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Policy Speech by Prime Minister Taro Aso to the 170th Session of the Diet

29 September 2008

JAPANESE



(On Assuming Office)

Having recently been designated by the highest organ of state power and having had my appointment attested by His Majesty the Emperor, I, Taro Aso, have assumed the office of Prime Minister of the Ninety-second Cabinet of our nation.

Before me have come fifty-eight Prime Ministers. There is also the mighty river of constitutional government that has flowed on for almost 118 years. There are further the tradition of government that has continued to see the appointments of new Prime Ministers in keeping with constitutional procedures, and an uninterrupted accumulation of the hardships and the good fortune, the sorrows and the joys of the Japanese people, just like braided ropes.

At the present, which lies at the end of this long line, I am increasingly struck by the sheer gravity of the responsibilities that I am about to shoulder.

I wish for my words to reach the people of Japan-the elderly, who tend to lose their vigour, and young people; indeed, all the Japanese people-that Japan must be strong. A strong Japan is a country that is unwavering in adversity, seizing it as an opportunity to leap forward even further.

Japan must be bright. We know from accounts by many a foreigner who visited Japan in the final years of the Tokugawa shogunate, recording with astonishment that we Japanese, though by no means affluent, were certainly a people who loved to smile and laugh. This quality has surely been inherited in abundance by present generations. Our task is to revive it.

To the future of Japan and of the Japanese people, peace and security; to people's daily lives, stability and hope; and dreams for our children's future-I am keenly aware that my proper duty lies in bringing these about and rendering them rock-solid. It is thus that I sacrifice myself in order to discharge my duties as Prime Minister.

I am not pessimistic.

I have never harboured even the slightest doubt in the latent power and vitality of Japan and the Japanese people. The political and economic vicissitudes seen at present both at home and abroad resemble torrents in rapids. However, I have unlimited faith in the power of the Japanese people to weather changes and to break out strongly from the mould. And I myself will never flinch from the challenges before me.

Upon the foundation of the coalition government of the Liberal Democratic and New Komeito parties, I pledge to the people of Japan that I will conduct the affairs of state with responsibility and with the ability to execute the tasks at hand.

(Conduct of Diet Affairs)

First, I will express my views on the conduct of Diet affairs.

In the previous Diet session, a bill on the tax system was shelved by the Democratic Party of Japan (DPJ) in the House of Councillors, where it holds control. As a result, no decision on that bill was taken for as long as two months. The DPJ put political point-scoring before all else and persisted in an attitude in which the lives of the Japanese people were given merely secondary or tertiary importance.

Debates between ruling and opposition parties and struggles over policy are of course the foundations of parliamentary democracy. However, a legislature that precludes agreement is totally unworthy of its place in a parliamentary democracy.

A slogan of the DPJ holds that politics exist to protect the livelihood of the people. Surely, no parliamentarian would disagree. That is exactly why now we should establish rules on reaching agreement-to attain this very purpose.

Is the DPJ prepared to take on this task? Or, will it seek to violate its own creed by denying decision-making in the Diet and once again relegating the lives of the Japanese people to a

subordinate priority? The Japanese people are watching with their eyes wide open.

In this policy speech, I will deliberately state my views only on the most pressing issues. From there, I seek to engage in debate with the DPJ.

(Steady Economic Growth)

Rebuilding the Japanese economy is an issue of utmost urgency.

I will take this up in three phases. In the near term, we will take measures to revive business activity; in the mid-term, we will rebuild public finances; and during the mid- to long-term, we will pursue economic growth through reforms.

In first phase we will revive business activity.

The government and ruling parties have formulated the "Comprehensive Immediate Policy Package to Ease Public Anxiety". As the name states, this package will give reassurance to those who are directly hit by rising prices and the economic slowdown, as well as to those in the agricultural, forestry and fisheries sectors, those employed by micro-, small and medium-sized companies, and to those concerned about employment and health care. The package will also produce economic growth through reforms.

By the end of the current fiscal year, I will implement a fixed-sum tax cut. This is intended to provide immediate assistance towards household finances. I will keep a close eye on the course of the US economy and international financial markets, measure their influence on the real economy, and respond further as necessary in a flexible manner.

I appeal to the Democratic Party of Japan. Approval of the supplementary budget, which underpins the implementation of the Comprehensive Immediate Policy Package to Ease Public Anxiety, is of utmost urgency. I urge them to study the bill, and if there are any points in it that they find unacceptable, they should indicate them with the reasons during the Diet interpellation session. Any counterproposals would be fine, provided the requisite fiscal resources are presented as well. It would indeed be desirable to debate the merits of both proposals before the nation. The DPJ's resistance created a one-month shortfall in fiscal resources to be used for regional roads. Together with the supplementary budget, the bill to compensate the shortfall must be approved as soon as possible. I call on the DPJ to clarify its position on this bill as well.

The second phase is fiscal reconstruction.

Our country is in enormous debt. Fiscal reconstruction is an obvious task if we are to avoid a pernicious effect on the economy and social security. We have set the goal of achieving a surplus in the primary fiscal balance of the national and local governments by the fiscal year 2011. I will strive to achieve this.

