

Preface

Based on the Subversive Activities Prevention Act and the Act Regarding the Control of Organizations Which Committed Indiscriminate Mass Murder (the Organization Control Law), the Public Security Intelligence Agency (公安調査庁, *Kōanchōsa-chō*) conducts control of such organizations and intelligence activity and investigation for control measures, including surveillance actions on *Aum Shinrikyo*. As a member of the intelligence community in Japan, the PSIA also collects and analyzes information in and outside the country, including that pertaining to international terrorism and situations in North Korea.

The Review and Prospect of Internal and External Situations reviews domestic and international public security situations in 2008 (as of the end of November) and prospects future trends.

The months mentioned in this report refer to the year 2008, unless otherwise noted. Also, the titles of individuals mentioned hereinafter refer to those at the time when this report was written.

The Review and Prospects of Internal and External Situations is also available on the PSIA website.

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Overall of Public Security Situation in 2008

1. International Situation

(1) Regarding the North Korean nuclear issue, Pyongyang was successfully removed from the United States list of countries that sponsor terrorism while suspending its disabling activities at Yongbyon with signs of rebuilding the nuclear facilities. Reacting strongly against the policy on North Korea of the the South Korean administration of President Lee Myung Bak, Pyongyang took a tougher line against South Korea. Furthermore, with respect to relations with Japan, Pyongyang repeatedly criticized Japan without carrying out investigation on abduction, which was agreed on at the intergovernmental talks. On the other hand, North Korea strengthened exchanges with China through mutual visits of VIPs and expansion of trade.

Setting a domestic goal to “Open the Gates to a Strong and Prosperous Nation” by 2012, North Korea was committed particularly to rebuilding the economy, and at the same time, tightened its society and economy by for example strengthening market control and combating misconduct and/or corruption of officials. Under these circumstances, General Secretary Kim Jong Il was absent from a military parade in September to mark the 60th anniversary of the founding of North Korea, which prompted speculation over his health.

(2) In China, two members of the Standing Committee of the Political Bureau of the Communist Party of China (CPC) Central Committee, Xi Jinping and Li Keqiang, were appointed Vice President and Vice Premier respectively at the National People’s Congress of China (NPC), completing the new leadership of the second-term Hu Jintao administration. As for domestic affairs, at the time of the Beijing Olympic Games (August), China suffered natural disasters, such as heavy snow and the Sichuan Earthquake. Large-scale protests broke out in the Tibet Autonomous Region. These difficulties were eventually overcome through the dedication of leaders, including President Hu Jintao; however, they did struggle to correct and improve various social issues which are destabilizing factors in Chinese society.

Externally, China made efforts to alleviate the concerns of the international community by emphasizing its position as a leader of developing countries committed to achieving global harmony. Furthermore, with respect to relations with Japan, President Hu Jintao visited Japan and released a joint statement calling for the comprehensive promotion of a strategic reciprocal relationship, and thus maintained the diplomatic stance of emphasizing relationships with Japan.

(3) Russia escalated friction with the United States over the U.S. plan of missile defense system deployment in East Europe and also over the conflict in Georgia while former President Putin, who had taken up the post of Prime Minister, continued to exert influence over state affairs. As for the relationship with Japan, Russia further reinforced its efforts to accumulate faits accomplis to claim its sovereignty over the four northern islands on one hand and continued to prioritize the expansion of economic ties on the other.

(4) In the Middle East, although the security situation in Iraq appeared to have improved, Hamas enjoyed a firm and protracted control of the Gaza Strip in Palestine and Hezbollah strengthened its grip in Lebanon. Furthermore, Iran adamantly adhered to the hard-line position and continued its nuclear/missile development program despite pressure from the United Nations, the United States and the European Union.

(5) As for international terrorism, al-Qaeda announced a series of statements in an attempt to expand its influence, and Islamic extremists, being coaxed by al-Qaeda, resorted to active terrorism. The Taliban strengthened their power in Afghanistan and Pakistan, and the military and security authorities and foreign interests faced a series of terrorist attacks.

2. Domestic Situation

(1) *Aum Shinrikyo* has tried to teach its members and expand separately in two groups - "Aleph" (the mainstream group, which changed its name in May from "Religious Organization Aleph"), which fully enforces a policy of "getting back to Asahara (Shoko Asahara, founder of Aum Shinrikyo)," and "*Hikarinowa*" (the group supporting Fumihiro Joyu, high-ranking member), which promotes a policy of "hiding the influence of Asahara" in order to evade surveillance.

By the initiative of mid-ranking leaders who promote full enforcement of absolute faith in Asahara, "Aleph" has further strengthened its efforts toward "getting back to Asahara," by formulating a "religious philosophy," the purpose of which was to realize the "guidance for salvation and enlightenment" that Asahara preached, and by resuming a ceremony to praise him.

On the other hand, "*Hikarinowa*" has developed a policy of "hiding the influence of Asahara" in particular, by abandoning the "teaching materials of the former Aum Shinrikyo" and creating teaching materials to show off its "independence from Asahara." The group furthermore appealed to the Public Security Examination Commission (PSEC) in September to urge it to

exercise its authority to cancel the surveillance.

The Public Security Intelligence Agency judged that Aum Shinrikyo was still recognized dangerous enough to conduct an act of indiscriminate mass murder and that it was necessary to continue to reveal the group's activities, and requested the PSEC on December 1 to extend (for the third time) the period of surveillance on Aum Shinrikyo.

(2) The Japanese Communist Party (JCP) and radical leftist groups criticized the the Japanese government by stating that the structural reform promoted by the government further deteriorated people's lives, pointing at the issues of irregular employment and those related to the health care program for the latter-stage elderly. With an eye to the general election, the JCP made a special effort to gain increased support from young people while proclaiming that temporary help agency workers are the "*Kanikosen* workers of today." (*Kanikosen*, or Crab-Canning Boat, which describes fishing workers, is a book written by Takiji Kobayashi in 1929.) Radical leftist groups also made efforts toward increasing their power by focusing on laborers.

Meanwhile, right-wing groups promoted their activities on various issues relating to China, South Korea, and North Korea, from the boycott of the Beijing Olympic Games to territorial land and sea disputes and the abduction issue.

(3) As for the G8 Toyako Summit 2008 (July), radical leftist groups and anti-globalization groups led by radical leftist groups conducted protests with overseas groups in various regions, including Hokkaido, under the banner of "anti-summit." Right-wing groups considered the summits as a good opportunity to express their opinions to the leaders of the United States, China, and Russia, and practiced propaganda campaigns in Sapporo City.

Focal Issues of External Situation in 2008

1. North Korea and Chongryon (General Association of Korean Residents in Japan)

(1) Uncertain prospect of the North Korean nuclear issue despite resumption of disabling activities

- Engaged in the game of brinkmanship, North Korea acquired pragmatic gains such as its removal from the U.S. list of States Sponsoring Terrorism.
- China highlighted the effectiveness of the six-party talks by highly evaluating North Korea's declaration of nuclear programs.

Following the negotiations with the United States, North Korea declared its plutonium production program

North Korea (DPRK, the Democratic People's Republic of Korea), in accordance with the agreement of the six-party talks, continued disabling activities at the nuclear facilities in Yongbyon that started at the end of 2007 as "Phase Two". In the meantime, the historic and long awaited performance of the New York Philharmonic Orchestra was finally held in Pyongyang, which impressed the rest of the world with the progress of DPRK-U.S. relations.

On the other hand, with respect to "a declaration of nuclear projects" which had also been regarded as part of Phase Two measures, North Korea strongly opposed the U.S. demand to include uranium enrichment programs and activities related to nuclear nonproliferation. Upon denying the existence of such programs and activities, North Korea indicated a hard line response, such as postponement or suspension of disablement activities. As a result, following a DPRK-U.S. meeting held in April in Singapore, an agreement was reached on uranium enrichment programs and nuclear nonproliferation activities to submit a separate document from the plutonium program.

Pursuant to the agreement, North Korea submitted a ponderous 18,000 page document concerning the plutonium program (May) to the United States. On June 26, a declaration statement was submitted to China, the chair country of the six-party talks. On the same day, the United States announced the commencement of procedures to remove North Korea from the list of state sponsors of terrorism. In return, North Korea demolished a 5 MW reactor in Yongbyon on the next day.

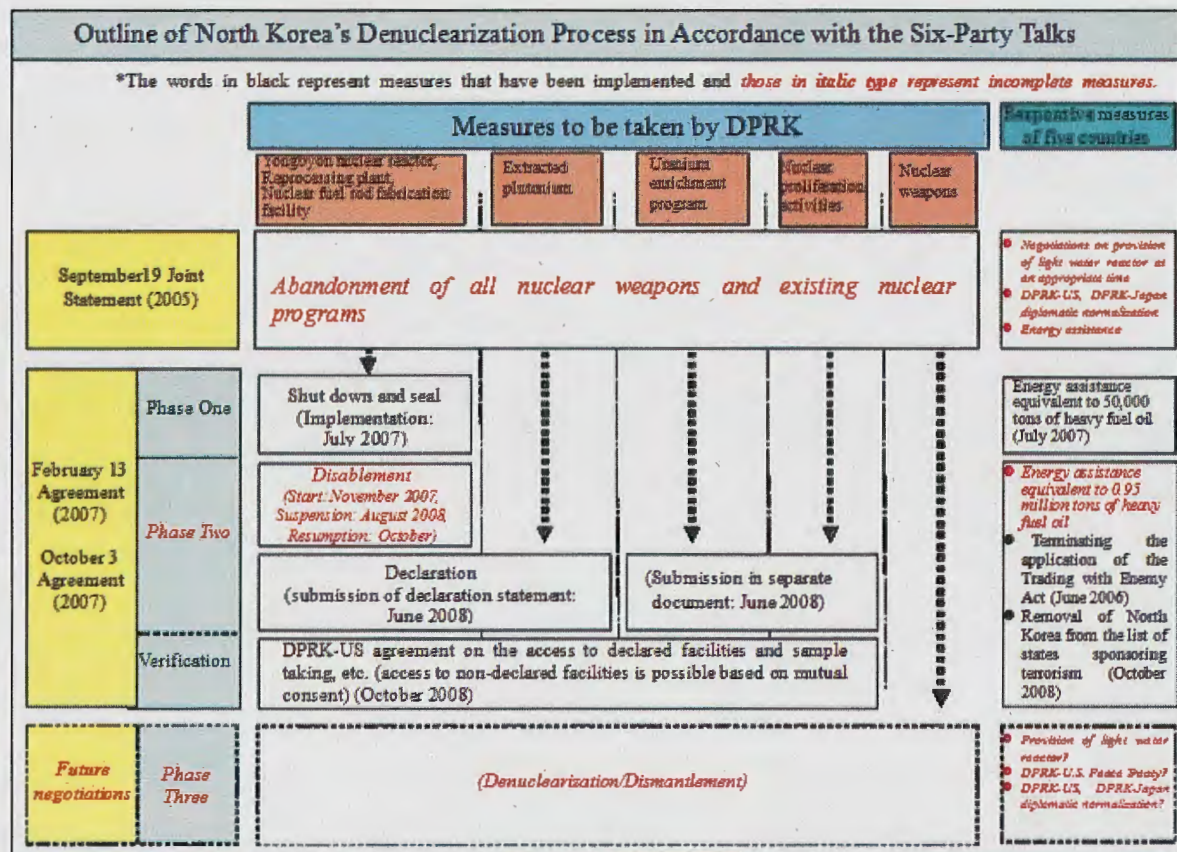
Opposing postponement of removal from U.S. list of state sponsors of terrorism, North Korea retaliated by restoring Yongbyon nuclear facilities

At the six-party chief delegates' talks held in response to the submission of North Korea's declaration statement (July, Beijing), it was agreed to develop a verification protocol within a framework of the said talks. However, North Korea later rejected the U.S requirements

concerning verification targets and specific methods saying that it would fall under the category of a special inspection and could not be accepted. When the United States postponed the removal of North Korea from the list of state sponsors of terrorism, North Korea countered in response by threatening to suspend disablement activities of Yongbyon nuclear facilities and to restore the nuclear facilities. Then, North Korea invited Christopher Hill, Assistant Secretary of the U.S. Department of State (October), to hold negotiations on verification and agreed on terms for access to non-declared sites, which had been requested by the United States, that it should be based on mutual consent, thus tactically gaining concessions from the U.S. government to achieve removal from the list of state sponsors of terrorism (October 11).

In response, North Korea resumed the disablement of its nuclear facilities but still contended that whether or not it would be completed depended on whether or not five countries would complete energy assistance.

After Democratic candidate Obama won the presidential election, North Korea sent Lee Geun, Director-General of the American Affairs Bureau of the Foreign Ministry, to the United States, indicating a stance of developing a relationship with the next Obama administration on one hand. On the other hand, however, Pyongyang denied the agreement on "sample taking" which the United States announced to have been reached at the aforementioned DPRK-U.S. meeting in October.



China emphasized its role in maintaining the six-party talk framework

Under the stalemate of negotiations on North Korea's "declaration of nuclear programs," China sent to North Korea Wang Jiarui, Head of the International Department of Communist Party of China (CPC) Central Committee (January), who has close ties with Pyongyang, as well as Vice-President Xi Jinping (June). China displayed its influence on North Korea as it received a message from General Secretary Kim Jong Il stating that Pyongyang would respect the agreement of the six-party talks. It is believed that China presented a revamped deal for specific methods of "declaration" to both the United States and North Korea.

Later, China evaluated North Korea's decision of "declaration" as significant progress and sought to prove the effectiveness of the six-party talks. Furthermore, when the United States removed North Korea from its list of state sponsors of terrorism, China welcomed the move and stressed the role of China by stating that China is willing to exert a constructive role as a chair country to achieve the denuclearization of the Korean Peninsula.

The stance of North Korea is to carefully observe the policies of the new U.S. administration and to further pursue material gains

Following the inauguration of a new president in the United States in January 2009, it will try to carefully assess its policies on North Korea for the time being.

During which time, in the process of acceptance of verification and work towards completion of disablement, as well as the subsequent negotiations for the "denuclearization" phase, North Korea is likely to start rolling out a series of requests, in an attempt to acquire further material gains, such as the construction of light water reactors and conclusion of the DPRK-U.S. Peace Treaty, in addition to continuance of energy assistance. In such process, it may again resort to brinkmanship.

China is expected to prudently avoid the objection of North Korea in dealing with Pyongyang in order to prioritize the maintenance of the six-party talk framework.

COLUMN: The U.S. designation of state sponsors of terrorism

- North Korea was designated as a state sponsor of terrorism in January 1998, in the aftermath of the bombing of a Korean Air passenger plane in 1987.
- Once designated as a state sponsor of terrorism, the following sanctions shall be imposed: (1) a ban on arms-related exports and sales, (2) controls over exports of dual-use items (3) restriction on economic assistance, and (4) imposition of financial and other restrictions (the United States' opposition to loans by the World Bank and other international financial institutions, prohibition of a financial transaction of any U.S. citizen without a Treasury Department license, etc.).
- While four countries, including North Korea, have been removed from the list of terrorism sponsors thus far (Yemen, 1990, Iraq, 2004, Libya, 2006), four countries are still on the list as of today: namely, Syria, Cuba, Iran and Sudan.

(2) North Korea faces the health issue of Kim Jong Il while struggling to reconstruct the economy

- Efforts for economic reconstruction to “Open the Gates to a Strong and Prosperous Nation” by 2012.
- Kim Jong Il did not appear at a parade commemorating the country’s founding, which intensified the speculation over his health.

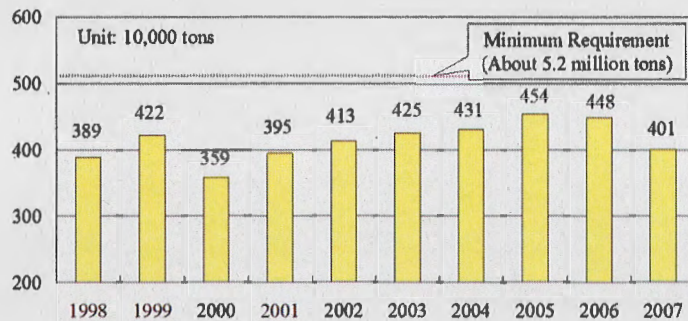
Focusing on revamping the planned economy, North Korea made efforts to restrict market economy and curtail fraud and corruption

North Korea, in its New Year ’ s joint editorial, set out the goal to “Open the Gates to a Strong and Prosperous Nation” by 2012, the year which marks the 100th anniversary of the birth of Kim Il Sung, and identified the rebuilding of the economic sector, which is lagging behind, as a priority issue, urging the whole country to “launch a general offensive to build economic power” to achieve the goal.

Based on this policy, North Korea allocated sufficient resources from the national budget to industrial infrastructures, such as electricity, coal, metal, and railway sectors, and exerted efforts to build power generation plants and repair factory facilities. In addition, efforts were made to introduce investment from abroad and it promoted the repair of the railway between Rajin and Khasan and also of the Rajin port (started in October) and enhancement of the production capacity of cement factories.

At the same time, North Korea has been reported to be suffering from chronic food shortage, and in 2007 the distribution of food was reported to be temporarily suspended even in Pyongyang due to a production reduction caused by floods, discontinuation of food assistance from South Korea, and global-scale increase in food price, etc. In the midst of these struggles, North Korea received food assistance (approximately 0.5 million tons for one year from June) from the United States, but Pyongyang failed to specify particular policies for the increase in agricultural output.

In relation to a method of economic management, a policy was laid out to enhance the centralized regulatory function of the Cabinet over the economy (October), in accordance with the “Instructions” of General Secretary Kim Jong Il that called for adamant adherence to the principles of socialism. At the same time, various controls were tightened on the markets outside of the framework of the planned economy, and the government continuously worked to control wrongdoing and corruption among the government executives, in an attempt to undermine the trend toward market economy that has long been pointed out, which entails prolific expansion of mammonism.



Grain Production (Estimation of the Rural Development Administration, South Korea)

*Minimum requirement is estimated around 5.2 million tons by the U.N organizations and others based on the population and calories required, etc.

Speculation emerged over the health of General Secretary Kim Jong Il

General Secretary Kim Jong Il (66) had not appeared in public since mid-August and failed to appear at celebrations marking the 60th anniversary of North Korea's founding (September 9), which triggered swirling rumors about his "ill health," including a possible stroke. In response, since early October, North Korean media have released reports showing Kim Jong Il watching a football match and touring military units to calm intense speculation, and issued a long statement under the name of the General Secretary; however, none of this was convincing enough to brush aside the rumors.

