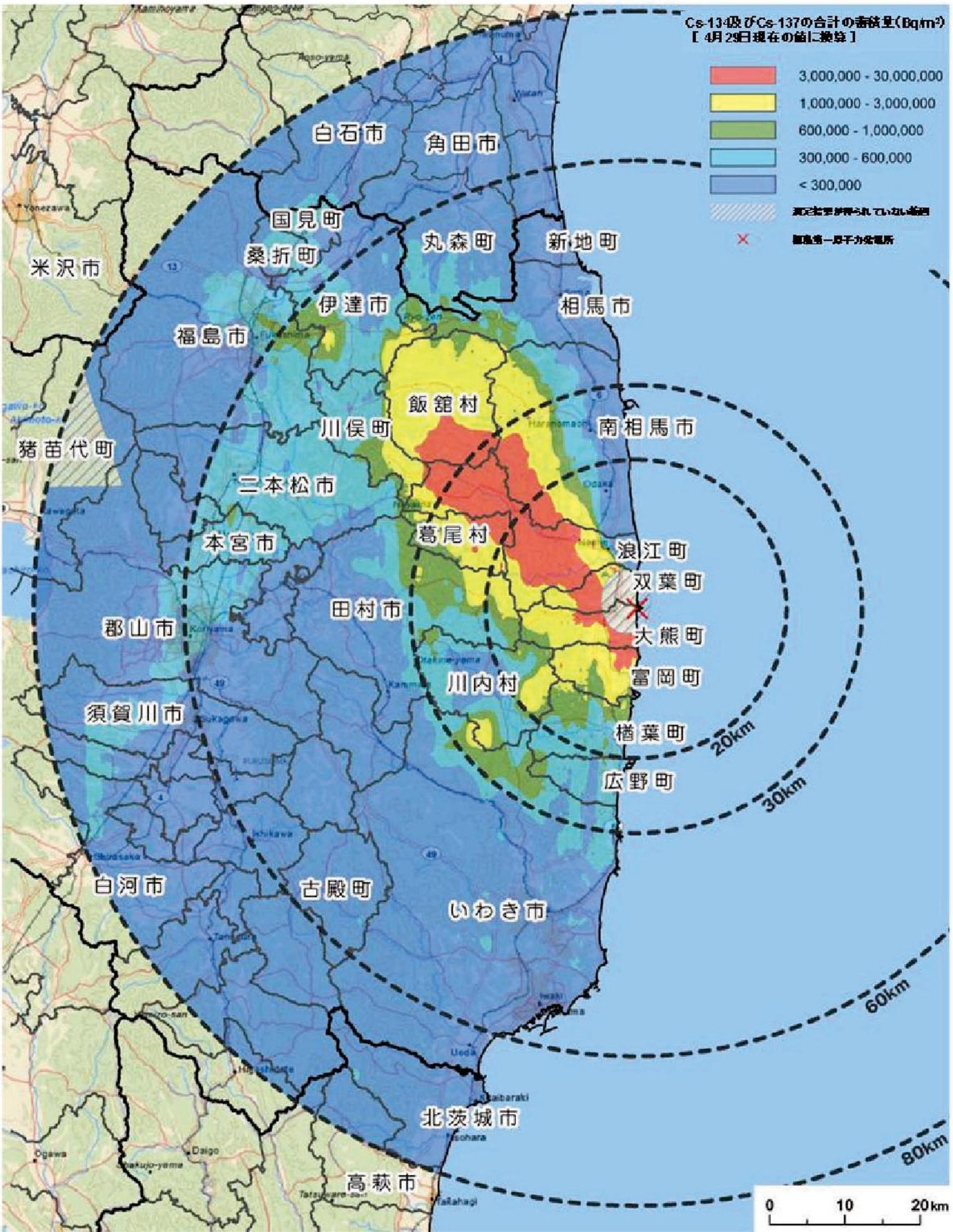


Cs-134及びCs-137の合計の蓄積量(Bq/m<sup>2</sup>)  
 [4月29日現在の値に換算]



