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2. JAPAN: NEW DEFENSE PLAN EMERGING.

THE FINANCE MINISTRY HAS CUT 13 BILLION FROM THE 323 BILLION MILITARY EQUIPMENT BUDGET REQUESTED BY THE DEFENSE AGENCY FOR 1983-87, ACCORDING TO PRESS REPORTS. BY UNDERFUNDING LOGISTIC SUPPORT, OFFICIALS HAVE SUCCEEDED IN KEEPING DEFENSE SPENDING FOR 1983-87 UNDER THE LIMIT OF 1 PERCENT OF GNP STILL FAVORED BY PRIME MINISTER SUZUKI. A JAPANESE NEWSPAPER CONCLUDES, HOWEVER, THIS DEPENDS ON AN UNREALISTICALLY HIGH PROJECTION FOR GNP. THE DEFENSE PLAN WILL BE PRESENTED TO SUZUKI THIS MONTH. [REDACTED]

COMMENT: //A REDUCED BUDGET WOULD PREVENT JAPAN FROM REACHING THE FORCE LEVELS SUZUKI HAS SAID WOULD BE ATTAINED BY 1987. THE PRIME MINISTER IS SYMPATHETIC TO THE FINANCE MINISTRY'S DESIRE TO HOLD DOWN GOVERNMENT SPENDING, BUT DEFENSE ACTIVISTS IN THE RULING PARTY COULD STILL PERSUADE

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HIM TO ENDORSE A MORE AMBITIOUS DEFENSE PLAN. [REDACTED]

[REDACTED] HE DECIDED IN LATE 1981 TO SPEND MORE ON DEFENSE THAN RECOMMENDED BY THE FINANCE MINISTRY BECAUSE OF CONCERN ABOUT WASHINGTON'S REACTION.// [REDACTED]

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