Possibility of movements towards a new regime

With the removal from the U.S. list of state sponsors of terrorism as a backdrop, North Korea will be driven to further introduce assistance/investment from abroad to develop the economic infrastructure, and along with this, the country will also concurrently tighten the control of ideology, economy and society at large to pursue the stability and maintenance of the system, while striking a balance between the two realms.

On the other hand, prompted by the persistent speculation of Kim Jong Il's poor health, there is a possibility of movements within the leadership toward a new regime and of emergence of power struggles and friction among the officials. For the time being, attention must be paid to the timing of election of the members of the Standing Committee of the Supreme People's Assembly and the subsequent movements surrounding the appointment of officials.

COLUMN: North Korea's Policy of "Building a Strong and Prosperous Nation"

- The term "Strong and Prosperous Nation" is defined by North Korea as a "powerful country in terms of ideology, military and economy." North Korea regards itself as already a "strong and powerful country" in terms of ideology and military. Thus, the country is striving to build a strong position in terms of economy, following the nuclear test in October 2006.
- Although the meaning is not clear for "powerful economic country" and for the specific economic targets of the goal of "Opening the Gates to a Strong and Prosperous nation" mentioned in the New Year' s joint editorial of 2008, some point that the country is aiming to restore the economy to the level prior to the serious famine and economic crisis of the mid 1990' s, referred to as the era of "Arduous March."
- North Korea set the target year to be 2012 for the first time. Much attention is now drawn to the creation of a succeeding regime since the year marks not only the 100th anniversary of the birth of Kim Il Sung but also the 70th birthday of Kim Jong Il.

(3) Japan's seesaw relations with North Korea, and uncertain prospect of abduction investigation

- Pyongyang agreed to hold intergovernmental talks with Japan for the first time in 9 months and assured investigation of issue of abducted Japanese nationals, but Pyongyang used Japan's political change as an excuse to postpone the investigation.
- Spurred by the removal from the U.S. list of state sponsors of terrorism, Pyongyang intensified the criticism against Japan.

Although implementation of investigation of abduction cases was announced, the establishment of the Investigation Council was put off

As soon as the government of Japan announced the extension of its sanctions on North Korea (March), Pyongyang upped the criticism of the Fukuda administration (September 26, 2007 - September 24, 2008), demonizing the anti-DPRK and anti-*Chongryon* (General Association of Korean Residents in Japan) hostile acts of the administration as more crafty and sly than the Abe administration (September 26, 2006 - September 26, 2007). It also said that extension of sanctions was an impudent rash action aggravating the hostile relations between Japan and North Korea to the maximum limit.

However, amid the signs of progress in US-DPRK talks, North Korea was convinced to hold Japan-DPRK consultation for the first time in 9 months (June, Beijing). During the consultation, it was agreed that North Korea would conduct investigation of the abduction case and cooperate for the resolution of issues of *Yodo-go* hijackers (1971 hijack of a Japan Airlines plane) and that Japan would partially remove the sanctions, including regulations on personnel exchanges. Furthermore, at the Japan-DPRK working-level consultation held in Shengyan in August, the specific method and timing of the investigation were negotiated and agreed that North Korea would complete as much of the investigation as possible by fall and that Japan would partially remove sanctions to coincide with the commencement of the investigation.

However, following the resignation of Prime Minister Fukuda, North Korea issued a statement to Japan: "Pyongyang has decided to put on hold the launch of the investigation council until the stance of the new administration is made clear about the execution of the agreement."

	Measures of North Korea	Measures of Japan
June	<ul style="list-style-type: none"> ● Implementation of investigation for specific activities to solve abduction issues ● Cooperation for the resolution of the issue of Yodo-go hijackers 	<ul style="list-style-type: none"> ● The following would be carried out as partial removal of sanctions against North Korea: <ul style="list-style-type: none"> • Removal of regulation of personnel exchange • Removal of regulation of chartered flights • Opening ports to North Korean ships for the purpose of shipping private humanitarian goods
August	<ul style="list-style-type: none"> ● Investigation targets on abduction issues include individuals recognized as abduction victims by the Japanese government and missing persons filed by other organizations ● The investigation would be promptly conducted by the authorized Investigation Council of North Korea, and be completed by fall, as much as possible ● Cooperation would be provided so that Japan would be able to directly verify the investigation results through interviews with concerned parties and visits to related sites 	<ul style="list-style-type: none"> ● Removal of regulation of personnel exchange and of chartered flights to coincide with the commencement of the investigation of North Korea ● Future negotiation would be held to talk about cooperation for the resolution of the issue of Yodo-go hijackers and opening of ports to North Korean ships for the purpose of shipping private humanitarian goods

Details of Agreements reached by the Japan-DPRK Working Level Conference

North Korea repeatedly condemned the Aso administration, saying that the DPRK-Japan agreement has been nullified.

North Korea had calmed anti-Japan criticism since the resumption of Japan-DPRK talks in June. But prompted by the U.S. removal from the list of state sponsors of terrorism (October 11), North Korea started to make criticism again, saying that “the Aso administration, like the former administration, maintains anti-DPRK isolation/oppression as a major national policy” and repeatedly criticized the policy of the government of Japan on North Korea by saying “the DPRK-Japan agreement has been nullified.” Furthermore, pointing out that Japan does not take part in the economic and energy assistance for North Korea under the six-party framework, North Korea asserted that Japan should be removed from the six-party talks.

As a countermeasure against the request of Japan for the resolution of abduction issue, North Korea strongly demanded settlement of the past

While exhibiting the aforementioned responses to abduction issues, North Korea repeatedly insisted that Japan should execute the compensation with regard to the issue of settlement of the past, as a countermeasure against the request made by Japan for resolution of

abduction issue, and made a far-fetched claim that the abduction issue is insignificant compared to “the wartime atrocities committed by Japan on our people.” At the 63rd General Assembly of the United Nations (October, New York), North Korea worked to appeal to the international community about the issue of settlement of the past, asserting that the issue of wartime comfort women is a grave humanitarian issue that must be resolved.

In the future, there is a possibility of “pressure diplomacy,” using response to abduction issue as a trump card

North Korea is expected to employ pressure diplomacy maneuvering both hard- and soft-line approaches, using response to the abduction issue as a trump card to gain a better bargaining position in negotiations with Japan, while carefully observing the US-DPRK relations and the political movements in Japan. At the same time, North Korea will be making efforts to foster public opinion in support for the conversion of the policy on North Korea of the government of Japan, by appealing to various sectors in Japan about removal of sanctions against North Korea and about addressing the issue of settlement of the past via Chongryon.

(4) North Korea hardens its stance on South Korea in opposition to the Lee Myung Bak administration's policy on Pyongyang.

- North Korea attempted to encourage South Korea's conversion to appeasement policy toward North Korea by hardening scrutiny and pressure on the Lee administration

There has been a surge of criticism since April in North Korea, accusing the President Lee Myung Bak

North Korea, following the inauguration of the Lee Myung Bak administration (February), initially took a wait-and-see approach with respect to its policy on Pyongyang. However, since April, North Korea has been attacking President Lee Myung Bak calling him a "traitor" and determined the "Non-Nuclear and Open-Door Policy 3000," which is the basis of the Lee administration's policy on Pyongyang, to be "a shaggy-dog story and utter nonsense from someone who hasn't got a clue about what he is talking about," accelerating the criticism on the Lee administration. Particularly, when the Lee administration announced that it would reconsider the economic cooperation projects mentioned in the October 4 Summit Agreement (2007 summit meeting between the leaders of South and North Korea), North Korea repeatedly condemned South Korea by referring to it as "a declaration of confrontation which overturns all of the achievements accumulated between North and South Korea."

Non-Nuclear and Open-Door Policy 3000

In accordance with the progress of the nuclear issue, five major projects will be promoted (to improve North Korea's economy, education, finance, infrastructure and living standards), aiming to achieve income per capita of \$3,000 within 10 years.

Current status of nuclear issue	Response measures
(1) Disarmament completed	Start talks toward operation of the policy
(2) Denuclearization being executed	Operation of projects for improvement of education and living standards
(3) Denuclearization completed	Full-scale operation of five major projects

Stance of the Lee administration toward October 4 Summit Agreement

Major items of October 4 Summit Agreement

- Economic cooperation projects at a total of \$1.3 trillion (estimated by the Unification Ministry)
- Holding of summit of 3-4 leaders toward issuance of the Declaration of the End of the Korean War
- Promotion of humanitarian cooperation projects, including expansion of the inter-Korean family reunion project
- Development of exchanges and cooperation in social and cultural fields

The Lee administration announced to reconsider the execution of the aforementioned economic cooperation projects based on the following principles: "progress of the nuclear issue," "economic relevance," "capacity to assume economic burden," and "national consensus."

Hard-line steps of North Korea against South Korea

March 27	Expulsion of government staff from the office of the Exchange and Cooperation between South and North in Kaesong
March 29	Notification of cutting off passage of South Korean government officials through the demilitarized zone
March 30	Prior notice of complete suspension of North-South dialogue
April 1	Start criticizing President Lee by name
April 10	Expulsion of South Korean government staff from the construction site of the reunion building for separated families in Mount Kumgang
Mid June	Refusal of food aid from South Korea
June 22	Alert of "danger" of projects in Kaesong and Mount Kumgang
June 24	Restriction on passage in the Kaesong Industrial zone
July-August	Hard-line response to the fatal shooting of a tourist in Mount Kumgang
October 16	Warning of the total freeze of North-South relations
November 12	Notification of strict control/cut off of the inland passage through the demilitarized zone starting in December
	Announcement of closures of the Red Cross center in Panmunjeon and breaking of direct telephone connections between North and South

While refusing dialogues, North Korea encouraged and inspired anti-government demonstrations in South Korea

While refusing the proposals of the Lee administration of 5 tons of corn supply (May) and the urge for the resumption of North-South dialogue, North Korea warned about the “danger” of Kaesong and Mount Kumgang projects in the statement of military-related personnel and took measures to partially restrict the passage through the Kaesong Industrial Complex (June).

Furthermore, taking the opportunity of the surging demonstrations against beef imported from the United States in South Korea (May-August), North Korea adopted a stance of encouragement and inspiration through, for instance, the publication of “statements of solidarity” of various organizations under the umbrella of the Workers’ Party of Korea.

North-South relations deteriorated further partly due to the fatal shooting of a tourist

In the midst of these circumstances, a South Korean woman on an excursion to Mount Kumgang was shot to death by North Korean soldiers (July). Pyongyang refused to accept on-site investigation teams from South Korea to get at the truth regarding this incident, and expelled most of South Koreans working at its Mount Kumgang resort. South Korea took a hard-line stance against this by suspending all trips to Mount Kumgang.

Later, following its removal from the U.S. list of state sponsors of terrorism, North Korea further hardened its stance. At the North-South working-level military talks (October), North Korea strongly urged the South to stop the scattering of leaflets accusing General Secretary Kim Jong Il by a South Korean private organization, North Korea also mentioned taking hard-line measures if the said issue was not resolved and strongly warned that if the South keeps to the road of reckless confrontation with the DPRK, the North will make a crucial decision including a total freeze of the North-South relations (October 16, Rodong Sinmun). Furthermore, after Democratic candidate Obama had won the presidential election, North Korea further strengthened scrutiny and pressure on the Lee Myung Bak administration, announcing that “it would cut off all overland passage through the Military Demarcation Line, taking effect on December 1.”

North Korea will maintain a hard-line policy toward South Korea, persistently calling for fulfillment of agreements reached at the North-South summit talks

It is perceived that a series of these movements of North Korea aims to forge a way to convince the Lee administration to shift to appeasement policy through scrutiny and pressure with the awareness that Lee’s political power base is not necessarily strong and based on the notion that the South Korean policies toward North Korea, such as the “Non-Nuclear and Open-Door Policy 3000”, are directed to regime change in North Korea.

North Korea is expected to call for the Lee administration to fulfill the October 4 Summit Agreement and maintain its hard-line stance.

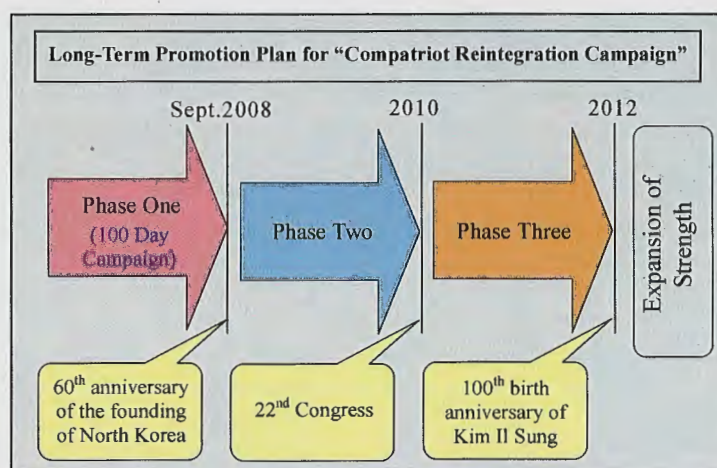
(5) Chongryon works hard to restore its organizational strength and control

- Chongryon launched full-fledged promotion of “Compatriot Reintegration Campaign” in an effort to incorporate the breakaway members of the organization and efforts in ideological education towards strengthening the organizational unity.
- Chongryon organized protests against the extension of sanctions taken by Japan on North Korea and made efforts to raise pro-DPRK sentiment in Japan.

Chongryon strengthened further efforts for the “Compatriot Reintegration Campaign” to expand the organizational base

Although *Chongryon* (General Association of Korean Residents in Japan) produced a “Compatriot Reintegration Campaign” with the purpose of restoring and expanding organizational strength by incorporating breakaway members, the effort was sluggish. Thus the organization launched a full-fledged promotion, with an aim to achieve “decisive progress in 2008.”

In specific terms, the Central Standing Committee of Chongryon (May) set forth a long-term promotion plan up to the year 2012, the one-hundred year anniversary of the birth of Kim Il Sung, and as the first phase, proposed a “100 Day Campaign for Compatriot Reintegration” toward the 60th anniversary of the founding of North Korea (September), thus encouraging intensive efforts. In response, each local branch organization developed an integration basis for a wide range of North and South Koreans living in Japan through cultural and sports circles and welfare activities with a loose organizational image. However, these efforts achieved limited success since there is a tendency to avoid North Korea/Chongryon in the society of North and South Koreans living in Japan.



Propaganda bill for the Campaign

Chongryon concurrently promoted thorough ideological education to strengthen the unity of the organization

At the same time, Chongryon proclaimed the policy of strengthening ideological education for activists at the beginning of the year in order to tighten the core members of the organization. It also made efforts for lasting implementation of lessons requiring absolute loyalty to Kim Jong

II, stating "we are convinced that victory is ours as long as dear leader Kim Jong Il is with us, and we should provide patriotic lessons as the Supreme Commander wishes."

Celebration ceremonies for the 60th anniversary of the founding of North Korea were attended by several hundreds of Chongryon delegates covering a wide range of groups, including senior activists, young activists, and persons engaged in commerce and industry, thus making efforts to cultivate a sense of unity with North Korea. Furthermore, some of the delegates were instructed from the leaders of the Workers' Party of Korea to carry out thorough ideological education.

Chongryon contrived to spur pro-DPRK sentiment while accusing domiciliary searches and extension of sanctions against North Korea

Chongryon accused Japan by labeling the domiciliary searches on local commerce and industry associations under Chongryon on suspicion of violation of the Certified Public Accountant Act (January, October and November) as "oppression on Chongryon," and staged protests such as demonstration marches, as done previously. To counter Japan's decisions to extend sanctions on North Korea (April and October), Chongryon held protest rallies and street demonstrations in various places in Japan including outside the official residence of the Prime Minister.

At the same time, contriving to spur pro-DPRK sentiment in Japan, Chongryon made active approaches to persons in political circles and persons associated with pro-DPRK organizations. Under these circumstances, taking the opportunities of the establishment of the Federation of Diet Members for Promoting the Normalization of Diplomatic Relations between Japan and North Korea (May) and holding of Japan-DPRK Working Level Talks (June and August), Chongryon sent activists to gatherings hosted by pro-DPRK organizations to appeal for the necessity of "settlement of the past" and resumption of the service of North Korean cargo-passenger ship Mangyongbong-92.

Chongryon is expected to put effort into its activities toward Japan while concentrating all its energies on the expansion of the organizational strength

Chongryon is expected to exert all its energy for maintenance/expansion of the organizational strength through intensive efforts on the Compatriot Reintegration Campaign and strengthening ideological education for core members of the organization. Moreover, it will be committed to expansion and enhancement of pro-DPRK communities to ignite pro-DPRK public opinion, while carefully observing changes in the political situation in Japan.

As for the Chairman of the Central Standing Committee of Chongryon, So Man Sul (81), his activities have not been reported in the organization journals and others since June, and the presence of Chief Vice-Chairman, Ho Jong Man (77), who has long held actual power over the management of the organization, is again made known in and outside the organization. It is therefore expected that a movement toward the transition to the next leadership of the organization will appear.

(6) North Korea and China make efforts to build stable relations

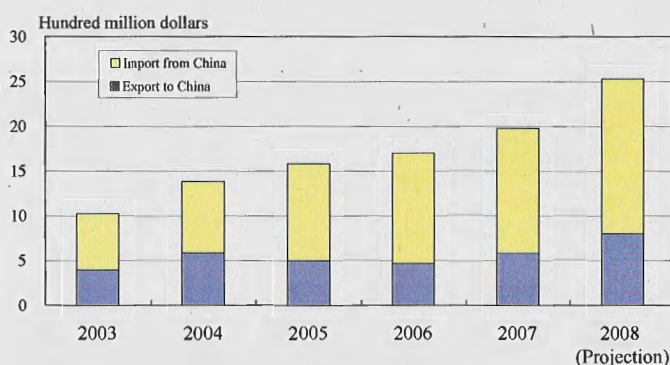
- Pyongyang emphasized the friendly relationship with China through the exchanges of executives, and the China-DPRK trade amount recorded the all-time high.
- North Korea has concerns about growing economic dependence on China.

Relationship between North Korea and China continued to be on a recovery path, with the trade amount exceeding two billion dollars

North Korea and China had been working to repair cracks caused by North Korea's nuclear test (October 2006), and both countries made efforts to stabilize the relationship through active exchanges of personnel and economic transactions.

From the North Korean side, General Secretary Kim Jong Il visited the Chinese Embassy in North Korea for the second consecutive year to have talks with the Chinese ambassador (March), and Kim Yong Nam, President of the Presidium of the DPRK Supreme People's Assembly, attended the opening ceremony of the Beijing Olympic Games (August). From the Chinese side, besides the visit of Wang Jiarui, Head of the International Department of Communist Party of China (CPC) Central Committee (January), Vice-President Xi Jinping visited North Korea as the first foreign visit since taking office (June), and both officials met with Kim Jong Il to re-emphasize the friendly relations of the two countries.