白石市

角田市

国見町

丸森町

新地町

米沢市

桑折町

伊達市

相馬市

福島市

飯舘村

南相馬市

川俣町

二本松市

猪苗代町

本宮市

葛尾村

浪江町

郡山市

田村市

双葉町

大熊町

須賀川市

川内村

富岡町

楡葉町

白河市

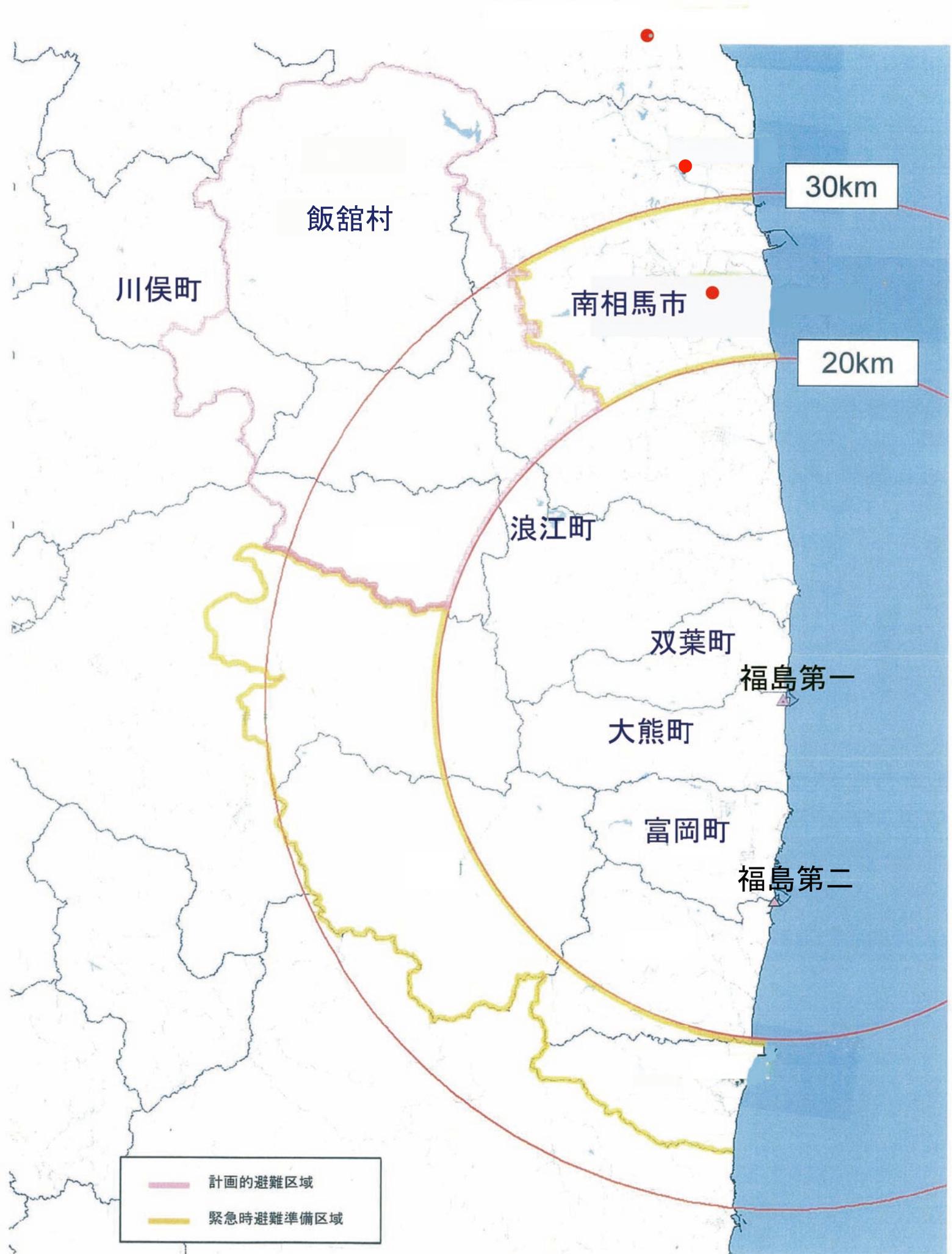
古殿町

いわき市

広野町

北茨城市

高萩市



# THE WALL STREET JOURNAL.

WEDNESDAY, MAY 18, 2011

## Japan Stumbles Toward Honest Socialism Even if Tokyo doesn't let Tepco go bankrupt, at least voters will know whom to blame.

