

BACKGROUND

JAPANESE ELECTION RESULTS

90-02-23

LDP REDIVIVUS

Toshiki Kaifu and his Liberal Democratic Party (LDP) won a decisive victory in the February 18th general election, despite widespread public dissatisfaction with the government's consumption tax, its liberalization of the agriculture market, and its involvement in the Recruit scandal. The election is likely to ensure PM Kaifu's tenure until October 1991 and gives the LDP a record thirty-five years of continuous rule.

The Liberal Democratic Party won 275 of the 512 seats in the lower house and will now attempt to recruit 12 conservative independents, which would boost the party's strength to 287 and permit the LDP to retain control of all working committees in the legislature.

The high voter turnout of 73% indicates the importance of this election. The LDP maintains that the election was, in fact, a choice between freedom and socialism. In reality, the opposition failed to provide the electorate with a viable alternative. The Japan Socialist Party (JSP), the major opposition group, did make significant advances, gaining fifty-three seats over its previous total of 83 seats. This growing bipartisanship may be an indication of an eventual realignment of the Japanese political parties.

The Komeito, Japan Communist Party (JCP), and the Democratic Socialist Party (DSP) all fell far below their pre-election strengths and were overshadowed by the struggle between the LDP and JSP. According to the Diet regulations, the JCP and DSP with less than 20 seats each, have forfeited their right to submit legislation. Although the LDP won a comfortable majority in the lower house, the Kaifu Cabinet is expected to encounter difficulty in passing legislation through the upper chamber now controlled by the opposition parties. Under Japan's bicameral system, approval is required from both houses for non-budget measures to be enacted.

COMMENT

Mr. Kaifu will face considerable challenges at home and abroad. He is certain to maintain the foreign policies he has pursued since his tenure began; enhancing Japan's international role, continuing reliance on domestic demand for economic growth, and coordinating international monetary policies with his Economic Summit partners. At home Mr. Kaifu will have to contend with the traditional LDP powerbase of farmers, businessmen and bureaucrats, each group having demands which conflict with the other groups. The LDP promised farmers that Japan would not open its rice market to imports. This promise will certainly anger the United States which is pushing for more liberalized markets in Japan. Managing the already difficult Japan-US trading relationship will be one of the greatest challenges for Mr. Kaifu and his new cabinet which is expected to be announced on February 28th.

IMPLICATIONS FOR CANADA

Prime Minister Kaifu, his Foreign Minister, and a group of Japanese parliamentarians visited Canada in September 1989. At that time Canada secured a renewed commitment from the Japanese for continued trade liberalization, both bilaterally and in the multilateral forum of the Uruguay Round, in spite of the growing pressure in Japan to resist further liberalization of its markets. While some problems exist in forest products, fisheries and one or two other sectors, Canada and Japan have built a constructive bilateral economic relationship that is relatively free of the contention that is apparent in the US-Japan relationship. What remains to be seen is how Mr. Kaifu will manage its protectionist electoral base in rural areas while at the same time mollifying international pressure.