On the economic front, the recent upward trend in trade activity between China and North Korea was maintained, recording approximately 2.12 billion dollars (a year-to-year increase of 31.5%) during the January-October term, which exceeded the record high of 2007 (approximately USD 1.98 billion).



* The projected value in 2008 was obtained by multiplying the average from January to October by 12.

Trends in China-DPRK trade amount
(China Monthly Imports and Exports Statistics)

Both countries made efforts to maintain the “friendly relationship,” having underlying motives

North Korea is expected to make efforts to maintain the friendly relationship with China in view of exploring the external environment which would contribute to gaining economic assistance and better negotiations with the United States, despite having concerns and dissatisfaction about growing economic dependence on China and inflow of external information entailed by an expansion of exchanges. China will also continue its efforts to stabilize China-DPRK ties, eying to avoid decline in relative influence of China on North Korea, amid

signs of an improvement in bilateral ties between the U.S. and North Korea. In addition to the motives of the two countries as above, the year 2009, the 60th anniversary of diplomatic relations, has been designated "China-North Korea Friendship Year," and it is projected that both countries will activate exchanges of officials and further expand the economic ties.

2. China

(1) China continues struggling to correct social issues, although it overcomes the Great Sichuan Earthquake and the riots in Tibet and successfully hosts the Beijing Olympic Games

- China hosted the Beijing Olympic Games by overcoming difficulties, such as snow disasters, the Great Sichuan Earthquake and the riots in Tibet.
- China still faces a difficult task to rectify social problems.

A new leadership team was created under the second-term Hu Jintao administration

Fing the appointment of officials of the Central Committee of the Communist Party of China (CPC) at the 17th National Congress of the Communist Party (October 2007), cadres of the state organizations were appointed at the National People's Congress (NPC) held in March, and thus a new leadership team was created which would be responsible for the second-term Hu Jintao administration. The appointment of two members of the Standing Committee of the Political Bureau of the CPC Central Committee, Xi Jinping (55) and Li Keqiang (53) as Vice President and Vice Premier respectively, drew much attention as leaders of the post-Hu Jintao era.

As for personnel of the leadership team in terms of predicting post Hu-Jintao China, attention is now focused on who will fill up the vacant position of Vice Chairman of the CPC Central Military Commission.

Top officials of the CPC led the response to natural disasters, including snow disasters and earthquakes

Heavy snow since mid-January, the worst in 50 years in China's central and southern areas, forced the disruption of electricity supply and closure of transportation routes. It coincided with the Spring Festival, the time of the year when millions of Chinese return to their families. This coincidence raised a fear that the migrant farmers, who lost the means to go home, might turn into thugs. Therefore, leaders of the party and administration, led by Premier Wen Jiabao, visited disaster-stricken areas and urged the people to act with restraint.

In March, an earthquake measuring 8.0 on the Richter scale hit Sichuan Province, killing nearly 70,000 people (Chinese authority). A large number of the victims were young school children crushed when school buildings crumbled or collapsed due to shoddy construction, which raised the fear of large-scale uprising. To counter the situation, the Hu administration mobilized more than 130,000 People's Liberation Army (PLA) soldiers and armed police for rescue and relief work, launching national mobilization. Furthermore, president Hu and other officials praised the volunteer rescue activities of individual citizens, by referring to them as "a new development which displayed the spirit of patriotism and socialism in an intensive manner" and called for the unity of the people.

The largest protests since 1989 took place in Tibet Autonomous Region

The largest uprising since 1989 broke out in the Tibet Autonomous Region (March), which re-demonstrated how deep the issue of ethnic minority in China is. It started with a clash between Buddhist monks demanding the release of Tibetan political prisoners and the police force trying to control them. The situation then gradually escalated to stepped-up protests by citizens as police vehicles burned and shops run by the Han Chinese looted throughout the city of Lhasa. The Chinese government accused the “Dalai clique” of organizing (the riot) and masterminding the splitting up of Tibet and destruction of the people’s life” and sent a security force to suppress it; however, such suppressive actions in Tibet brought condemnation from the western world.

In the Uighur Autonomous Region, a series of attacks on police stations occurred around the opening of the Beijing Olympic Games (August), and Uighur independence activists were alleged to be behind the violence.

China successfully hosted the Beijing Olympic Games under strict security control

The blockage of the Olympic torch relay in Paris (April) triggered a series of “patriotic” demonstrations by Chinese students targeting French supermarkets in various Chinese cities. In response, the Chinese government called for rational patriotism to avoid a repetition of the demonstrations turning into rioting, while exhibiting some understanding of their actions by stating, “France is requested to listen to the voice of the Chinese people.”

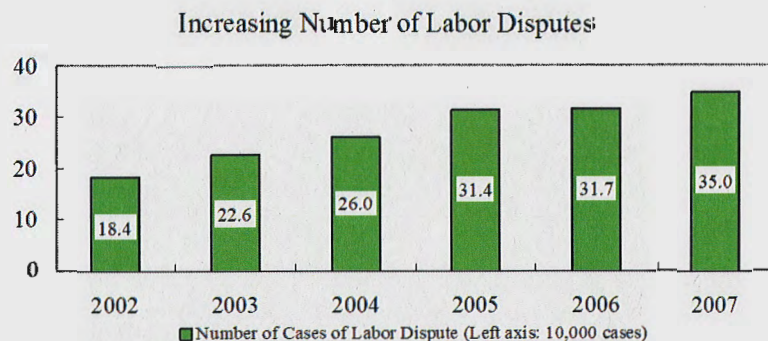
As described above, the Hu administration was faced with various crises, such as natural disasters, riots in Tibet and anti-French demonstrations; however, it succeeded in hosting the Beijing Olympic Games without any terror attacks or large-scale group protests, partly due to strict security control including mobilization of a large number of military personnel and deployment of anti-air missiles near the main venue in Beijing. The Chinese government congratulated itself on the success of the Olympic Games stating, “The world has witnessed the image of a powerful country which pursues prosperity/strength, democracy, openness, peace and friendship (Editorial, Xinhua News Agency).”

Struggling to correct social issues, including official bribery/corruption and economic disparity

On the other hand, social issues such as official bribery/corruption and economic disparity remained serious, and riots and group protests stemming from these issues are on an increasing trend in recent years, reflecting the dissatisfaction of the people with the society.

The issue of official bribery/corruption is in a serious situation; according to the Report of the Supreme People’s Prosecution Service, the number of civil servants indicted for bribery during the period from 2003 through 2007 amounted approximately to 135,000 (35 of them were ministerial-level officials). To counter the issue, the Hu administration published the 2008-2012 Work Plan to Establish a System to Strengthen

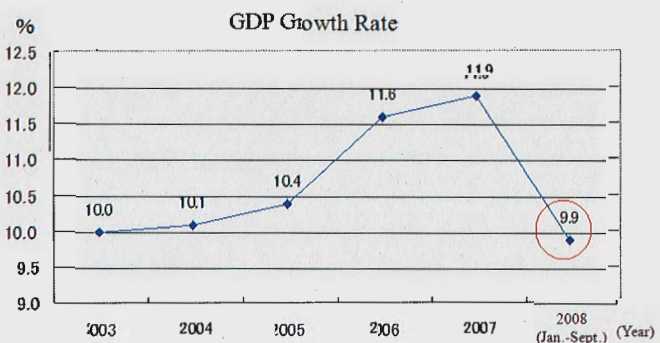
Punishment and Prevention of Corruption and instructed related organizations throughout the nation to implement the plan (June). The government also launched deliberations on the amendment to the criminal code at the NPC in order to make families and relatives of the civil servants subject to the punishment (August), showing an attitude to enhance the efforts to prevent bribery/corruption. The government also expressed its determination to work on the improvement of life of workers and farmers, including enforcement of the Labor Contract Act (January), reflecting the fear of increasing labor disputes, and delivered various policies (October, National Congress of the Community Party of China), such as allowing the land management licenses to be transferred, improving the social security system in rural areas, and expanding social security for guest farmers in the cities.



Source: "Labor and Social Security Statistic Bulletin," Ministry of Labor and Social Security

Affected by the recent economic downturn, there is a possibility that dissatisfaction of the people with society may come to surface

As far as the economic aspect is concerned, a slowdown of the economy began to be felt at the beginning of the year and the GDP growth rate for January-September term was 9.9%, falling below two digit figures. Under these circumstances, there emerged a possibility that dissatisfaction of the people with society may come to surface, which had been restrained to some extent bolstered by the strong economy.



China continued efforts to correct and improve social issues, but difficulty remains

In order to achieve a "Harmonious Society," advocated by President Hu, China is expected to continue its efforts for the correction and improvement of social issues, including disparity. However, besides the uncertainty of the economic outlook, since the transaction of land management license was approved, collective management of agriculture is expected to progress. Along with this move, an increase in land-lost farmers and emergence/expansion of new disparity are also foreseen, thus casting further doubt on the chances of correcting and improving social issues.

(2) Adopting a policy of a “Harmonious World,” China promotes diplomacy focusing on pragmatic gains

- China used the Beijing Olympic Games as a stage for proactive summit diplomacy.
- China continued to promote diplomacy for practical gains that would benefit the economic development of the country.

China continued to be inclined to ease international concerns about the China threat

Premier Wen Jiabao, in his policy address at the National People's Congress (NPC) convened in March, proclaimed that China would continue to proceed with the creation of a “Harmonious World” as a diplomatic policy. This policy aims to realize “lasting peace and common prosperity” and it is believed that it includes the intention to alleviate international concerns over China's remarkable development.

In the meantime, it was reported at the NPC that the budget for national defense in 2008 increased by 17.6% from the previous year, registering another two-digit growth. This is a trend that has been maintained for 20 consecutive years, which further aggravated concerns of the neighboring countries and regions.

China struggled to avert accusations in relation to the riots in Tibet at the time of the Beijing Olympic Games

In relation to the responses taken by the Chinese government to the ethnic uprising occurred in the Tibet Autonomous Region in March, a number of strong accusations were made in the international community, and some European leaders talked of boycotting the opening ceremony of the Olympics. The Hu administration, in return, emphasized that the Olympics should not be politicized. But at the same time, it struggled to avert accusations by showing its willingness to hold dialogue with the Dalai Lama. As a result, the opening ceremony of the Olympic Games was attended by VIP officials from 84 countries. On this occasion, China developed proactive summit diplomacy by holding more than 70 summit meetings and highly evaluated that “the Beijing Olympic Games gave leaders of the world a good opportunity to deepen their understanding about China” (Foreign Minister Yang Jienchi).

China's relations with the United States remained stable but China repels human rights and Taiwan issues

Regarding its relationship with the United States, China welcomed President Bush on the occasion of the Olympic Games, arranged meetings between President Bush and President Hu, Premier Wen, and Vice-President Xi, showing stable U.S.-China relations in and out of the country. Regarding the response to the international financial crisis, the leaders of the two countries had telephone conversations (September and October) and affirmed that the United States and China would closely cooperate with each other.

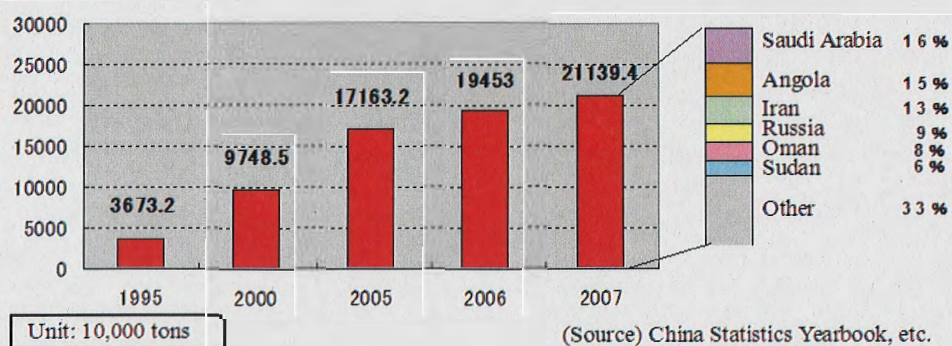
On the other hand, the Ministry of Foreign Affairs of China opposed the resolution on human rights in China adopted by the U.S. House of Representatives (July), asserting that “it is a wrong move that would hinder the Olympic Games.” At the time when the U.S. government notified Congress about selling weapons to Taiwan, China suspended planned military exchanges with the United States (October). These actions indicate China’s objections to the U.S stance on human rights and Taiwan issues.

While welcoming the diplomatic policy of dialogue and cooperation of the new Obama administration that will be inaugurated in January 2009, China is still expected to adhere to its basic stance to Taiwan and other issues.

China strengthened partnership with developing countries in an attempt to acquire energy resources and moved ahead of developed countries

China, in an attempt to ensure energy resources, continued strengthening relations with developing countries. Vice President Xi visited Saudi Arabia, China’s top crude oil supplier, in June and He Guoqiang, Secretary of the Central Commission for Discipline Inspection, visited Angola, China’s second-biggest crude oil supplier, in July. In August, President Hu paid official visits to Tajikistan and Turkmenistan and agreed on the expansion of natural gas transaction.

Regarding one of the main agenda items at the G8 Toyako Summit (July), China stood on the principle that reduction of greenhouse effect gas emissions should not impede the development of developing countries, and contended, in concert with India, that developed countries are responsible for the greenhouse gas emissions accumulated in the past.



Transition of Crude Oil Import of China (1995-1997)

China will continue to promote business-oriented diplomacy that would benefit sustainable economic development

China has been confronted with various serious social problems, including social divide issues and environmental destruction, and is in a situation where sustainable development of the Chinese economy is essential to correct these problems. Therefore, China is expected to continue to develop active business-oriented diplomacy to ensure energy resources and acquire energy conservation and environmental protection technologies. In the international theater of diplomacy, such as the United Nations, China will aim to gain a greater voice while emphasizing its position as a leader of developing countries.

(3) The Hu administration maintains its diplomatic stance that attaches importance to relations with Japan, while paying attention to the movement of domestic anti-Japanese public opinion

- President Hu visited Japan and announced a joint statement that advocates “strategic and mutually beneficial relations.”
- China carefully responded to anti-Japanese public opinion particularly on the Internet.

President Hu visited Japan, showing a stance that attaches importance to Japan

The Hu administration has worked to improve the relations with Japan since the visit of Prime Minister Shinzo Abe in October 2006. In May, Hu Jintao visited Japan for the first time as the President of China in nine and half years, to hold a dialogue with Prime Minister Yasuo Fukuda. Both Japan and China announced a “Joint Statement on Comprehensive Promotion of a Mutually Beneficial Relationship Based on Common Strategic Interests” and recognized that the two countries’ sole option is to cooperate to enhance peace and friendship.

President Hu also made a remark in his speech at Waseda University that improvement and growth of China-Japan relations have brought tangible benefits to the two countries and people, which marked a clear contrast with President Jiang Zemin’s state visit to Japan (November 1998) who emphasized the history issue by saying, “Japan should make reconciliation of history with sincerity.”

Status of Japan-China Relations	The two sides recognize that they are partners and not threats to each other
Historical perception, etc.	<ul style="list-style-type: none">● The two sides face history squarely, advance toward the future, and endeavor to create a new era of a mutually beneficial relationship based on common strategic interests.● China expresses its positive evaluation of Japan’s pursuit of the path of a peaceful country over more than sixty years since World War.
U.N. reform	China attaches importance to Japan’s position and role in the United Nations and wishes for Japan to play an even greater constructive role in the international community.
Promotion of exchanges	The two sides call for: <ul style="list-style-type: none">● a mechanism for periodic exchange of visits by the leaders of the two countries● the exchange of high-level visits in the area of security● promoting people-to-people and cultural exchanges, including those of youth
Strengthening mutually beneficial cooperation	The two sides call for: <ul style="list-style-type: none">● with particular priority on the areas of energy and the environment● together to make the East China Sea a “Sea of Peace, Cooperation and Friendship”
Contribution to global issues	The two sides call for active participation in the building of an international framework on climate change

Major points in the Joint Statement on Comprehensive Promotion of a Mutually Beneficial Relationship Based on Common Strategic Interests

China maintained a diplomatic stance that attaches importance to Japan

President Hu accepted an emergency relief team from Japan before any other country at the time of the Great Sichuan Earthquake (May), and there has been a report of praising the activities of the team. In June, Japan and China reached common recognition on the issue related to the development of gas fields in the East China Sea, allowing the participation of Japanese corporations in the development of Shirakaba gas field (known as Chungxiao gas field in China). In response to the case of poisoned frozen dumplings (*gyoza*) imported from China to Japan, China initially said "There was an extremely low likelihood the gyoza became contaminated in China." But in July, Beijing notified Japan that the same type of toxic incidents occurred in China in June. It is now believed that China is making efforts to strengthen investigative measures under the command of President Hu.

Furthermore, the Hu administration demonstrated an attitude to enhance Japan-China relations, represented by the confirmation of "promotion of strategic relationship of mutual benefit" at the summit meeting with Prime Minister Taro Aso at the Asia-Europe Meeting (ASEM) (October, Beijing).

China displayed careful attention to domestic anti-Japanese public opinion

At the same time, the Hu administration displayed careful attention to the formation of domestic protests against its policy on Japan and anti-Japanese public opinion. In late May, the use of Japan Air Self-Defense Force (JASDF) transport aircraft was considered for the transportation of emergency supplies to the disaster areas affected by the Great Sichuan Earthquake. The use of JASDF aircraft was eventually put off after China signaled hesitation in response to the emergence of strong opposition within China to the dispatch, particularly public opinion on the Internet.

At the time of the first visit by Japan Maritime Self-Defense Force (JMSDF) vessels to China in June, the welcoming ceremony took place inside a military base, where the general public could not see, and the venue of the joint band performance was changed to the pier from the urban district.

There was a burgeoning opposition within China against the common recognition on the resource development in the East China Sea, but Vice Foreign Minister Wu Dawei (June 19) and Foreign Minister Yang Jienchi (June 24) held press conferences one after another in an effort to calm domestic opposition. Chinese government also took measures to temporarily close websites of anti-Japanese organizations in China.

Careful attention to future anti-Japanese public opinion is necessary

The Hu administration is expected to deal carefully with the trend of anti-Japanese public opinion, while maintaining a stance that attaches importance to Japan, but there remains persistent sentiment among some Chinese people against Japan. Amid these situations, the year 2009 marks the 60th anniversary of the founding of China and patriotism will naturally be reinforced. It is therefore necessary to pay attention to the future developments between Japan and China since anti-Japanese public opinion may grow more intense, particularly on the Internet.