Only in Japan would an utter debacle like the government's pseudo-plan for bailing out the Tokyo Electric Power Co. (Tepco) look like progress. Politicians are bombarding markets, executives and taxpayers with conflicting signals; bank executives are resisting; Tepco itself is caught in the middle. But compared to the smoke-filled back rooms in which the Liberal Democratic Party made this kind of decision for Japan's first 60 post-war years, it could all mean that Japan is finally stumbling toward a more honest form of socialism.

The government's plan for Tepco is more or less what one would expect from Japan. Tokyo will establish a fund to compensate victims of the Fukushima nuclear disaster with taxpayer yen, supposedly to be repaid by Tepco and other utilities. The total amount of compensation to be paid out will not be capped—a nod to political concerns—but Tepco will see a "soft cap" on its annual repayments to avoid undue financial strain.

The devil, and the uproar of the past few days, has been in the details. Chief Cabinet Secretary Yukio Edano suggested on Friday that taxpayers would oppose funding such a compensation scheme if Tepco's creditors among the large banks didn't first take a haircut on the loans they had made to the utility before the March 11 earthquake. Other members of the government, such as Finance Minister Yoshihiko Noda and Financial Services Minister Shozaburo Jimi, suggested on the contrary that debt restructuring is an issue best left to Tepco and its creditors without government interference.

Meanwhile, the banks themselves have weighed in to an unusual degree. Mr. Edano's "comments came out of the blue and I felt there was something wrong about them," Katsunori Nagayasu, president of Mitsubishi UFJ Financial Group (MUFG), said Monday. What he presumably means is that the government's entire plan—and especially any effort to force losses on Tepco's creditors at this stage—is well outside the bounds of what would happen were Tepco to enter an orderly bankruptcy proceeding.



In a more market-oriented country, of course, bankruptcy is exactly where Tepco would be headed. Its liabilities as a result of the disaster at the crippled and leaking Daiichi Fukushima nuclear plant are as yet unquantified but certain to be astronomical, especially if Tokyo doesn't impose a cap. Its debts, as with many utilities, are huge, too—it's among the largest issuers of corporate bonds in Japan, and banks are said to hold some two trillion yen (nearly \$25 billion) in pre-March 11 Tepco loans on their balance sheets. Bankruptcy is the only time-tested way to fairly resolve conflicting claims on such a stricken company's assets.

Yet no one is keen for a real bankruptcy to happen. Politicians understand that were Tepco to collapse, the government would be entirely on the hook for any compensation payouts for political, if not technically legal, reasons. Mr. Nagayasu's remarks notwithstanding, Tepco's bankers noticed immediately that Mr. Edano's talk of haircuts referred only to pre-quake loans. Were Tepco to fail, the banks would also face major write-downs on the nearly two trillion yen they have loaned to the utility in the two months after the disaster. While banks could probably survive losses on their pre-quake lending, having to write down both tranches would create serious problems.

None of this by itself is especially unusual. Japan has always had an aversion to big corporate bankruptcies; even the Japan Airlines bankruptcy proceeding, the largest ever for a nonfinancial company, has been carefully stage-managed by the government.

But what is new is that at long last a public debate is breaking out over exactly what form the socialization of a corporate risk like Tepco should take. This is happening largely by accident. The Democratic Party of Japan government of Prime Minister Naoto Kan seems incapable of the decisive back-room dealing that was long the norm in such cases. The DPJ appears genuinely confused about what it wants to do and is conducting its "internal" debate in front of the cameras in dueling press conferences and interviews. This is encouraging other interested parties, such as the banks, to weigh in.

If Tokyo isn't going to do the right thing by letting Tepco go bankrupt, at least it is doing the wrong thing in the right way, reaching consensus in full public view, with ample debate. Taxpayers shouldn't get their hopes up that they'll escape from this mess unscathed. But at least now they'll have some idea whom to blame.