

Japanese opposition manoeuvres to replace Obuchi

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Various opposition parties combined in the upper house of Japan's Diet (parliament) last week to reject the new government formed by incoming Japanese Prime Minister Keizo Obuchi, signalling their readiness to bring down the administration and force new elections for the lower house. They voted instead for Naoto Kan, the leader of a recently forged coalition, now called the Democratic Party of Japan, to take office as prime minister.

Although Obuchi's government still took office, because it commands a majority in the lower house, the upper house vote highlighted the fact that the new cabinet cannot count on having its legislation passed. Moreover, media polls suggest that Obuchi's government, largely the product of backroom deals struck between the ruling Liberal Democratic Party's main factions, has the lowest popularity of any new administration in Japan's modern history. According to one newspaper poll, less than one-third of respondents support the new cabinet.

At the same time, the United States and other major capitalist powers are demanding that the government move swiftly to shut down debt-riddled banks, slash taxes for business and wealthy individuals, and open up the economy to global competition. President Clinton placed a 15-minute telephone call to Obuchi last weekend to underline Washington's insistence that he act quickly to strengthen Japan's financial system and its currency. According to details reported by the British newspaper, the *Financial Times*, Clinton warned Obuchi that the Japanese recession was worsening the slump in Asia, whose impact was already being felt in the US.

The international pressure on Obuchi increased when remarks by his newly-appointed Finance Minister, former prime minister Kiichi Miyazawa, about letting the markets determine the level of the yen sent the Japanese currency plunging to 145.2 to the US dollar. Only last June, when the level reached 146.6, the US Treasury joined the Bank of Japan to intervene in the market to push up the yen. There was further consternation when Taichi Sakaiya, the new minister at Japan's Economic Planning Agency (EPA), said

the economy could contract by as much as 0.5 percent in the current fiscal year, making it the second successive year of recession.

The measures required by Washington and other financial powers will send some major Japanese banks and other sections of business to the wall, raising the level of joblessness, now at a record figure of more than three million, even on the vastly understated government figures.

One of the acute problems confronting Japan's ruling circles is how to impose drastic economic restructuring without a government that commands popular support. That is why new combinations of parties and factions are being prepared.

In one scenario, Obuchi, or the LDP with another leader, would cling to office in alliance with right-wing parties. He has links with the Buddhist-backed Komei party and the Liberal Party headed by former LDP secretary general Ichiro Ozawa. In 1997 Ozawa split from a former opposition coalition that included the Democratic Party and other groups, in order to explore the possibilities of combining with some of his old LDP associates to take office. Many in Ozawa's party used to belong to Obuchi's faction of the LDP before they broke from the LDP in 1993.

Given the limited credibility of these forces in the eyes of ordinary people, however, efforts are being made to promote Naoto Kan as a popular leader who could form an alternative government. The media has highlighted the fact that as a former health and welfare minister in 1996 he exposed the role of officials within his own department in allowing the marketing of HIV-tainted blood. By one opinion poll, 54 percent of those polled support his call for a general election as soon as possible. According to another survey, the Democratic Party outpolled the LDP for the first time, recording 34 percent support to 23 percent.

But the coalition headed by Kan is itself an unstable product of the breakup that has taken place in official Japanese politics during the 1990s. It is a disparate alliance, formed in March to bring together four parties -- the Democratic Party of Japan, Good Governance Party, Amity

Party and Democratic Reform Party -- in an expanded version of the Democratic Party.

These groupings, in turn, largely arise from earlier splits from the LDP, which has ruled Japan since 1955, except for 10 months from August 1993, when it was replaced by an unstable 'reform' administration headed by Morihiro Hosokawa, an LDP defector. The LDP returned to office in 1994, but in partnership with its official opponent throughout the post-war period, the reformist Socialist Party. Once in office, the Socialist Party reversed virtually every policy it had espoused since the 1940s.

It was a turning point in the disintegration of both the major post-war parties, accelerating the disaffection of wide layers and producing a political fragmentation that is reflected in Kan's coalition. Among its factional leaders are Hosokawa and another former prime minister, ex-LDP leader Tsutomu Hata. Like Kan, who was a member of an LDP cabinet as recently as mid-1996, they are products of the LDP machine, only departing from it when its grip over government began to crumble. Alongside them are trade union-endorsed and other elements that abandoned the Socialist Party after 1994.

The Democratic Party's program consists of outdoing the LDP in handing out tax cuts to big business and the wealthy and restructuring the banks. Kan is floating his own plan for a US-style Resolution Trust Corp. to take over the bad loans in the banking sector. The Democratic Party also backs sweeping cuts to government programs and jobs. One of Kan's key planks is to cut the number of government employees by half -- that is, by more than 600,000. Obuchi's aim is modest by comparison. He has merely pledged to eliminate one-fifth of government jobs within 10 years.

Kan has attacked the LDP for being incapable of deregulating Japan's economy. 'Japan faces serious problems requiring major reforms that will be painful,' he said. 'The Democratic Party thinks it is a matter of course for the LDP to dissolve the Diet and hold a general election early to let the people choose which party is fit to implement reforms.'

In order to impose such 'pain' Kan has called for a wider alliance between opposition parties including, most notably, the former Moscow-line Stalinists of the Japanese Communist Party (JCP). He has modelled himself on the 'Olive Tree' coalition constructed by Italian Prime Minister Romano Prodi, a right-wing Christian Democrat whose government includes the rump of the Italian Communist Party. Kan's other model is British Prime Minister Tony Blair.

Both Prodi and Blair head regimes that have gone far beyond previous conservative governments in slashing social spending, especially welfare. In Italy, the Communist Party leaders, now calling themselves social democrats, have

been a crucial cog in the government, helping to quash intense opposition in the working class to the austerity measures.

In Japan, the Communist Party leadership has made clear its readiness to join a similar front. Its 49 MPs in the lower and upper houses of the Diet voted for Kan in last Thursday's leadership vote. Their vote was described as a landmark for the JCP, which has traditionally backed its own party chief.

The night before the vote, JCP secretary-general Kazuo Shii said his party was ready to cooperate with any opposition party to take over power from the LDP. He added that the JCP would build up relations with other opposition parties step-by-step, first by collaborating on policy issues. Shii said the JCP hoped to be part of a 'democratic coalition' to replace the LDP but was prepared to support any party that produced a definite anti-LDP line. The JCP had in the past refused to endorse the policies of other parties but had now become 'more flexible,' he said.

Shii did not object to Kan's big business platform. His only specific call was for a reduction in the highly unpopular consumption tax from 5 percent to 3 percent. The Stalinists have won support in recent elections, increasing their seats in the upper house from 14 to 23, by opposing the tax and other measures, such as government spending cuts. They have grown at the expense of the Socialist Party, benefiting by being the only opposition organisation not tainted by joining the government.

The Democratic Party has spurned the JCP's offer of a formal coalition, for now, because of antagonism among its more conservative elements and also because Kan is also wooing Komei and Ozawa's Liberals, both staunchly anti-communist. But the willingness of the JCP to join a Kan government demonstrates its political bankruptcy and the lack of any party that defends the independent interests of the working class.

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