(4) China's strategy for peaceful unification makes progress with the establishment of Ying-jeou's Kuomintang Party administration

- While adhering to the principle of One China, China formed close ties with Taiwan and increased momentum towards peaceful unification without settling the dispute.
- Taiwan promoted close economic ties with China through cross-strait direct flight services and entry of Chinese tourists, but pro-independence groups were on alert to Taiwan's rapid accession to China.

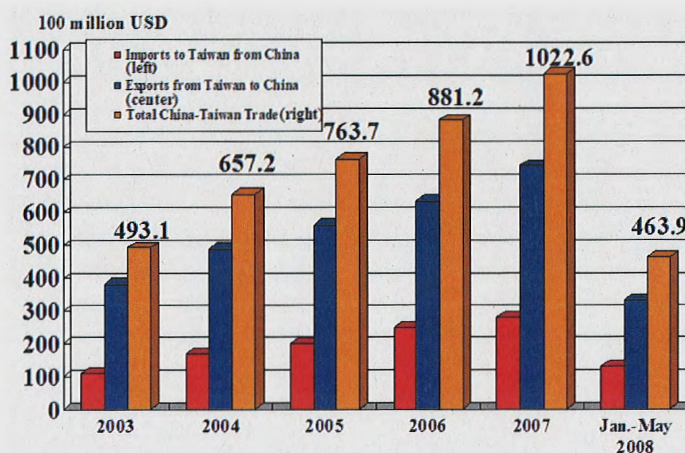
Kuomintang candidate Ma Ying-jeou won the presidential election and instigated a change of government after eight years

Taiwan's presidential election took place in March, and Kuomintang (KMT, Chinese Nationalist Party) candidate Ma Ying-jeou who advocated the status quo (neither independence nor unification), improvement in relations with China and economic recovery, claimed a landslide victory over the ruling Democratic Progressive Party's Hsieh Chang-ting. With this, the KMT administration was established in May, ending eight years of pro-independence government led by the Democratic Progressive Party.

The victory of Ma Ying-jeou activated exchanges with China, such as resumption of dialogue between liaison organizations for China-Taiwan exchange

Hu Jintao, President of the People's Republic of China (PRC), met with Hsiao Wan-chang, next Vice President of Taiwan, in April in Hainan Province and with Lein Chan, Honorary Chairman of KMT, in April in Beijing. Both sides acknowledged the policy to promote closer ties. President Hu had talks with KMT Chairman Wu Po-hsiung in May in Beijing and agreed on early resumption of dialogue between the liaison organizations for China-Taiwan exchange, which had been suspended since 1999.

In response to this, a dialogue was held between Chen Yunlin, Chairman of the Association for Relations Across the Taiwan Strait (PRC) and Chiang Pin-kung, Chairman of the Straits Exchange Foundation (Taiwan) in June, and it was agreed to initiate weekend cross-strait charter flights and to open Taiwan to mainland Chinese tourists, and at a meeting in November, an agreement was reached to drastically expand direct charter flights.



Change in China-Taiwan Trade
(Mainland Affairs Council of the Executive Yuan of Taiwan)

China continued to advocate the principle of One China in the international community

While China set aside the issue of One China in exchanges with Taiwan, it clearly stood by the principle that “the People’s Republic of China is the only legitimate government representing China” in the international community. In response to President Ma’s request to the World Health Organization (WHO) for Taiwan’s significant participation in the UN’s specialized agencies, Beijing made refutation and accusation by saying that the request intends to create “two Chinas” or “one China, one Taiwan” and that the government and the people of China strongly oppose this (August).

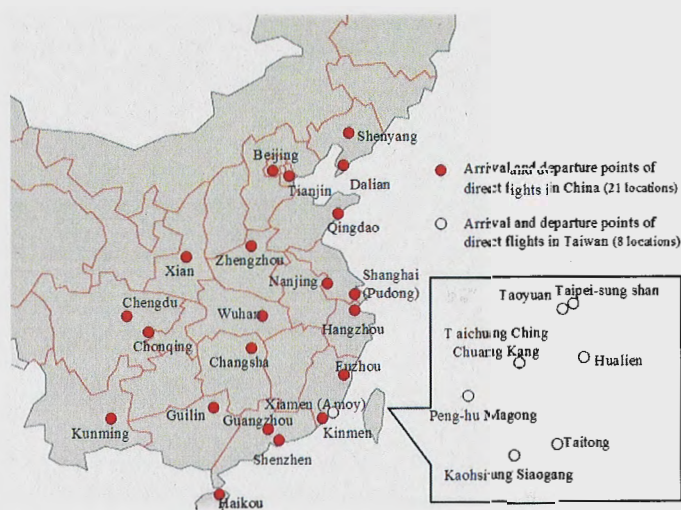
Beijing resolutely opposed a bill to sell USD 6.5 billion of weapons to Taiwan submitted to the U.S. Congress by the Bush administration (October) and demanded the U.S. to appropriately honor the promise to remain committed to the One China policy.

Alarmed by the rapid accession to China, Taiwan’s pro-independence groups tried to restrain the action of the government by means of a mass movement

On the other hand, in Taiwan, being wary of the Ma administration’s rapid accession to China, pro-independence groups, including the Democratic Progressive Party, staged a large-scale demonstration (participated in by 300,000 according to the organizer) in the city of Taipei in late August with the slogan “Protect the Sovereignty of Taiwan,” and criticized the Ma administration’s response to the inflow of chemical substance melamine-contaminated food from China, calling for China to apologize and pay compensation. At the time of a meeting between President Ma and Chen Yunlin, Chairman of the Association for Relations Across the Taiwan Straits (November), which marked the first visit of the highest level PRC official since the secession of Taiwan from the mainland in 1949, a demonstration of 400,000 people against the rapid accession to China was led by the Democratic Progressive Party (according to the Party), resulting in a collision with the police force. It is expected that the confrontational structure between the pro-independence groups and the Ma administration will be sustained, along with closer ties between China and Taiwan.

China increased momentum towards peaceful unification through expansion of exchange

Direct passage of airplanes and vessels in the Taiwan Strait is expected to increase in the future and person-to-person exchanges and economic transactions to be further invigorated. Using these situations as an opportunity, Beijing is expected to increase momentum towards peaceful unification.



**Arrival and departure points of direct flights
in China and Taiwan**
(Taiwan Affairs Office of the State Council of the PRC)

3. Russia

(1) Russia maintains Putin's line under the new President Medvedev

- Putin, who took the post of Prime Minister, still retains strong political influence.
- Russia underlined its critical and vigilant stance toward the United States in dealing with Georgia's conflicts.

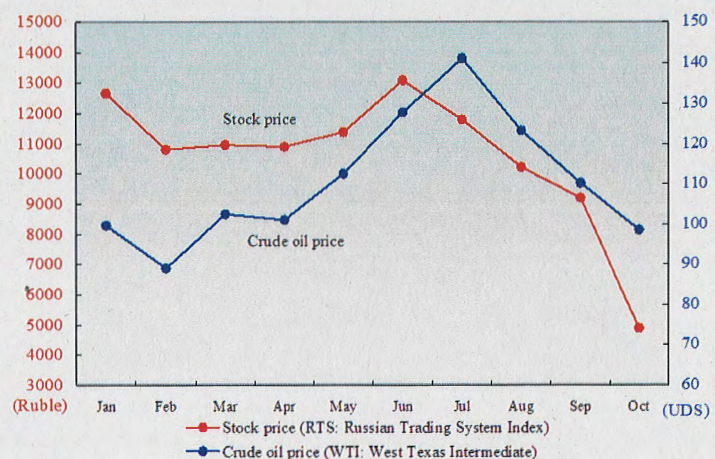
Prime Minister Putin gets involved in the areas to be assumed by the President

In Russia, President Vladimir Putin named Dimitri Medvedev, First Deputy Prime Minister, as his successor. Advocating the continuation of Putin's course, Medvedev ran for the presidency (March), won overwhelmingly and was inaugurated as President (May). Meanwhile, President Putin took the post of Prime Minister under the new President as he had announced earlier. Many key posts of the new administration, such as Internal Minister, Foreign Minister, and Defense Minister, remained unchanged, exhibiting the colossal influence of Putin.

Under these circumstances, Prime Minister Putin created a post of the government's deputy chief of staff in charge of foreign affairs (May). He also visited the front line of the Russian military base immediately after the outbreak of the Georgia conflict (August), showing signs of involvement in diplomacy and security, over which the president has authority under the constitution. Prime Minister Putin maintained strong political influence.

Slowdown of the economy is the concern of the future

Based on the performance of the Putin administration, which realized economic growth driven by rising crude oil price, Russia continued to be committed to innovation of industrial technologies and development of transport/communications infrastructures, with the goal of further strengthening national power. However, the Russian economy slowed down since the summer, adversely affected by decline in crude oil price and the global financial crisis, which could possibly have an impact on the policy management of the new administration.

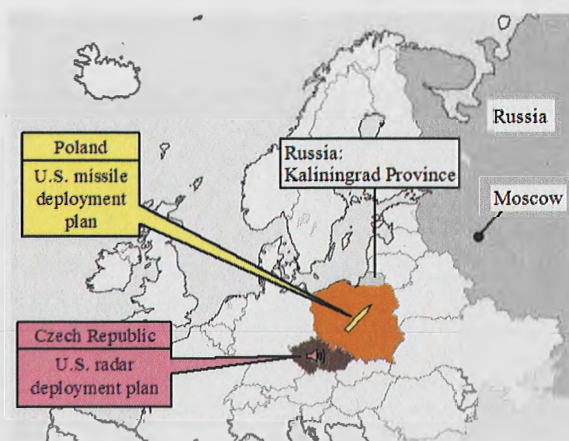


Change in Stock Price in Russia and Crude Oil Price since January 2008

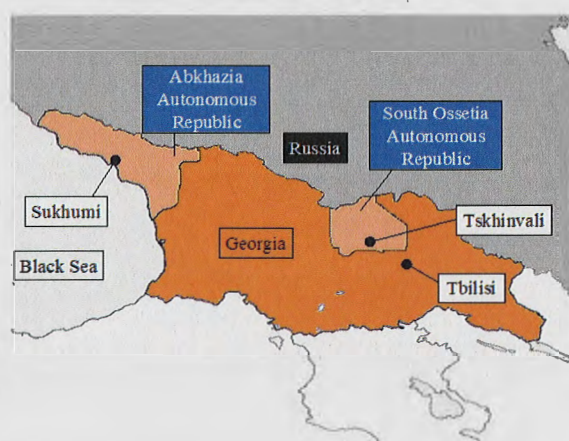
Russia stepped up opposition and reinforced vigilance against the United States in dealing with Georgia's Conflicts

The Georgian conflict broke out in August in the midst of deepening confrontation between Russia and the United States/European countries over the issue of the neighboring pro-U.S. Georgia's aspirations to join NATO and the issue of a U.S. ballistic missile-defence system in East Europe, with Russia asserting that these issues cannot be ignored in view of security concerns. The United States strongly condemned Russia for invading Georgia and its recognition of independence of South Ossetia and Abkhazia. In return, President Medvedev delivered a strong statement against the U.S. that "Russia is not afraid of being expelled from G8."

Russia later hardened its stance by sending signs of warning to the United States, including test launches of inter-continental ballistic missiles (September), strengthening of military cooperation with the anti-U.S. Venezuela in South America (September), and announcement of missile deployment in the Russian enclave of Kaliningrad (November).



U.S. MD/Radar Deployment Plan



Territorial Map in Relation to Georgian Map

Russia will continue a diplomatic offensive to ensure presence in the international community

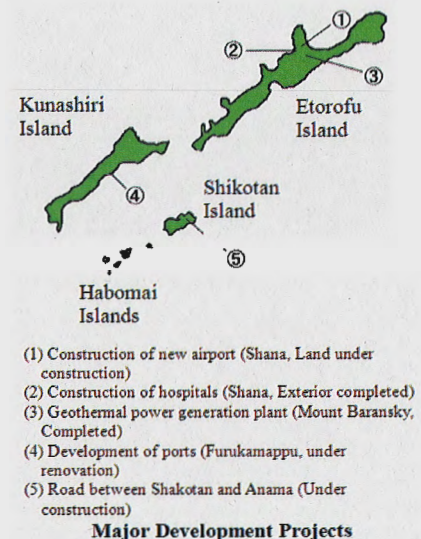
With the confidence of having regained national power during the Putin years, while avoiding decisive confrontation with the United States, Russia is expected to continue criticizing the One-Polar World led by the U.S. It will also continue a diplomatic offensive, mainly in the areas which attract the attention of the world, such as security and energy cooperation, in order to ensure its presence in the international arena, in an attempt to strengthen the relationships with other countries.

(2) Russia starts full-scale development of Japan's Northern Territories

- Further promotion of the development of Japan's Northern Territories based on the nine-year plan.
- Russia prioritized the expansion of economy while calling for the resolution of the territorial issue in Japan-Russia relations.

Russia further promoted its sovereignty over the Northern Territories as a fait accompli

Under the nine-year development plan of the Kuril islands including the Northern Territories with a total budget of RUB 17.9 billion (approximately JPY 62 billion as of November) that started in 2007, Russia injected more money than the previous year and launched development work on various social infrastructure projects, including improvement of port facilities, construction and renovation of airports and building of geothermal power generation plants, etc. Russia thus further promoted its sovereignty as a fait accompli by raising the living standards of the islanders.

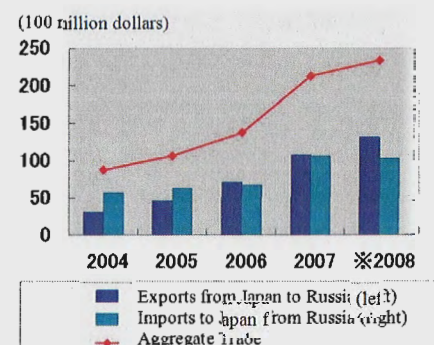


Russia's new administration gave priority to the expansion of economic relations between Japan and Russia

At the Japan-Russia summit meeting on the occasion of the Toyako Summit (July), President Medvedev said, "the relationship between Russia and Japan will be raised to the highest level if the territorial issue is resolved," but Foreign Minister Lavrov who visited Japan later (November) said, "We insist that the solution should be based on the Joint Declaration by the USSR and Japan of 1956," indicating that there is no change in the basic Russian position of only returning two islands.

Reflecting growing economic ties between Japan and Russia with the total trade amount exceeding USD 20 billion in the year 2007, the Medvedev administration highly appreciated Japan's decision (June) to invest approximately USD 5.3 billion in the Sakhalin oil and gas project and made efforts to further expand economic ties through the Japan-Russia Intergovernmental Committee on Trade and Economic Affairs (October) which was held for the first time in three years.

Russia is expected to continue to give priority to the expansion of economic ties with Japan and maintain its policies and stance toward Japan in consideration to pragmatic gains, while keeping the policy of fait accompli on the issue of the Northern Territories.



Japan-Russia Trade Statistics
(Russia NIS Trade Association)

4. Middle East

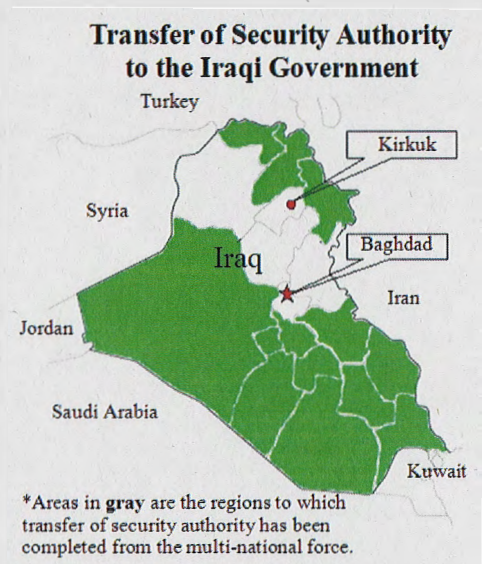
(1) Uncertainty still lingers over the Middle East

- Although the improved security situation in Iraq appeared to unravel, confrontation among domestic factions continued, and there is a possibility of renewed fighting between ethnic groups and sects.
- Hamas continued to control the Gaza Strip and Hezbollah strengthened its grip in Lebanon.

Although the improved security situation in Iraq appeared to unravel, confrontation continued over the issue of Kirkuk

Iraqi government forces and the U.S. military in Iraq, in cooperation with the Sunni anti-al Qaeda vigilance group called "Awakening Council," launched large scale sweep operations against the al-Qaeda-related militants. In addition, since a truce was concluded between the Iraqi government and Sadr's militia (May), the United States stated that overall security improvement has been achieved. Under these circumstances, transfer of security authority from the multi-national security force to the Iraqi government took place in 13 out of the 18 provinces in Iraq; however, al-Qaeda-related militants continued terrorist activities in some parts, including Baghdad and Mosul, and the dissolution of militia organizations like Sadr's has not been making progress. Thus, unstable factors in the Iraqi security have yet to be completely removed.

In addition, there still is a confrontation between Kurdish groups and Arab groups over the control of Kirkuk's oil fields in the North. The tension between the central government and the Kurdish autonomous government over the oil rights, opposition of Shiites against the integration of the Awakening Council into the security mechanism, and the rivalry within the Shiite sect between the Supreme Islamic Iraqi Council (SIIC) and Sadr over the control of the south are also still ongoing. In the future, there is a likelihood of resurgence of battles among these ethnic groups and sects.



Japan implemented logistics assistance by the Air Self-Defense Force

Based on the Special Measures Law for Support of Iraq Reconstruction, Japan implemented logistics activities by the Air Self-Defense Force to the Multi-National Force-Iraq, which started in 2004 (completed in December, 2008), even after the completion of the dispatch of the Ground Self-Defense Force. Japan has also been conducting various aid activities through the Official Development Assistance (ODA), including infrastructure development of electricity/water resources. Under these situations, a self-claimed leader of al-Qaeda in Iraq

issued a statement that any country that took part in the invasion of Iraq will be targeted for terror attacks (October), and there is a likelihood that future terrorist attacks by some armed insurgents may target Japan's reconstruction assistance activities. It is therefore necessary to pay much attention to the developments in the future.

