Tokyo Shimbun's Devastating Critique of Fukushima Compensation Bill

東京新聞社説「東電賠償案 株主責任はどうする」

Asia-Pacific Journal Feature

Between 2012 and 2014 we posted a number of articles on contemporary affairs without giving them volume and issue numbers or dates. Often the date can be determined from internal evidence in the article, but sometimes not. We have decided retrospectively to list all of them as Volume 10, Issue 54 with a date of 2012 with the understanding that all were published between 2012 and 2014.

Asia-Pacific Journal Feature

On July 27, Tokyo Shimbun, a leading critic of the Japanese government's approach to the Fukushima nuclear crisis, ran an editorial which lays bare the many contradictions and problems of the compensation bill currently under discussion. The editors accuse the government of supporting vested interests at the expense of taxpayers and protecting TEPCO in ways that may make alternative energy strategies impossible.

Below is the Asia-Pacific Journal's translation of the editorial.

TEPCO Compensation Bill - What about Shareholder Responsibility?

When we examine the revised bill that the
government – the Democratic Party, the Liberal Democratic Party, and the Komeito – have agreed on, in the end there is really nothing devoted to the central problems of shareholder responsibility and the lender responsibility of banks.

There is a minor provision that reads “The [newly established] support mechanism. . . must confirm whether the requests for cooperation by those in the nuclear energy business to the parties concerned are appropriate or adequate” but this is only a formality. It has no meaning in reality.

Because of this, what was originally thought to be a burden amounting to five trillion yen for shareholders and banks will ultimately be placed directly on the shoulders of ordinary citizens in the form of electricity price hikes.

That’s not all.

The original plan was that a newly established compensation organ/mechanism would be supported with an issuance of official bonds which TEPCO would turn to cash as necessary, with money paid out over a long period, but the revised bill now says that “the country can provide the capital for the compensation organ/mechanism.” In other words, it’s our taxes.

With this, no matter what financial trouble TEPCO falls into from now on, cash from official bonds and even direct infusions of tax money will allow them to stay on their feet. It is as though they have secured life-support equipment that can never fail.

Within the Liberal Democratic Party some are praising the new plan saying, “The current measure is a temporary one and in the future we can enter a second stage where TEPCO can be placed in bankruptcy liquidation.” This is because, with a supplementary provision, the bill technically allows for future reconsideration, but this as well is nothing more than a formality.

The reason why the bill ended up this way is because TEPCO, Kasumigaseki (the bureaucratic elite), and financial institutions with a stake, all of which only want to protect vested interests, had already seen that the Kan government is weak. The Liberal Democrats and Komeito also have to bear responsibility for allowing a deal that tramples the basis of free market principles.

If TEPCO’s regional monopoly is allowed to continue, new power companies will not be able to move in and the Kan government’s call for support for renewable energy will only ring hollow.