However, we must not confuse the means with the goal. Fiscal reconstruction is one of the means. The goal is the prosperity of Japan. Without economic growth there is no fiscal reconstruction. It simply cannot happen. Indeed, the goal of the Aso Cabinet lies in the sustained and stable prosperity of the Japanese economy. My cabinet will strive for fiscal reconstruction without straying from this basic line.

In the third phase, I will seek growth through reforms.

What does growth through reforms mean? It means none other than to proceed along the royal road of the Japanese economy: to develop new industries and technologies and thereby create new demand and employment. I will forcefully advance the New Economic Growth Strategy.

What are the obstacles and what should be reformed? These can be found in regulations and the tax system. I will abolish what should be abolished and reform what should be reformed.

What are our strengths? We are a hard-working people with scientific and technological prowess. I will release our latent powers. The Japanese economy has boldly met countless severe challenges, and each time it has emerged stronger. Once again, such a time has come.

So these are the three phases. In about three years, we can gauge the results. I would say that the Japanese economy needs three years for a full recovery. In three years, Japan can, and I believe it must, break out of its mould.

(Peace of Mind in People's Daily Lives)

I will now address the issue of peace of mind in people's daily lives.

Dissatisfaction is a springboard for action. Anxiety, to the contrary, causes people to hang their heads and stand motionless. Thus anxiety is what we should really dread. We must make Japan a strong and bright nation once more by dispelling anxiety from people's daily lives.

Among the anxieties the Japanese people have is that of pension records which have "disappeared" or were "erased". Individuals' pension records-and therefore the correctness of pension entitlements-can no longer be trusted. There is no way forward other than to continue the verification of these records, no matter how much time or effort this may require. We will also strictly punish personnel who have engaged in misconduct. I bow my head to the people of Japan in asking for their understanding and cooperation. We will accelerate our deliberations on how to ensure the stability of financial resources for pensions and other forms of social security and will clarify the path that should be taken.

Anxiety also certainly grows if we are unable to put our trust in medical care. I frankly recognize and strongly regret that the medical care system for people aged seventy-five years and over has caused unnecessary confusion among the public, in part because of insufficient explanation. However, simply abolishing the system will not resolve the problem. We will consider necessary revisions over a period of about one year so as to gain the understanding of the elderly.

Patients needing emergency medical care being passed from hospital to hospital, shortages of doctors in obstetrics and pediatrics, anxiety about pregnancy and childbirth costs, shortages of nursing care workers, and insufficient numbers of nursery schools-these are all issues that may affect us personally at any time. There is nothing more depressing than to have to live every day in anxiety. I consider these anxieties as my own and will strive to dispel them as quickly as possible.

If the young people who will shoulder the next generation of Japan do not have hope, the very foundation of our nation is at risk.

We will encourage struggling young people to become self-supporting and we will extend the hand of assistance. Towards that end, we will consider new legislation to support young people. We will raise the minimum wage and review the worker dispatch system. In

conjunction with these, we will pursue improved conditions in micro-, small and medium enterprises.

Trust in our nation's schools is also being shaken. Anxiety has arisen over the state of education. The schools to which we send our children must be made worthy of our trust. We will provide high-quality education that will earn the confidence of children's parents or guardians.

We continue to see distressing incidents whose victims are children. I will work to restore confidence in public safety.

Next, I would like to state my views on the issue of what is called "contaminated rice". The responsibility of the companies that distributed contaminated rice whilst knowing its condition must be dealt with sternly. It is also entirely legitimate for the public to hold deep anger at the government for failing to detect this situation. As the head of government, I pledge to reflect most thoroughly on this issue. No effort shall be spared in order to prevent a recurrence.

This issue illustrates why government administration must stand in the position of consumers and protect their interests. Japan's existing administrative organisations have mechanisms for fostering businesses, and there are also public servants trained for that purpose. We will create an Agency for Consumer Affairs to take the exact opposite approach-that is, to be an ally of the consumers and the people. This Agency will unify local consultation services so that citizens do not feel helpless and compelled to suffer in silence. Furthermore, this Agency shall have the authority to prohibit the sale of a product in the event it has caused a serious incident. Unscrupulous businesses will be expelled from the market while deserving businesses will be saved.

In undertaking a reform of the very mindset of the government, it is entirely appropriate for the arguments for and against to be hotly contested. However, when we consider the anxiety and the anger of the public, there is no place for a leisurely debate. So the question before us is, do they support the establishment of an Agency for Consumer Affairs? This I ask the DPJ. Should the DPJ say no, will they then engage in discussions that will enable us to agree on a definite plan as soon as possible? These are the questions I submit.

(Lean yet Compassionate Government)

It is only natural that we advance administrative reform, eliminate waste and reduce the scale of government.

Yet, here again, we must not confuse the means with the goals. The reason for making government more efficient is to enable it to meet public expectations. I intend to create a government which is lean yet compassionate to the people. I will expect the same of local governments.