Hamas' control over the Gaza Strip may be prolonged and consolidated

In the Palestinian territories, rockets were frequently fired at Israel from radical Islamic organization Hamas' stronghold in the Gaza Strip from the beginning of the year, which shook the security of southern Israel. Israel retaliated by sending military troops for mop-up operations and tightened the economic embargo on Gaza (January) claiming that weapons and rockets have been smuggled into Gaza via Egypt. With the growing impact of the embargo, Hamas agreed to a truce with Israel (June). For some time, the truce was largely adhered to, but Hamas fought back by launching rockets when Israel troops tactically moved into Gaza to destroy Hamas' tunnels for covert operations (November). This showed that the combat edge of Hamas is still razor sharp. On the other hand, the Palestine Authority ruled by Fatah in the West Bank sought a dialogue with Hamas toward reconciliation, but Hamas rejected it (November).

Hamas is expected to try to prolong and consolidate the control over Gaza while preparing to act both in hard and soft ways toward Israel and the Palestine Authority, amid the stalemate in the Middle East peace process.

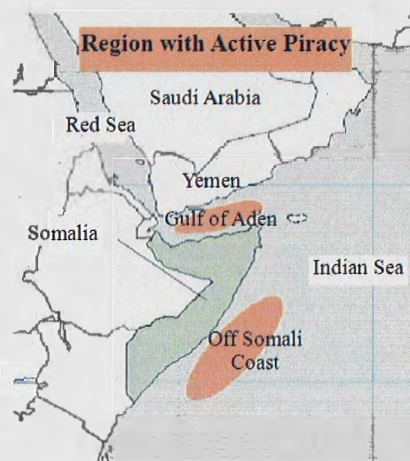
Hezbollah gained political power in Lebanon

Large scale clashes occurred between pro-Syrian factions, such as Hezbollah, and the ruling factions in Lebanon (May), but the situation was put under control through the mediation of the League of Arab States. In this process, an agreement was reached that the Cabinet allocated some seats to Hezbollah and the deal gave Hezbollah a veto power. Now much attention is paid to the reaction of Israel and Syria, which have been negotiating for peace since May, against Hezbollah's seizure of political power.

COLUMN: Attacks by pirates in the Gulf of Aden and off the Somali coast have become a threat to international maritime trade

Security in Somalia has deteriorated in every part of the country due to attacks by the anti-government Islamic forces, which triggered the piracy off the Somali coast, constituting a threat to international shipping. The number of pirate incidents in the area from January to September recorded 63 cases (International Maritime Bureau (IMB)). Cargo vessels and tankers were hijacked and ships owned or operated by Japanese companies were also under attack.

The United Nations Security Council adopted a resolution in June authorizing the member states to take "all necessary measures" to repress the acts of piracy and further adopted a resolution in October calling on concerned nations to participate in anti-piracy measures, such as dispatch of warships.



(2) Iran continues its nuclear and missile development

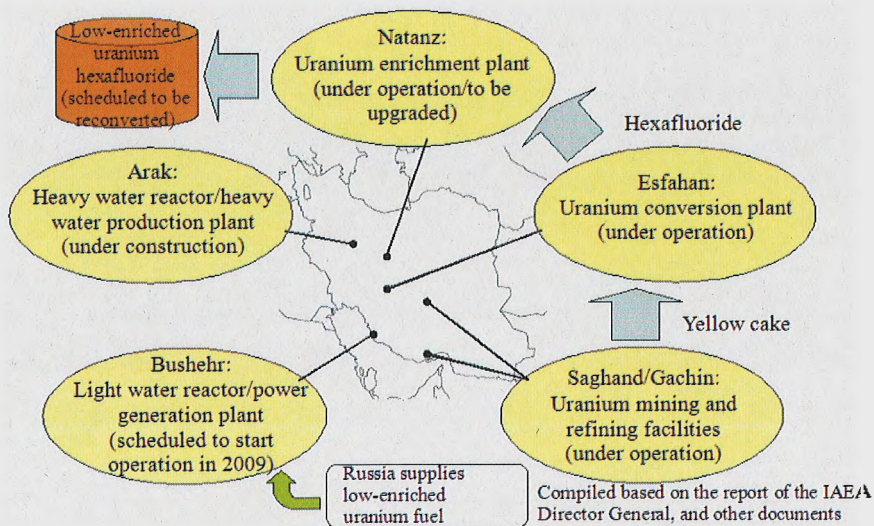
- Iran maintained an aggressive stance despite intense pressure on Iran from the Western powers.
- The effect of tensions between Iran and the Western powers could spread to Gulf states.

Iran expanded nuclear development activities, ignoring the U.N. Security Council resolutions

Since the revelation of the clandestine construction of a large scale nuclear-related facility in Iran in August 2002, the International Atomic Energy Agency (IAEA) and the UN Security Council have repeatedly urged Iran to halt its nuclear development activities. However, Iran kept refusing these requests and continued to develop the nuclear program with an aim for a self-sufficient nuclear fuel cycle.

IAEA Director General Mohamed ElBaradei reported in November that Iran had installed more than 5,000 centrifuges and produced 630 kilograms of low-enriched uranium hexafluoride. The report also mentioned that Iran had conducted nuclear explosive tests using special technologies derived from abroad and improved the design of the warhead of Shahab-3, a medium-range ballistic missile (MRBM), demonstrating suspicious behavior that could be linked with nuclear weapons development. In response to this report, Iran insists that it has no intention to possess nuclear weapons. However, IAEA pointed out the documents submitted from Iran were not sufficient and the concerns of the international community regarding Iran's nuclear program are growing.

Centers and Flow of Nuclear Development of Iran



Iran kept a hard-line stance despite intensified pressure from the Western countries

UN Security Council Resolution 1803 was adopted in March, providing guidelines on restriction to be applied to Nuclear Supplier Group (NSG) exports to Iran and the inspection of

cargoes carried by major state-owned aircraft and vessels. UN Security Council Resolution 1835 was later adopted which asked all member States to fulfill the past resolutions (September).

However, Iran did not soften its uncompromising stance saying that "sanctions on Iran are not at all effective" (August, statement of foreign affairs authority) on the ground that only 60 member states of the United Nations reported to have fulfilled the US Security Council Resolutions thus far and that income from oil has increased due to the price hike at one time.

Against this, the United States expanded its own sanctions that were stricter than those of the UN resolutions, and the EU also adopted its own sanctions including freezing of assets of the Melli Bank (June).

On the other hand, Russia, which had long been providing Iran with various weapons, delivered low-enriched uranium fuel to Bushehr nuclear power generation plant (January), and agreed to provide cooperation in the petroleum and natural gas areas (July). Similarly, China, which had supplied Iran with short- and medium-range missiles, became Iran's largest trade partner, and China Petroleum and Chemical Corporation started the construction of facilities in the Yadavaran oil field (September). Thus, Russia and China tend to further deepen economic ties with Iran and are expected to take a cautious stance on new sanctions against Iran.

Effect of tensions between the Western powers and Iran could spread to Gulf states

The Iranian Revolutionary Guard Corps carried out a test launch of Shahab-3, which is believed to have used the technology of North Korea's Nodong (July). Since Shahab-3 is capable of striking part of Europe and the east Mediterranean Sea, Israel raised strong reservations and the United States also repeatedly adopted sanctions under the order of the President against the Revolutionary Guard and munitions companies. In addition, with regard to the deployment of the Missile Defense System in Poland, the White House spokesperson said, "the aim of the missile defense is to protect U.S. allies in Europe from the threat of Iranian missiles" (August), and thus the development of Shahab-3 caused international tensions. Iran also promoted a plan to launch artificial satellites using the ballistic missile technology and proceeded with the development of ballistic missiles with longer ranges than Shahab-3, such as Sejil and Ashura, aiming to develop the technology for the domestic production of various missiles. It was also pointed out that Iran supplied Hezbollah with anti-ship missiles at the time of the Israeli invasion of Lebanon in 2006 (speech of an Israeli military official). It is believed that Iran's support for Hezbollah still seems in place, which raises serious concerns of the international community over the proliferation of weapons.

It is expected that pressure on Iran from the Western powers will grow even stronger on one hand, but Iran's nuclear/missile development will continue on the other, and the effect of deepening tensions could spread to the member states of the Gulf Cooperation Council (GCC), Iraq, Afghanistan, and the Levant states (Syria, Lebanon, Israel, etc.).

5. Adverse activities against Japan

Japan promotes efforts to prevent outflow of information pertaining to advanced technologies

- Implemented export control on cargoes and technology related to weapons of mass destruction and strengthened the counter-intelligence function.

Efforts for non-proliferation of weapons of mass destruction

International efforts are in progress for non-proliferation of weapons of mass destruction (WMDs), including international conventions, such as the Non-Proliferation Treaty (NPT), as well as the International Export Control Regime and the Proliferation Security Initiative (PSI). The G8 Toyako Summit declaration stated, “We are resolved to make every effort to overcome the danger of the proliferation of WMD” (July).

In line with these international efforts, Japan hosted the 5th Asian Senior-Level Talks on Non-Proliferation (April), and strengthened export control by increasing the items to be included in the “Control Lists” for nuclear weapon related items (May), and by applying the “Catch-All Controls” to ordinary weapon-related cargoes/technology, in addition to the existing WMD-related cargoes/technology (November).

Control Lists and Catch-All Controls

Control Lists:	Items agreed to be subject to control under the international export control regime that require an export license of the Minister of Economy, Trade and Industry when exporting
Catch-All Controls:	In cases where an exporter of all items, except for food products and wood, etc., has information that the goods in question may be used in connection with the development of WMDs, such as nuclear weapons, biological or chemical weapons or missiles, the exporter should obtain an export license from the Minister of Economy, Trade and Industry.

Efforts for strengthening counter-intelligence function

In April, Japan enforced a part of the Basic Principles on the Strengthening Counter-Intelligence Function” (CI Basic Principles) formulated in August 2007, and has been making concerted efforts for collection/sharing of information pertaining to counter-intelligence (CI), raising of awareness about CI, case handling, and establishment of management and control system. Also in April, the Counter-Intelligence Center was established to serve as a core of the CI of the whole government.

There is concern that the risk of illicit acquisition of information on Japan’s advanced technologies and the state’s confidential information may be more pronounced in the future, and therefore, it is essential to implement stringent export control concerning cargoes/technology related to WMD and strictly comply with the CI Basic Principles.

6. International Terrorism

(1) Al-Qaeda remains a grave threat to the international community

- Al-Qaeda issued a series of statements calling for “global jihad.”
- Under the influence of al-Qaeda, Islamic extremists carried out acts of terrorism in various parts of the world.

Al-Qaeda remained a grave threat to the international community

After the deaths of several cadres including experts in bomb making, al-Qaeda's capacity to carry out terrorist attacks has been reduced to some extent. Nonetheless, al-Qaeda claimed responsibility for a suicide attack outside the Danish Embassy in Pakistan (June) as revenge for Danish papers printing a cartoon of Prophet Muhammad.

Al-Qaeda also issued a series of statements calling for “global jihad”, and Islamic extremists, incited by this, carried out acts of terrorism in various parts of the world.

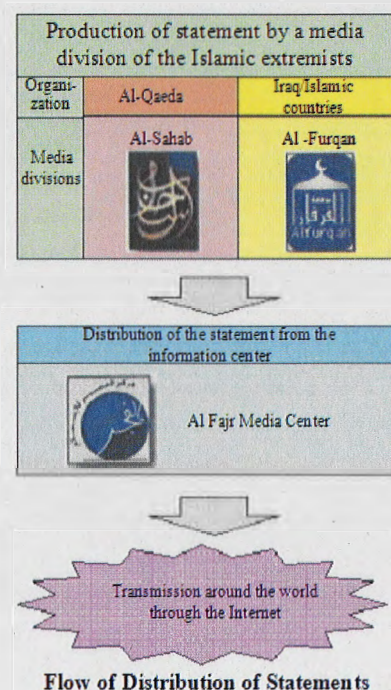
It is said that Europe's “home grown terrorists,” who are the second or third generation of immigrants from Muslim countries, or converts to Islam, who have turned into extremists. They participate in al-Qaeda's training camps in the tribal areas of northwest Pakistan. It is also feared that foreign combatants, who had participated in al-Qaeda-related armed groups in Iraq, might flow out to Afghanistan, Middle East and Northern Africa.

As described above, the influence of al-Qaeda on Islamic extremists is large, which continuously constitutes a grave threat to the international community.

Al-Qaeda called for attacks on the United States, among others, and named Japan as an accomplice in the crusaders

A series of statements from Osama bin Laden continued to be released using the Internet (see the flowchart on the right). The statements instigated “global jihad” against the United States and its allies as well as pro-U.S governments all over the world. They appeared intended to disseminate the messages of al-Qaeda more intensively to Muslims in Pakistan by using both English (official language) and Urdu.

Al-Qaeda also justified indiscriminate acts of terrorism and the attacks on the United Nations on the Internet and claimed that “Japan participated in the aid activities under the flag of the crusade alliance (in Iraq) as part of propaganda of the crusaders invading the land of Muslims,” which indicated that Japan was recognized as “an accomplice in the crusades” (April).



Date	Speaker	Key Contentions	Points to Note
March 19	bin Laden	Warning attack on EU	Blamed EU countries and the Pope for Danish papers printing a cartoon of Prophet Muhammad (February)
May 16	bin Laden	Warning attack on Israel and Western countries	Identified the Palestine issue as the source of conflict at the time of Israel's 60 anniversary
May 18	bin Laden	Called Muslims in Egypt and others to regain Gaza and break Gaza closure	Praised Saladin as a hero, who defeated the crusaders in the 11 century, on the occasion of the 41 anniversary of the Six-day War
June 4	al-Zawahiri		Contended that poverty and food shortage in the Muslim world stemmed from the invasion and looting by Israel and the crusaders
August 10	al-Zawahiri	Called Muslims in Pakistan to overthrow the Pakistani government	Al-Zawahiri used English (official language of Pakistan) for the first time (later released the tape dubbed in Urdu)
September 8	al-Zawahiri, et al.	Called for continuation of jihad around the world	Top echelons summarized the jihad activities around the world before September 11 (anniversary of the coordinated terrorist attacks on the U.S.)
September 19	al-Zawahiri	Called Muslims in Egypt to overthrow the Egyptian government	Blamed the Egyptian government for many deaths due to a massive landslide
November 19	al-Zawahiri	Called for continuation of jihad against U.S.	Contended that the nature of the U.S. would remain unchanged even with the inauguration of Obama as the next President

Main al-Qaeda Statements and Points to Note (2008)

Al-Qaeda in the Islamic Maghreb stepped up terrorist attacks

Al-Qaeda in the Islamic Maghreb (AQIM) mounted frequent attacks on the military and security authorities in Algeria and launched a large-scale suicide attack in August targeting the Police Academy. In addition to these terrorist activities in the North African region, AQIM-connected suspects were detained in Spain and France where a large number of North African immigrants live.

Yemen was rocked by a series of terrorist attacks on the U.S. embassy (September), on the police facilities (July) and on foreign tourists (January), and the Yemen authority has linked the alleged perpetrators with al-Qaeda in Yemen. Under these circumstances, a Japanese tourist was kidnapped and temporarily detained by an armed group suspected to be a local tribe (May).



Al-Qaeda-related armed groups continued activities in Iraq although their capacity is undermined

In Iraq, which al-Qaeda regards as their major battlefield besides Afghanistan, although undermined by the sweep operations of joint troops of the U.S. and the Iraqi government, an al-Qaeda-related militant group, Islamic State of Iraq, continued attacks on pro-U.S. Sunnis and security authorities by persistently carrying out a series of suicide attacks using women.

(2) Taliban intensifies its activities in Afghanistan and Pakistan

- The Taliban and Tehrik-e-Taliban Pakistan continued to expand the activity area centered around the border zone between the two countries
- Terror attacks occurred in Afghanistan, targeting military and security authorities and foreign interests, which victimized a Japanese citizen.

Taliban intensified its activities in Afghanistan and Pakistan

In Afghanistan and Pakistan, the Taliban, based on the border zone between these countries, intensified its activities.

The capital city of Kabul in Afghanistan has suffered a series of terror attacks, including a suicide attack on the Serena Hotel used by many foreigners and government officials (January), an attack at a Victory Day ceremony attended by President Karzai (April), and a suicide attack on the Ministry of Information and Culture (October). A prison attack in the southern city of Kandahar (June) set a large number of prisoners free and most of them are believed to have joined the Taliban. The group also claimed responsibility for incidents that occurred in other provinces, indicating that their activities are being stretched throughout the entire nation from the original southern provinces. Under these circumstances, a Japanese NGO aid worker was abducted and killed in the eastern province of Nangarhar (August).



Number of Terrorist Attacks by Province that the Taliban Claimed Responsibility for (Jan. - Oct. 2008)

In Pakistan, the Tehrik-e-Taliban Pakistan, or TTP, a conglomerate of different Taliban factions, was formed in the Federally Administered Tribal Area (FATA) in December 2007. The leaders of the TTP announced that the TTP identifies the Pakistani government, which conducted mop-up operations against the Taliban groups, as their enemy and pledged loyalty to Omar, the leader of the Taliban movement, and engaged in cross-border operations from Pakistan against foreign forces in Afghanistan. The TTP has extended its influence in the northwestern region, including FATA, and claimed responsibility for a suicide attack at an arms factory near Islamabad (August) and firing at the motorcade of the Prime Minister (September). The group is speculated to be linked with the suicide blast at the U.S. franchise Marriott Hotel (September).

Taliban groups may be using FATA as their safe haven

It is pointed out that behind the Taliban gaining momentum lies the fact that FATA in

northwestern Pakistan is becoming a safe haven (February, Testimony of Deputy Secretary of State Negroponte at the U.S. Senate Foreign Relations Committee). Although the Pakistani government stepped up military operations in FATA, it has yet to suppress the Taliban throughout the country. Executive Director Costa of the United Nations Office on Drugs and Crime pointed out that the Taliban is collecting tax on the earnings of opium poppy farmers, which is likely to be one of the financial sources of the Taliban resistance.

There is concern about a succession of terror attacks targeting military/security authorities and foreign interests

The Taliban groups have set up a base along the border between Afghanistan and Pakistan, where the Pashtun people live, and are expected to continue terror attacks targeting government agencies, military/security authorities, pro-government tribal leaders, foreign military forces and foreign interests.

COLUMN: History and Current Status of the Taliban

The Taliban was formed by Islamic theological students under the supreme leader Omar with the intention of building a country with a strict interpretation of Islamic law in Afghanistan. At one point of time, the Taliban put almost the entire country under its control but was ousted from power by the U.S. military forces following the events of September 11. Leaders of the Taliban, however, are said to be commanding attacks in various parts of Afghanistan from the border areas between Afghanistan and Pakistan.



The Statement of the Taliban on the Website "Voice of Jihad"

Chronology of Events Related to Afghan Taliban	
Around 1994	Creation of the Taliban. Expansion of activities based on Kandahar in the south
September 1996	Taking over the capital, Kabul
September 2001	Terrorist Attacks upon the United States
October 2001	U.S.-led coalition forces launch attacks on the Taliban regime
November 2001	The Taliban regime retreats from Kabul
December 2001	Retreat from the last base of Kandahar. Leaders flee to the border, and remnants go underground

(3) A threat of terrorism by Islamic extremists continues in various parts of Asia

- Jemaah Islamiyah (JI) continued to rebuild the organization and perpetrators of terror are still on the run.
- In India, a series of indiscriminate bomb attacks took place in tourist areas and the capital.

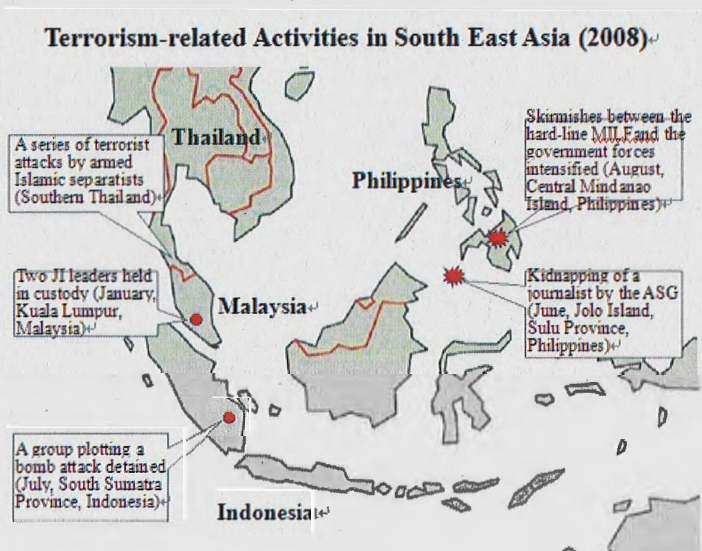
JI continued to rebuild the organization in Indonesia, and the skirmishes between the government forces and the MILF intensified in the Southern Philippines

Jemaah Islamiyah (JI) had carried out a series of large scale terror attacks in Indonesia against Western interests but the organization waned following the capture of its supreme leader and detention of a large number of its members in June 2007. The JI is now believed to be trying to rebuild the organization through recruitment, fund raising and volunteer work.

Under such circumstances, two JI leaders were held in custody in Malaysia in January and confessed that they had plotted to contact Islamic extremists in Syria, which drew attention as a sign of reconstruction of JI's international network. Also, an Indonesian extremist group was detained in South Sumatra Province, Indonesia, in July and a large amount of explosives were found. According to the authorities, the group is connected with the JI members and was planning an attack on Western interests in Jakarta.

Meanwhile, perpetrators of the 2002 Bali bombings were executed in November. These bombers had strong ideological influence on some JI members and its sympathizers through their writings and gave a warning that the execution would spark a wave of retaliatory terror attacks. Thus, the authority tightened security at foreign diplomatic missions, shopping malls and harbor and port facilities.

In the southern Philippines, in response to the failure of negotiations on the conditions of peace talks between the government and the Moro Islamic Liberation Front (MILF) (August), skirmishes between the hard-liners of the MILF rebels and the government forces intensified. Also in the Sulu Islands in the southwest Philippines, the Abu Sayyef Group (ASG) resorted to kidnappings for ransom, including the kidnapping of a prominent journalist (June). Some JI members, including Umar Patek, are believed to be still hiding in coordination with the activities of the ASG.



Threat of terror attacks on Western interests continued in South East Asia

In addition to the reduction of JI's capacity to carry out terrorist attacks, it is said that there is a criticism within the JI against indiscriminate attacks that victimize Muslims. However, Nurudin Top, who masterminded a series of large-scale terrorist acts, is still on the run. Furthermore, as the detention case in South Sumatra Province revealed in July, Islamic extremist groups including some JI members still foment terror against the Western interests and their movement should require vigilance.

With respect to the situations in the southern Philippines, both the government and the MILF adhered to the uncompromising stance, and peace process is not likely to resume soon. Taking advantage of the deteriorating local security situations since the failure of the negotiation in August, there is likelihood that Islamic extremists hiding in the southern part of the country could launch bombing attacks.

A series of indiscriminate bombing attacks by Islamic extremists occurred in India

Since November 2007, a series of indiscriminate bombing attacks by an organization calling itself the Indian Mujahideen (IM) occurred in India. Traditionally, terror cases in India are thought to be linked with Islamic extremists in Pakistan, particularly the Kashmir region. However, the Indian authorities believe that IM is an organization derived from the Students Islamic Movement in India (SIMI) and well-educated and relatively rich Muslims in India turned extremists and committed acts of terror.

Islamic extremists, such as IM, had not conducted terrorism directly targeting Western interests, but in November coordinated terror attacks occurred in the vibrant economic center of Mumbai targeting luxurious hotels where a number of foreign guests were staying, and a Japanese businessman was shot to death and another injured.

In Sri Lanka, since the government officially abrogated (January) the truce agreement reached in 2002 with the Liberation Tigers of Tamil Ealam (LTTE), the government forces intensified their attacks in the north, and the LTTE is said to be weakened. However, there have been sporadic terrorist attacks in urban areas, including the largest city of Colombo.

Focal Issues of Domestic Public Security Situation in 2008

1. Aum Shinrikyo

(1) The mainstream group promotes enforcement of a policy of “getting back to Asahara” and tries to further solidify the organization

- The group clearly expressed the teachings of Asahara, including the “guidance for salvation and enlightenment.”
- The group resumed a ceremony to praise Asahara and fully enforced an absolute faith in him.

The group established a management system of mid-ranking leaders

In the mainstream group of *Aum Shinrikyo*, the group of mid-ranking leaders, together with “*Seigoshi*” Koichi Ninomiya, promoted full enforcement of absolute faith in Asahara. The group took the initiative to abolish the “principles” of the “Religious Organization Aleph” and established a new “religious philosophy” with the aim of realizing the “guidance for salvation and enlightenment” that Asahara had preached. The new philosophy came into force in May. With the introduction of the new philosophy, the group deleted descriptions in the “principles” regarding reflections and apologies on a series of incidents, Asahara’s involvement in the incidents, his positioning as not being the cult’s representative, and the restrictions on the use of his teaching materials and photographs of him. In addition to changing the name of the group to “Aleph,” they further strengthened the organizational system, and tried to solidify the organization by positioning the group-led “Joint Council” as the decision-making and management body.

The mainstream group intensified the effort to enforce absolute faith in Asahara

After the above enforcement of the “religious philosophy,” with an eye to realizing its purpose, the mainstream group all the more strengthened its efforts toward all its members to “get back to Asahara.”

For live-in members (those who have renounced society), the group resumed after 6 years a ceremony in July, which they called the “*Samana Festival*,” wherein all the live-in members gathered together, the leaders preached and gave praise to Asahara, and the live-in members presented a short play to arouse sentiment for “salvation and enlightenment.” The group set out in August a “three-year plan” in order to realize its purpose, and strived to strengthen absolute faith in Asahara by saying, “What pleases the *guru* Asahara most is the growth of followers,” thus encouraging members to undertake training.

In order to indoctrinate lay members with Asahara’s teachings, the group distributed a revised version of the collection of Asahara’s preachings that had been published before the 1995 sarin gas attack in the Tokyo subway and made the members study it intensively in various seminars.

(2) The Joyu group plans to evade surveillance by promoting a policy of “hiding the influence of Asahara”

- The group promoted “breaking away from Asahara” and appealed to the Public Security Examination Commission to urge it to exercise its authority to cancel the surveillance.
- The group successively secured new facilities in order to expand the organization.

The Joyu group promoted various measures to publicize “breaking away from Asahara”

For the purpose of evading surveillance, the Joyu group (*Hikarinowa*), continued to promote as they did in 2007 a policy of “hiding the influence of Asahara” in order to pretend that the group had wiped out Asahara’s influence. As a method, the group proclaimed that it had created a summary document stating that they had reflected on a series of incidents, abandoned the “teaching materials of the former *Aum Shinrikyo*” and had created new teaching materials, so as to emphasize their “breaking away from Asahara.”

From the beginning of the year, the group had live-in members make summary statements one after another, claiming that this action was to promote “reflection on the times of Aum Shinrikyo and of Aleph.” In July, the group announced a group summary document, entitled “Reflection on the Time of Aum Shinrikyo (1983-1999) and its Future,” which stated that deification of Asahara was wrong and that the group regrets the series of incidents.

Also continuing from 2007, Joyu himself practiced a “pilgrimage tour to sacred places,” during which he visited with lay members the shrines and temples throughout Japan that he had selected as “sacred places.” He held training sessions and dance and song performances by members during the pilgrimage, and proclaimed that harmonizing with nature has “an effect of breaking away from Asahara.”

Furthermore, in addition to promoting the abandonment of the “old Aum Shinrikyo teaching materials,” such as the collection of Asahara’s preachings, the group created and distributed in succession teaching materials in which they claim Joyu’s teachings and the theory of Buddhism are summarized.

Thus, the Joyu group promoted various methods to publicize “breaking away from Asahara” and, on September 5, appealed to the Public Security Examination Commission to exercise its authority to cancel the surveillance in accordance with Section 6(2) (of the Organization Control Law.

“Hikarinowa” is part of the cult, and its entity has not changed

In the above appeal, the Joyu group emphasized “breaking away from Asahara” and insisted that “Hikarinowa” had been freed from Asahara’s influence and was a new group completely different from the cult.

Recognizing that it was getting difficult to spread and practice Asahara’s teaching in

accordance with Asahara's intention due to the prolonged surveillance, and also based on Asahara's earlier suggestion to establish a "separate group" for the sake of the cult's maintenance and development, "Hikarinowa" was established to realize Asahara's intention to keep the organization, by evading surveillance through the practice of "hiding the influence of Asahara." Because of its purpose and the course of events for its establishment, "Hikarinowa" is recognized as still belonging to the cult and keeping its identity as the same organization.

At a glance, the activities of "Hikarinowa" may seem to be different from those of the cult, as a result of "hiding the influence of Asahara." The essence of the group, however, is under the influence of Asahara - believing in Asahara. The group still maintains Asahara's teachings and purpose, training system, and organizational structure without changing or removing fundamental parts, although appearances have been altered.

The group secured facilities by hiding the group's name and strengthened branch system

After securing a facility in Sendai in November 2007 by using the personal name of an executive member, the Joyu group newly secured a facility in Toyoake, Aichi, by the same method in February 2008.

The group moved the facilities in Osaka and Yokohama (Osaka Facility, West Yokohama Facility) in June, set out a policy to activate branch activities in August, and later moved live-in members living in the Minami Karasuyama Facility in Tokyo to the newly secured facilities one by one, thus enforcing the branch system.

(3) Public Security Intelligence Agency requests extension of surveillance

- The PSIA strictly performed surveillance on the cult.
- The Agency requested extension of the period of surveillance (the third time).

The cult maintained the conventional organizational power

In Japan, the cult has about 1,500 members (about 500 live-in members and about 1,000 lay members). Almost all of the live-in members and about 70% of the lay members are those who joined the cult before the 1995 sarin gas attack on the Tokyo subway system and strongly retain absolute faith in Asahara. The cult has 30 base facilities in 15 prefectures. In Russia, there are about 200 members and several facilities have been secured.

Public Security Intelligence Agency strictly performed surveillance on the cult

As the implementation of the surveillance prescribed in the Organization Control Law, the PSIA conducted on-site inspections at a total of 29 *Aum Shinrikyo* facilities in 14 prefectures between January and the end of November.

During the on-site inspections of the mainstream group facilities, it was confirmed that the group had resumed displaying Asahara's photographs, had distributed the revised version of the collection of Asahara's preachings that had been published before the 1995 sarin gas attack in the Tokyo subway and had been using it for study, which points to the reality of their developing policy of "getting back to Asahara." It was also confirmed that executive members had been keeping data files of Asahara's preachings, including dangerous ones that the cult had claimed to have sealed. Regarding the Joyu group, the Agency immediately conducted on-site inspections for each facility, including the three that were newly secured in 2008, in order to check the conditions inside and how they are used. It was confirmed that the group had been working to recruit lay members for the mainstream group, and had kept cassette tapes of Asahara's preachings, which the group claimed to have disposed of.

During an on-site inspection at Ikuno Facility in Osaka, live-in members refused to allow photographs to be taken of the objects to be inspected, and the Agency reported it to Osaka prefectural police as the offense of the refusal of on-site inspections (Section 39 of the Organization Control Law).

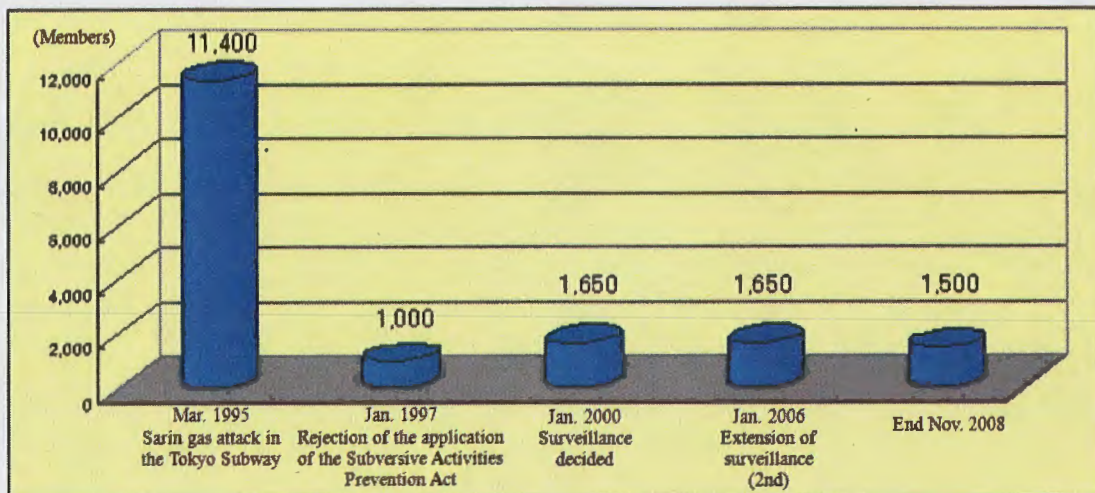
During 2008, the Agency received four reports from the cult on their activities; the group is required to submit such reports on a quarterly basis. In accordance with Section 32 of the Organization Control Law, the Agency provided 16 municipal governments in four prefectures with relevant information 48 times, which included the contents of the reports submitted by the cult, the results of the Agency's on-site inspections of the cult's facilities and the Agency's investigations into the cult, during the period between January and the end of November. The Agency also made efforts to remove people's anxiety by explaining the cult's status to the residents' groups through various explanatory meetings.

PSIA requested extension of the period of surveillance (the third time)

Based on the following reasons, the PSIA judged it necessary for the agency to continue to reveal the cult's activities, and requested the Public Security Examination Commission on December 1 to extend (for the third time) the period of surveillance on the cult in accordance with the latter half of Section 12(1) of the Organization Control Law.

- (1) The cult positions Asahara, the ringleader of the sarin gas attacks in Matsumoto and in the Tokyo subway, as the top of the organization. "Aleph" explicitly emphasizes absolute faith in Asahara and in his teachings, while maintaining a conventional style of activities. Also with "*Hikarinowa*," Asahara has absolute influence on the group's activities, since the activity for "hiding the influence of Asahara" itself, including the declaration for its establishment, is based on the fact that Asahara had wished to establish a "separate group" for its activity, although the group pretended to have wiped out Asahara's influence.
- (2) In addition to the fact that Asahara, the ringleader of both sarin gas attacks, is still the representative and a member, five people including Masami Tsuchiya and Tomomitsu Niimi, who were involved in both attacks, are still members of the group.
- (3) In addition to the fact that Asahara, who was the representative of the cult at the time of both sarin gas attacks, is still the representative, Joyu, who was an executive member called a "minister," is still an executive member.
- (4) In addition to promoting a "Plan to Develop Japan into *Shambhala*" for redemption of people according to Asahara's teachings, the cult still maintains the teachings of Tantra Vajrayana, which justify murdering people who continue to commit sinful deeds. The cult also makes such practice its member's code of conduct and still keeps principles that recommend murder.
- (5) The cult maintains a unique closed society separated from the general public. It also has many members who were involved in various criminal acts, including heinous crimes. Therefore, there remains a risk that the cult may commit indiscriminate mass murder.
- (6) The nature of the organization is still exclusive and deceptive, and this causes fear and unease among its neighbors. Therefore, the neighbors have various meetings and demonstrations to request the dissolution of the cult and ask the central government to extend the surveillance period in cooperation with related local governments.

COLUMN: Change in the number of Aum Shinrikyo members in Japan



- After the 1995 sarin gas attack in the Tokyo subway (when the cult had its largest membership), members left the cult one after another. The number was about 1,000 at the end of January 1997, when the application of the Subversive Activities Prevention Act was rejected.
- In response to the rejection of the application of the Subversive Activities Prevention Act, the cult started activities to restore the organization. Since January 2000 when surveillance was decided, the cult has maintained about 1,650 members (about 650 live-in members and about 1,000 lay members).
- Members left the cult successively due to the conflict over the organization's management between the mainstream group and the Joyu group. The number of the members as of the end of November 2007 was about 1,500 (about 500 live-in members and about 1,000 lay members), which remains the same today.

地図

2. The Japanese Communist Party (JCP) and radical leftist groups

(1) The JCP and radical leftist groups intensify activities under the banners of “opposition to the realignment and enforcement of the U.S. forces in Japan” and “opposition to the overseas dispatch of the Japan Self-Defense Forces (JSDF)”

- The JCP and radical leftist groups conducted protests around the bases of the U.S. forces in Japan with local residents opposing such bases, and called for the withdrawal of the realignment plan.
- The JCP and radical leftist groups engaged in opposition and requesting activities in various regions to protest the JSDF ' s overseas dispatch, especially the refueling activity in the Indian Ocean.

Continuing on from 2007, the JCP (*Nihon Kyōsan-tō*) and radical leftist groups promoted efforts to request the withdrawal of the plan to realign the U.S. forces in Japan and the plan for the deployment of a nuclear-powered U.S. carrier. They also demanded the immediate withdrawal of JSDF troops dispatched overseas. In September 2008, there was a terror/guerrilla incident, instigated by a radical leftist group that targeted a U.S. military base in Japan.