In order to achieve this, I will have our civil servants work their fingers to the bone, including those in direct contact with the people. I want them to feel pleasure in working for the state and for the people. The bureaucracy is an enemy of neither myself nor my cabinet. Yet the rule will be: reward for merit and penalty for failure.

I myself will stand at the fore and lead them. They are the management resources of the government, which serves the people. Whoever cannot utilise them cannot manage the government.

(Regional Revitalisation)

I will now turn to the topic of our regions.

What we should seek to do is to reawaken the vitality of the regions. Each region must have pride and vitality.

Naturally, the prescription for that purpose differs from region to region. Uniform measures conceived by the national government are even detrimental. For that very reason, prefectural governors as well as the heads of cities, towns and villages must become managers of their respective local areas in the true sense of the word. Accordingly, I will ensure that they have the requisite authority and responsibility. This is what decentralisation means.

There may be resistance from Kasumigaseki as we proceed. I myself will take these decisions.

Many regional offices of the national government are inherently wasteful because of their overlap with other administrative bodies. They are beyond the reach of public scrutiny. I will transfer the functions of these offices to local governments. My ultimate goal is a "regional system" (doshu-sei) in which sovereignty rests with the regions.

The primary task for the agricultural, forestry and fisheries industries is to reassess the importance of food self-sufficiency. I will aim for a 50% self-sufficiency rate. In this process, we must reject the automatic assumption that agriculture is an area to be protected. Agricultural policies will be transformed so as to put the agricultural industry on the offensive.

I would add that the task of the Tourism Agency, to be launched on 1 October 2008, includes revitalising the regions through tourism. I will lend an ear to the voice of Okinawa and continue efforts to promote the development of Okinawa.

There have recently been successive natural disasters including torrential rains and earthquakes. I express my sincere condolences to all those who have suffered from these disasters. I, of course, intend to do everything possible for rehabilitation and reconstruction.

(A Sustainable Environment)

We of the present day have the responsibility to address environmental issues, in particular global warming. We are required to pass on to the next generation a sound material-cycle society in which we coexist with nature. We must also transform our economic structure to one which is suited to an era of high prices of natural resources.

It is imperative that, first of all, Japan should bring about the world's first low-carbon society that is compatible with economic growth. Second, we should foster environmental and energy technologies in which Japan excels, as they have the potential to create new demand and jobs. Third, Japan, as a world-leading environmentally-friendly/energy-saving country, must also take the lead in international rule-making.

(Diplomacy with Pride and Vitality; Contribution to the International Community)

I should next like to state my principles concerning Japanese diplomacy.

Strengthening the Japan-US alliance-this should always come first. With the following areas, meanwhile, it is difficult to set an order of priority. That said, second comes the goal of building regional stability and prosperity by working together with our neighbors China, the Republic of Korea and Russia, as well as other countries of the Asia-Pacific region and thus growing together.

The third is to tackle the global issues facing humankind, such as terrorism, global warming, poverty and water issues.

Sparing no effort to ensure that the essential values in which we believe take root in young democracies. That is the fourth principle.

And the fifth concerns North Korea. While aiming for stability in the Korean peninsula, we will call upon the North Korean side to take due actions in order to comprehensively resolve the abduction, nuclear and missile issues, to settle the unfortunate past and to normalise relations between Japan and North Korea.

Based on the above, I question the DPJ as follows.

We hear statements from various senior members of the DPJ that Japan should shift the pivot of its diplomacy from the Japan-US alliance to the United Nations. I believe that the importance of the Japan-US alliance for the security of Japan and its people remains totally unchanged.

The United Nations can be at times swayed by the policies of a limited number of its members, and as such, the UN of today is not a body to which we can freely entrust our destiny, especially in cases where the security of the state and of the world are at stake.

The Japan-US alliance and the UN-which should take precedence over the other? I believe the DPJ has the responsibility to make its position clear to the Japanese public and the world. I call on the DPJ to explain, together with the reasons.

Now, my second question. I am convinced that Japan has been conducting the replenishment support activities in the Indian Ocean by the Maritime Self-Defense Force with Japanese national interests at stake and for the benefit of our own country. The end of the fight against terrorism is still nowhere in sight. Numerous countries are increasing their involvement with Afghanistan, despite the sacrifices incurred. It is simply not an option for Japan, a member of the international community, to cease its operations.

Does the DPJ really think that withdrawal is acceptable? I urge the DPJ to make its position clear.

(Conclusion)

What I ask of this House is for consultations on the policies of the ruling and opposition parties. Given the many challenges both at home and abroad, we would abdicate our responsibility to the nation if we were needlessly to fritter time away.

In addition to an economic slowdown, we now face a financial crisis stemming from the United States. Is it not the responsibility of politics to the nation to enact as soon as possible the supplementary budget that we proposed, which underpins the implementation of the Comprehensive Immediate Policy Package, and the bill to compensate for the shortfall in fiscal resources to be used for regional roads?

Once again, I strongly appeal to the members of the opposition parties, not least the DPJ, to cooperate in the conduct of Diet affairs. These are the points for debate in the near term. I conclude my policy speech by calling on the opposition parties to state their views.

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