The JCP and radical leftist groups engaged in vigorous activities in opposition to the deployment of a nuclear-powered U.S. carrier at Yokosuka

Regarding the deployment of nuclear-powered U.S. aircraft carrier George Washington to the Yokosuka Naval Base in Kanagawa, the JCP and radical leftist groups engaged in activities from the beginning of the year, in cooperation with opposing resident groups. They requested the establishment of “a regulation on a local referendum to ask whether or not to accept homeporting of nuclear-powered aircraft carriers” and supported a “lawsuit for the suspension of Yokosuka Port dredging work.”

Subsequently, immediately after the USS George Washington had a fire accident in May, the JCP and radical leftist groups intensified activities to request the central government and Yokosuka City to revoke the deployment. In addition, the JCP gathered about 10,000 people and held a rally in Yokosuka City in July, and Kazuo Shii, JCP ' s Executive Committee Chairman, called for an “appeal for the withdrawal of deployment.” When George Washington was deployed on September 25, the JCP and radical leftist groups held rallies and demonstrations on the sea in the vicinity of the base around the time the vessel arrived in Yokosuka Port.

The JCP and radical leftist groups continued protests against the construction of a replacement facility for the Futenma U.S. military base and realignment of Iwakuni Air Station

The JCP and radical leftist groups focused on the protest against the realignment of the U.S. forces in Japan, especially the construction of a replacement facility for the Futenma U.S.

Marine Corps Air Station. With the local opposing residents, they engaged throughout the year in sit-in monitoring activities and obstructions at sea to oppose the environmental impact assessment process (which started in March) for the construction of the replacement facility. In the meantime, the JCP participated in a protest meeting held in reaction to an assault on a junior high school girl by a U.S. soldier in Okinawa. The meeting was organized by local women's groups, and was attended by about 4,000 local residents. In July, with other opposition parties such as the Social Democratic Party and the Democratic Party of Japan (DPJ, *Minshutō*), the JCP submitted to the Okinawa Prefectural Assembly a resolution to oppose construction of the new base. Thus the party made efforts to stoke opposition sentiment in Okinawa.

In Iwakuni of Yamaguchi Prefecture, the Mayor was against the plan to move U.S. carrier-based warplanes and support personnel to the U.S. Marine Corps Iwakuni Air Station, and resigned after a conflict with the city assembly wherein many seats are occupied by members who accept the plan. During the mayoral election in February, the JCP supported the former mayor in tandem with opposing resident groups. However, a candidate who accepts the plan was elected. Later on, the JCP supported local residents who oppose the construction of residences accompanying the move of U.S. troops.

The JCP and radical leftist groups denounced continuation of the Maritime SDF's refueling activity in the Indian Ocean

In January, the JCP and radical leftist groups defiantly labeled the dispatch of the Japan Maritime Self-Defence Force to the Indian Ocean to resume refueling activity as "trampling on the peace Constitution." They held protest rallies and demonstrations around the JMSDF base, from which a refueling vessel and an escort vessel were to leave.

In the appeal court decision in April on "a lawsuit to ask for suspension of the JSDF's dispatch to Iraq" addressed by anti-war civic groups, a judgment indicated that a part of Iraq reconstruction support activities by the Japan Air Self-Defense Force was in violation of the Constitution. The JCP and radical leftist groups evaluated it as "an epoch-making judgment" and revitalized the opposition and request activities against the JSDF, requesting an "immediate withdrawal."

Furthermore, the JCP and radical leftist groups criticized the government, which clarified its policy in September to withdraw the JASDF from Iraq by the end of the year, referring to the "failure of the government's policy on JSDF dispatch." Meanwhile they urged the government "not to permit the continuation of refueling activity, asserting that Japan is heading towards a war state in response to the government's emphasizing the necessity to continue the JSDF's refueling activity in the Indian Ocean. After the start of the Aso administration, they also strongly opposed the Prime Minister's comment on the establishment of the permanent law concerning overseas dispatch of the JSDF.

The JCP and radical leftist groups criticized the deliberation in the Diet in October and later the bill to extend the Replenishment Support Special Measures Law. They argued that "passing the bill in confusion without deliberation cannot be accepted," and conducted protests in

the vicinity of the Diet calling for the repealing of the bill.

The JCP and radical leftist groups continued opposition campaign in parallel with the development of the plan for the realignment of the U.S. forces in Japan

It is considered that the JCP and radical leftist groups will continue their opposition in response to the progress of the construction plan for a replacement facility for the Futenma U.S. military base, redeployment and training missions of U.S. troops and the JSDF troops, while paying attention to the move concerning the overseas dispatch of the JSDF.

(2) The JCP and radical leftist groups criticize the government on various issues related to people's life, such as irregular employment and the health care program for the latter-stage elderly

- The JCP and radical leftist groups requested revision of the Law for Securing the Proper Operation of Worker Dispatching Undertakings and the Improved Working Conditions for Dispatched Workers (hereinafter the "Worker Dispatch Law"), asserting that the increase in irregular employment is the cause of the "poverty and disparity" problem -
- The JCP and radical leftist groups requested the abolishment of the health care program for the latter-stage elderly, which they criticized as "medical care discriminating the elderly"

The JCP and radical leftist groups criticized the government, by stating that the structural reform promoted by the government further deteriorated people's lives, and by pointing at the issues of irregular employment and the health care program for the latter-stage elderly (longevity health care system). Furthermore, they criticized the government's measures on the issues of the high-price of crude oil and food safety, campaigned for reexamination on the implementation of the lay judge system, and protested against amendment of the Constitution.

The JCP and radical leftist groups insisted on the revision of the Worker Dispatch Law, for the reason that the "working poor" issue needs to be solved

The JCP considers that the increase in irregular employment, especially temporary help agency workers, caused by relaxing the regulations on labor laws, was the cause of "poverty and disparity" and that a solution to the "working poor" issue was necessary. In the JCP Diet members' assembly in January, the JCP confirmed their policy to urge for the tightening of regulations by the revision of the Worker Dispatch Law while criticizing "unlawful situations in big companies."

Based on this, Kazuo Shii, JCP's Executive Committee Chairman, pointed out the issue of irregular employment in the Diet session in February and asked to strengthen the regulation on temporary employment agency services. Later, the JCP conducted interviews in various regions, visited big companies that have temporary help agency workers and requested the companies to switch such workers' positions to regular workers' positions, and handed out flyers describing the issue of temporary employment agency services in front of big companies' factories.

The JCP focused its attention on the fact that much media covered the rapid increase in sales of the novel "*Kanikosen*." (*Kanikosen*, or Crab-Canning Boat, which describes fishing workers, is a book written by Takiji Kobayashi in 1929.) While proclaiming that temporary help agency workers are the "*Kanikosen* workers of today," the JCP tried to activate their campaign by encouraging young people to participate in meetings held by JCP-affiliated organizations.

Meanwhile, taking the opportunity provided by the fact that each opposition party tried to

revise the Worker Dispatch Law and that the government and ruling party decided to submit to the Diet a bill including "prohibition of one-day temporary employment agency services in principle," the JCP judged it as a change from relaxation to tightening of regulations on worker dispatch and proclaimed it as "the result of the party ' s activities, including the questions in the Diet session."

Radical leftist groups pointed out in their bulletins that among irregular employees, the workers being forced to perform particularly over-demanding work are 'registered temporary help agency workers," and requested the improvement of labor conditions for irregular employees. The groups were also engaged in establishing a labor union for private membership, and supported the temporary help agency workers who made an accusation of disguised subcontracts.

While participating in the joint struggle with other opposition parties, the JCP urged for abolishment of the health care program for the latter-stage elderly

The JCP considered the health care program for the latter-stage elderly implemented in April as "medical care discriminating the elderly," and tried to arouse public opinion in order to abolish the system from the beginning of the year, and was joined in the struggle by other opposition parties from inside and outside the Diet.

The JCP approached medical associations, labor unions, and civic groups for cooperation. Local assembly members of the JCP engaged in petition drives by talking with the elderly in local welfare facilities and senior citizens ' clubs throughout Japan. On the streets and in town centers, the party mounted a publicity campaign whereby it criticized the system, labeling it as "an attack on the elderly." Especially on the day the system started, the JCP led simultaneous campaigns by mobilizing the party ' s Diet members and JCP-affiliated groups all over Japan.

In addition, the JCP held meetings with other opposition parties, including the DPJ, in Tokyo twice (March) to demand the abolishment of the system. Even after the introduction of the system, the JCP had campaigns on the street on the days the premium is deducted from the pension (April, June), and submitted, with other opposition parties, a pension reform bill to the Upper House (which passed in June, and remains under deliberation in the Lower House).

The radical leftist groups criticized the system in its bulletin as "a system to deprive the elderly of medical care," and called on the ministries and agencies concerned to abolish it by mobilizing affiliated groups.

The JCP criticized the government for the high-prices of crude oil and grains and for the tainted rice scandal

From the beginning of the year, the JCP emphasized the necessity of taking measures to ease the burden on the people caused by the rise in the prices of crude oil and grains, and requested the government to provide compensation for fuel bills to farmers and fishermen who complained about the growing burden caused by such bills. The JCP also visited agricultural and fisheries cooperatives, and small and medium-size companies all over Japan to disseminate the party ' s policy. Regarding food safety, pointing out the scandal of "illegal resale" of tainted rice revealed in September, the JCP criticized the government, saying that it was caused by the government ' s policy to relax regulations by adopting the notification system, whereby anyone

can become a dealer by simply providing notification.

Regarding the lay judge system, the JCP insisted on the “postponement of implementation” and radical leftist groups insisted on “abolishment”

The JCP previously agreed on the implementation from May 2009 of the lay judge system, by positively evaluating the point of “people ’ s participation in judicature.” The party, however, announced its position to “ask for the postponement of implementation” in August, for the reasons that the “consent of the majority of the people has not been acquired, according to public opinion polls” and “conditions have not been prepared for the nation ’ s participation with peace of mind.” As a result, in some local assemblies, assembly members of the JCP conducted petition activities to call for the adoption of “an opinion report to ask for the postponement of the lay judge system implementation.”

On the other hand, radical leftist groups insisted on abolishing the system by criticizing in their bulletins that the system was “to aim at summary trial and tougher punishment.” Especially, the “*Chukaku-ha*” extremist group invigorated the movement by having activists actively participate in protests held in various regions.

The JCP and radical leftist groups urged for the prevention of the inauguration of the Constitution Examination Boards of the two Houses of the Diet

The JCP criticized the inauguration of a new system in March by the “Nonpartisan Lawmakers League for Establishing a New Constitution,” consisting of voluntary Diet members from each party excluding the JCP and the Social Democratic Party, in order to “start the Constitution Examination Boards and to rebuild the sentiment for the amendment of the Constitution.” In the sixth Plenum of the Central Committee in July, the JCP expressed its recognition that “the opinion that the Constitution should be defended is becoming the opinion held by the majority of the people” and confirmed the policy to further intensify protests against amendment of the Constitution. Under the policy, the JCP tried to foment public opinion for opposition through supporting the activities of the “Article 9 Association.” (Article 9 is a clause in the National Constitution of Japan that prohibits an act of war by the state.)

Radical leftist groups appealed to prevent the inauguration of the Constitution Examination Boards through meetings and campaigning on the street. Among other campaigns, a Chukaku-ha-affiliated group ’ s “Block the Road to War! - One Million Signature Campaign,” was held on the streets, from the standpoint of opposing amendment to Article 9.

The JCP and radical leftist groups took the stance of criticizing the government by raising “the protection of the people ’ s life”

It is expected that public attention on the issues related to the people ’ s life, such as employment, pension, medical care, and the tax system, will be heightened in 2009. Under these circumstances, the JCP and radical leftist groups are expected to criticize the government ’ s measures by raising the issue of “the protection of people ’ s life” and “relief for the vulnerable.” In addition, they are expected to strengthen opposition to the fundamental issues of the state such as amendment of the Constitution.

(3) Radical leftist groups are eager to increase their foothold in labor and other sectors, while intensifying their anti-authority attitude

- While the “*Chukaku-ha*” extremist group promoted a policy to put emphasis on labor movements, it had internal conflicts concerning policies, and the anti-central faction split and became independent.
- The “*Kaiho-ha*” group of the Revolutionary Workers’ Association instigated terrorist/guerrilla incidents.
- Various groups including anti-globalization groups engaged in various activities, including tackling the “poverty and disparity” problems.

The group opposing ongoing policy in the “Chukaku-ha” extremist group split and became independent

In the “Chukaku-ha” extremist group, organizational confusion since March 2006 developed into conflict concerning policies between the central faction, which promotes construction of the organization emphasizing the labor movement, and the anti-central faction, which is mainly based in the Kansai area. The split of both factions became definite through the political meetings held separately by both factions.

Throughout the year, the central faction tried to exclude the anti-central faction from various fronts of labor and mass movements, and built up a nationwide campaign to criticize the government by taking up the issues of the realignment of the U.S. forces in Japan and of “poverty and disparity,” and made efforts to attract irregular employees, mainly young people. Under these circumstances, over 40 activists in total were arrested during the “demonstration on campus” held as a part of the protest against the G8 Toyako Summit 2008 at the universities used as the foothold for the protest and during a “laborers meeting and demonstration” in June (Tokyo). Thus, while tightening the organization by intensifying the confrontation against the authority, the central faction held the “Nationwide Laborers’ Rally” (Tokyo) in November, which the group considered as an “opportunity to rouse the entire group to action” and mobilized about 2,600 people (about 2,700 in 2007).

On the other hand, the anti-central faction published the initial issue of its bulletin *Kaku-kyodo-tsushin* in January. The faction announced in June the establishment of the “Revolutionary Communist League Reconstruction Council (RCLRC),” which aims to defeat the central faction leaders who prioritized the labor movement. Furthermore in July, the faction held its own political meeting and virtually separated itself from the central faction and became independent.

For the moment, both factions refrain from using violence and put priority on expanding their respective power. The central faction, however, criticized the anti-central faction for disclosing the internal state of the central faction in the bulletin *Tembo*, and declared in “Revolutionary Army Appeal” (September) that it will “crush and defeat” the anti-central faction. There is concern, therefore, that violent internal strife may occur.

March 2006	The Chairman of Kansai Area Committee and others were replaced for diverting group funds. Regarding the punishment, organizational confusion spread nationwide.
September	The central leaders expelled the Chairman and other members, and later installed new executives of Kansai Area Committee.
January 2007	Central leaders further strengthened a policy to put emphasis on labor movements. As a result, conflict on policies between the central faction and the anti-central faction started.
November	The central faction excluded the Chairman and others of Kansai Area Committee who belonged to the anti-central faction.
January 2008	The anti-central faction published the initial issue of its own bulletin.
June	The anti-central faction announced the establishment of the "Revolutionary Communist League Reconstruction Council (RCLRC)."
July	The anti-central faction held a political meeting.
August	The central faction held an East-West political meeting.

Timeline of the conflict between central faction and anti-central faction

The "Kakumaru-ha" extremist group promoted the expansion of its influence on the labor unions mainly of basic industries

In its statement at the beginning of the year, the "Kakumaru-ha" extremist group proposed a policy to place priority on organizational construction. Under the policy, the group held in February the "Angry Laborers' Rally," setting "opposition to wage control" for its slogan. Throughout the year, the group engaged in "student and laborer joint actions" in major cities including Tokyo and Osaka, in order to prevent amendment of the Constitution and oppose the extension of the Replenishment Support Special Measures Law. The group also made efforts to approach irregular employees and citizens including labor union members of basic industries by urging for the improvement of various labor conditions.

Among other things, the "Kakumaru-ha" extremist group mobilized activists for regular assemblies of the Japan Postal Group Union (June) and the All Japan Prefectural and Municipal Workers' Union (August) and claimed to "oppose employee reductions, mergers and abolishment of companies, and wage cuts," and called for laborers' participation in the group. Regarding the Japan Confederation of Railway Workers' Union and the East Japan Railway Workers' Union, the group did not comment at all on the case pending in court which is related to the unions but just mentioned that "Under the Japan Confederation of Railway Workers' Union, conscientious members are involved in the clever anti-war peace movement."

The "Kakumaru-ha" extremist group is considered to be striving to instigate mass movements and to strengthen its influence among laborers through movements to oppose amendment of the Constitution and anti-war struggles.

The "Kaiho-ha" group instigated terrorist/guerrilla incidents and its dangerous nature became clear

The mainstream group of the "Kaiho-ha" group of the Revolutionary Workers' Association devoted all of the group's energies to the anti-Narita International Airport Struggle

from the beginning of the year. The group, together with the "Chukaku-ha" extremist group, promoted support for the activities of the Kitahara group opposition alliance at the site in Narita and at courts, under the banners of "hampering the northbound extension of the provisional parallel runway" and "crushing the extortion of farmland." Under these circumstances, the group launched "an attack on Narita Airport with a metal projectile" in March for the first time after the split of the "Kaiho-ha" group in 1999, and showed again its dangerous nature of maintaining the line of armed struggle.

In May, seven activists of the group were arrested and indicted (in Fukuoka) for allegedly violating the Organized Crimes Punishment Law (applied to a radical leftist group for the first time) by embezzling welfare benefits for the disabled from a municipality as an organization. The group defiantly labeled it as an "attack to destruct organization by power" and held rallies and demonstrations for protest in Fukuoka City, in addition to showing a strong opposing attitude by mobilizing many activists to attend hearings and repeating abusive language in the court.

Meanwhile, throughout the year, the anti-mainstream faction held a struggle to hamper the realignment of the U.S. forces in Japan and a struggle to oppose the SDF's overseas dispatch. In addition, the group made efforts to support day laborers' life at so-called "Yoseba" (the urban day-labor market) in Tokyo and Fukuoka and to request administrative organs to improve working conditions, and thus tried to strengthen the group's power.

The group also opposed deployment of a nuclear-powered carrier at Yokosuka, and launched "an attack on the U.S. Yokosuka Naval Base with a metal projectile" in September, which they praised for its role as "a revolutionary achievement" following the attack on the U.S. Army's Camp Zama by a metal projectile in February 2007.

Both groups maintained the attitude of "continuing to rise to action for armed struggles," and there is a danger in the future of terrorist/guerrilla incidents in connection with the Narita Struggle and anti-war/anti-base struggles.

Some radical leftist groups and anarchist groups engaged in activities by raising the "anti-poverty" issue

Over the year, some radical leftist groups and anarchist groups engaged in anti-war activities and struggles in order to request revocation of irregular employees' dismissals, by raising the "anti-war," "anti-poverty and correction of disparity," and "elimination of discrimination" issues, and thus tried to infiltrate the ranks of laborers and citizens. Under these circumstances, on "Independent May Day," which was held in April and May, by gathering about 2,000 people in total at 15 venues nationwide under the banner of "anti-poverty and disparity," anarchist groups participated in the management, and promoted meetings and demonstrations, involving laborers, in order to request improvements in low wages, long working hours, and social securities. In November, the groups used the Internet to encourage students and young workers to participate by urging them to "stand up and correct the society with disparity caused by war," and held meetings and "anti-war" and "anti-poverty" demonstrations.

Anti-globalization groups aimed to expand their campaigns through protest against the Summit

Anti-globalization groups such as “ATTAC Japan” lead by the JRCL (Japan Revolutionary Communist League) engaged in “Global Action” in Tokyo in January as a part of the “World Social Forum” that was held under the banner of “opposition to trade liberalization” and “opposition to poverty and disparity” (simultaneously held in about 80 countries and regions). The groups also held a protest against the G8 Toyako Summit 2008 in July, and thus strove to expand the anti-globalization movement. These anti-globalization groups are considered to be continuing their efforts toward activating the movement and building up the network in cooperation with overseas groups to coincide with international conferences, such as summit talks.

(4) The JCP engages in various activities in consideration of the snap election

- The JCP tried to make its presence felt by Diet debate pointing out the issue of irregular employment.
- The JCP put a lot of work into approaching the younger generation and conservative people in order to attempt to increase supporters.

The JCP promoted Diet debate on a policy to “open up the road to victory in the general election”

From the beginning of the year, the JCP actively worked on the debate with the government under the policy to “open up the road to victory in the general election” and tried to publicize its existence.

During the ordinary Diet session, the JCP placed emphasis on the issues related to the people's life. Kazuo Shii, the party leader, pointed out in February the issue of irregular employment and insisted on revising the Worker Dispatch Law, stating that “one-day temporary employment agency services treat human beings as consumables.” Also, regarding the health care program for the latter-stage elderly the JCP considered it as an “extraordinary discrimination of the elderly” and in 2007 requested its abolishment. Since then, the JCP has repeatedly pointed out these two issues and criticized the government.

When the special tax measures bill was submitted in January and Diet deliberations on the budget bill of FY2008 were interrupted in March, the JCP proposed a breakthrough to other opposition parties. When other opposition parties including the DPJ jointly submitted a motion against the Prime Minister in June, the JCP did not join the submission but simply agreed with the vote. Thus, the JCP also tried to show its independent stance.

As for the extraordinary Diet session, the JCP showed a confrontational attitude to the Aso Administration, which was inaugurated in September, stating that “we will drive the administration to a snap election through Diet debate,” and criticized the government by pointing out the issues of irregular employment and of the extension of the Replenishment Support Special Measures Law.

The JCP approached a wide range of eligible voters in order to expand support

The JCP engages in activities to publicize the party and to increase supporters over the year mainly approaching the younger generation and conservative people.

Regarding the younger generation, the JCP tried to publicize and promote the party's policies by holding talks on the streets and holding “talk meetings,” wherein party leaders gave lectures. Concerning conservative people, the party leaders made efforts to have people understand the party by talking with conservative organizations such as agricultural and fisheries cooperatives, medical associations, and societies of commerce and industries.

While working on publicity activities and activities to increase supporters, following the media's handling the JCP's effort concerning the irregular employment problem as a big story,

the JCP emphasized in the 6th Plenum of the Central Committee in July that "attention and hope for the party has been spreading." The JCP also put a lot of work into increasing the number of party members and of subscribers to the party's newspaper *Shimbun Akahata* (newspaper red flag), and announced in November that "the number of people who became members after the 5th Plenum of the Central Committee in September 2007 has reached about 12,000." However, some people cancelled their membership, and both the number of party members (about 0.4 million) and that of the circulation of *Shimbun Akahata* (about 1.5 million) remained almost the same as those of 2007.

The JCP strengthened the tightening of organization with an eye towards a snap election

In accordance with Prime Minister Fukuda's announcing his resignation in September, the JCP considered that the possibility of an early snap election had become highly likely, and held the 7th Plenum of the Central Committee at the end of September to encourage further effort on the activities made so far, stating that "the party is far behind in terms of size and speed required to secure victory." Later on, with a growing view that the snap election would be held after the turn of the year, the JCP tried to tighten the organization by repetitively emphasizing in the *Akahata* that "the later the dissolution, the better the condition for victory."

As for candidates, under the new election policy (the 5th Plenum of the Central Committee) of concentrating on proportional-representation constituencies by cutting down the number of candidates for single-representative constituencies from the viewpoint of reducing financial burden, the JCP decided by the end of November 148 candidates for single-representative constituencies (275 at the time of former general election in September 2005) and 74 candidates for proportional-representation constituencies (39 for the same).

Feeling a strong sense of crisis that the JCP may be forgotten in the structure of confrontation between "the LDP and the DPJ" in the next general election, the JCP criticized a series of the DPJ's responses towards the Diet session as "placing the party's strategy of prioritizing dissolution over Diet deliberations," and tried to emphasize the difference between the DPJ and the JCP.

The success or failure of efforts based on the new election policy attracts attention

The JCP is expected to concentrate on activities to publicize the party and to increase supporters, aiming at getting 6.5 million or more votes in proportional-representation constituencies in the general election. Much attention is being given to what the results of the election will be if competed in with the new election policy. It is considered that after the general election, the party will decide each government administration policy based on the movements of each party, conduct various activities inside and outside the Diet, and try to strengthen its influence.

(5) Movements of “Yodo-go” group and the Japanese Red Army

- “Yodo-go” group urged for the withdrawal of the allegation that it was involved in the abduction of Japanese citizens.
- The Japanese Red Army maintained its dangerous nature.

“Yodo-go” group attempted to increase support

The four “Yodo-go” hijackers remaining in North Korea have insisted on “an agreement on their ‘return to Japan’ as political refugees instead of ‘being extradited’ as criminals, as a result of talks with the Japanese government.” They also strongly request the retraction of the allegation and Interpol notice that they were involved in the abduction of Japanese nationals. They also tried in 2008 to increase support for their insistence by again holding meetings with members of the European Parliament (March, August) as well as Japanese supporters.

Under these circumstances, North Korea declared once again in Japan-DPRK working-level consultations (June) that it was “ready to cooperate to solve the issue of the persons concerned with ‘Yodo-go’.” Thus, the issue of the return to Japan of the “Yodo-go” group, including the suspects in the abduction of Japanese citizens, is related to the course of the Japan-DPRK talks.

The Japanese Red Army maintained its dangerous nature by glorifying and justifying the Lod Airport Massacre in Tel Aviv

The Japanese Red Army has been insisting that the Lod Airport Massacre in Tel Aviv, in which the group killed about 100 people (May 30, 1972), is justifiable, while the members and supporters held a commemorative meeting in May 2008. The supreme leader Fusako Shigenobu, who is in custody, announced a statement (May) to glorify and justify the case.

Seven members of the Japanese Red Army, including Kozo Okamoto, a criminal who was involved in the above massacre and is in exile in Lebanon, are on the international wanted list, and the dangerous nature of the Japanese Red Army has not changed.

The Japanese Red Army members on trial or serving time (as of end of November)

Fusako Shigenobu	On Supreme Court trial (Sentenced 20 years imprisonment by High Court)
Haruo Wako	On Supreme Court trial (Sentenced life imprisonment by High Court)
Jun Nishikawa	Sentenced life imprisonment by High Court on October 28
Hiroshi Sensui	Serving time (life imprisonment)
Osamu Maruoka	Serving time (life imprisonment)
Yukiko Ekida	Serving time (20 years imprisonment)
Tsutomu Shirosaki	Serving time in a prison in the United States (30 years imprisonment)

The Japanese Red Army members on the international wanted list

Kozo Okamoto	Junzo Okudaira	Norio Sasaki	Akira Nihei
Kunio Bando	Hisashi Matsuda	Ayako Daidoji	

3. Right-wing groups

Right-wing groups conduct activities regarding diplomatic and territorial issues with China and South Korea

- Right-wing groups intensified anti-China activities regarding outstanding issues between China and Japan, while urging for a boycott of the Beijing Olympic Games.
- Right-wing groups intensified criticism of the government's diplomatic attitude on the *Takeshima* and abduction issues.

There was no change in the organizational power of right-wing groups as a whole, but organized criminal groups still tended to be on the rise. Under these circumstances, in addition to urging for a boycott of the Beijing Olympics, many groups vigorously promoted activities regarding various issues relating to China, South Korea, and North Korea, such as territorial land and sea disputes and the abduction issue.

Right-wing groups promoted anti-China activity on the occasion of the Beijing Olympics

Right-wing groups raised the "anti-China" issue as the largest agenda of 2008, since it is the year in which the Beijing Olympics were held, and were engaged in lively activities regarding the outstanding issues between China and Japan.

From January to August, when the Olympics were held, right-wing groups held meetings and demonstrations in order to urge for a boycott of the Beijing Olympics, insisting that "a nation oppressing human rights is not qualified to hold a festival of peace." Right-wing groups also criticized Yohei Kono, Speaker of the House of Representatives and Chairman of the nonpartisan Diet members' league, "parliamentarians' league in support of the Beijing Olympics," and held in January a protest against the ruling Liberal Democratic Party (*Jiyū-Minshutō*, LDP), many members of which belong to the league. Among other people, right-wing group members were responsible for an incident in which paint was sprayed on the front gate of the LDP's headquarters (February 1).

Furthermore, gaining momentum from the movement among the leaders of European countries to announce a boycott of the opening ceremony in response to the riot in Tibet (March 14), right-wing groups intensified protest activities against the Beijing Olympics. When the Olympic torch relay was held in *Nagano* on April 26, right-wing groups protested on the roadside in Nagano City and considered it "the best opportunity to encourage anti-China sentiment in the world." On the previous day, a right-wing group member who carried a knife and flyers to a protest on the route of the torch relay was arrested. On the day of the relay, right-wing groups caused various incidents, including throwing a smoke bomb at a runner.

Furthermore, regarding the food poisoning cases caused by tainted frozen dumplings (*gyoza*) imported from China (January), right-wing groups engaged in protests against importers

and Chinese diplomatic offices, making the accusation that “you are accomplices who supported the food terror of China” and saying “you should apologize to consumers.”

In addition, when President Hu Jintao visited Japan (May 6 to 10), many groups conducted protest activities concerning outstanding issues between China and Japan at the places the President visited and in the vicinity of Chinese diplomatic offices, insisting that China must “stop the intrusion on the territorial sea and illegal wildcatting of the gas field in the East China Sea.”

Right-wing groups criticized the measures of the government on the description of Takeshima in the manual for the school curriculum guideline

Right-wing groups insisted on Japan’s territorial rights over Takeshima Island, part of Japanese sovereign territory, and held activities in various regions in order to urge for the “recapture of Takeshima,” on “Takeshima Day” (February 22), established by Shimane Prefecture. After the Ministry of Education, Culture, Sports, Science and Technology provided a description for the first time of Takeshima in the manual for the school curriculum guideline for social studies in junior high schools (July), the South Korean government recalled its Ambassador to Japan, and Korean Parliamentary members of the ruling and opposition parties submitted a bill to the Parliament to request the establishment of “*Dokdo* Day.” The right-wing groups resented these actions in particular, and forced their way into South Korean diplomatic offices in various places and led protests in order to request the country “to withdraw from our territory, Takeshima.” Right-wing groups also criticized the attitude of the Japanese government for “having avoided clarifying ‘traditional Japanese territory’ in consideration of South Korea,” and engaged in activities to request related organizations to definitely claim territorial sovereignty on Takeshima.

Resenting the South Korean army veterans who urged in Tsushima City of Nagasaki Prefecture after mid-July that “Dokdo and Tsushima are Korean territories,” right-wing groups visited Tsushima City, requested the city authority to reexamine their exchanges with South Korea, and built up a propaganda campaign to criticize South Korea.

Right-wing groups held protests against the abduction issue and the screening of the movie “Yasukuni”

Right-wing groups held protests to criticize the measures of the government on the abduction issue and the ruling party members who insist on the importance of dialogue with North Korea. At the same time, the groups verbally attacked North Korea by stating that “North Korea is trying to delay the solution of the abduction issue.”

On the occasion of the Japanese government’s agreement on the partial lifting of economic sanctions against North Korea in the Japan-DPRK working-level consultations (June 11 and 12 in Beijing), right-wing groups engaged in activities to urge that “it is too early for the government to lift sanctions.” In addition, toward Taku Yamasaki, the former LDP Vice President, who took the position of the Chairman of the Diet Members League for Promoting Normalization of

Japan-DPRK Relations, and Koichi Kato, the former Secretary General of the LDP, who stated in a TV program that the abducted victims should have been returned to North Korea, right-wing groups strongly protested by stating that “they ignored abducted victims and their families,” and requested their resignation from the Diet. A right-wing group member also stabbed himself in the abdomen on a road near the front gate of the Diet building, carrying a document criticizing the political attitude of both Diet members Yamasaki and Kato (July 20).

Regarding the screening (from May to November) of “*Yasukuni*,” a documentary film produced by a Chinese man, some right-wing group members at first protested by labeling it as an “anti-Japan movie.” Later, many groups came to the conclusion that protest activities by right-wing groups would be a good advertisement for the movie, so only a few groups ended up protesting at the theaters that screened the film.

Right-wing groups continued activities focusing on diplomatic issues

Japanese right-wing groups are expected to continue their activities to request the Prime Minister to visit *Yasukuni* Shrine and to realize an amendment of the Constitution, while focusing on diplomatic issues with neighboring countries, such as gas field development in the East China Sea, the Takeshima issue, and the abduction issue. Depending on future trends in diplomatic issues, right-wing groups may take more extreme actions, and their movements should be carefully watched.

Movements regarding the G8 Toyako Summit 2008

Regarding the G8 Toyako Summit, various domestic and overseas organizations conduct a variety of activities

- Radical leftist groups and domestic and overseas anti-globalization groups held active protests against the Summit.
- Some right-wing groups attempted to approach the venue.

The G8 Toyako Summit 2008 was held in Toyako, Hokkaido, from July 7 to 9, and related ministerial meetings were also held nationwide from March.

Various domestic groups were active in various regions with the aim of participating in protests at the venue in Hokkaido

With regard to the Summit, radical leftist groups and anti-globalization groups led by them had protests while related ministerial meetings were being held before the Summit in order to arouse sentiment to oppose the Summit by labeling the Summit as “a meeting to promote neoliberal policies.” Several activists were arrested during the opposition demonstrations that the “*Chukaku-ha*” extremist group held immediately before the Summit (June, Tokyo).

Anti-globalization groups including ATTAC Japan, a group led by the JRCL, were busily engaged in preparations to receive overseas participants, including the preparation of accommodation, while calling for a joint struggle in the protest activities of overseas anti-globalization groups.

Radical leftist groups and domestic and overseas anti-globalization groups gathered for the “Peace Walk”

From the beginning of July, radical leftist groups and anti-globalization groups led by them gathered one after another in Sapporo City and in the vicinity of Toyako town, and engaged in activities to oppose the Summit in cooperation with various domestic and overseas groups. In particular, radical leftist groups and overseas and domestic anti-globalization groups participated in the “Peace Walk” (about 2,000 participants) that local civic groups called for and held in Sapporo City on July 5, from an “anti-summit” standpoint. Some people in the demonstration march made loud noises, and four participants were arrested for instigating an illegal demonstration after ignoring a warning from the security authority. From the previous day of the Summit, the “*Chukaku-ha*” extremist group and the “*Kakumaru-ha*” extremist group held protest rallies and demonstrations respectively in Sapporo City with the slogan “Crush the Summit.”

However, there were neither riots by anti-globalization groups nor terrorist/guerrilla incidents by radical leftist groups.

Anti-globalization activists from overseas also visited Japan

For the occasion of the summit, over 200 overseas activists from anti-globalization groups in various countries, including "ATTAC FRANCE," visited Japan and took part in protests such as the "Peace Walk" mentioned above. About 100 activists of a South Korean anti-globalization group, of which many members were arrested in a WTO ministerial meeting in the past, came to Japan, but dozens of them were denied entry at immigration, and one of them was arrested for the offense of obstructing an officer in the performance of public duties.

Right-wing groups considered the Summit a good opportunity to insist on the "recapture of the Northern Territories" and conducted activities

Some right-wing groups considered the Summit, when the leaders of the United States, China, and Russia visited Japan, a good opportunity to assert their opinions. They led propaganda campaigns in Sapporo City at the end of June and later insisted on the "recapture of the Northern Territories," and expressed "anti-China" and "anti-America" sentiment, etc. From July 5 to 9, they gathered in the vicinity of Odori Park in the city and continued their propaganda campaigns. During that time, they also held protests directed at the participants of the meeting and the "anti-Summit" demonstration march. Both sides squared off against each other for a while but neither committed any illegal acts. Some right-wing groups visited Toyako town by campaign trucks and other groups tried to approach the venue of the summit to stoke anti-China sentiment, but these activities were prevented by strict security.

In addition to the activities in Hokkaido, some right-wing groups submitted a petition to the Ministry of Foreign Affairs and to the Cabinet Office to ask the government to "face the summit with a resolute attitude on the territorial issues" and others led propaganda campaigns in Tokyo and Kanagawa to urge for the "recapture of the Northern Territories" on the first day of the summit.

Postface

The public security situations have been changing at home and abroad, including international terrorism and the status of North Korea, and the need for relevant information is increasing. In the government, the Headquarters for the Promotion of Measures against Transnational Organized Crime decided the “Action Plan for the Prevention of Terrorism” in December 2004, for the purpose of “enhancing the collaborative work by related organizations to gather terrorist-related information.” Furthermore, in February 2008, the Study Group on Intelligence Function Enhancement formulated “the Basic Concepts for Strengthening Intelligence Capabilities of the Prime Minister’s Office,” and one of its measures is to strengthen the information gathering function of every ministry and agency that together make up the intelligence community.

As a member of Japanese intelligence community, the Public Security Intelligence Agency is required to collect, analyze, and supply necessary information promptly and appropriately to secure the safety of our country and the people. For this purpose, the PSIA improves and strengthens the system used to gather and analyze information and also maximizes the use of the information network it has built up in the process of conducting investigation for over 50 years, not to mention continuing the enhancement of the cooperation with related domestic and foreign organizations.

With regard to *Aum Shinrikyo*, both “Aleph” (mainstream group) and “*Hikarinowa*” (*Joyu* group) are recognized to be under the influence of Asahara and to have a substantially dangerous nature, and the Agency considers it necessary to strictly implement surveillance of them in order to secure public safety and remove people’s anxiety.