Mori Continues to React, Not Lead After the Election

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Despite the setback in the June Lower House election, the second Mori coalition cabinet began with a majority in both the Lower House (271/480) and Upper House (136/252) of the Diet. But the new cabinet was immediately hit by several serious scandals, which Mori did not deal with effectively, thus losing not only public support (42.83% in April, 17.3% in June, 24.4% in September), but the political support of his coalition partners and even of his own party. The implementation of administrative reform early next year will reduce the number of cabinet seats, and will face Mori with yet another reshuffling of the Cabinet in early December and challenge as he struggles to balance intra-party interests.

Mori continues to react, not lead
Mori continues to struggle with leadership issues. Initially, the composition of the second Mori cabinet was criticized by both political pros and the public as "unimaginative" -- most members had not been chosen for leadership qualities, but for the number of times elected (LDP members normally get a cabinet slot in their 5th or 6th terms). The average age of the cabinet is 66, two years older than the Obuchi cabinet, which was the oldest cabinet in the past 10 years.

Mori’s appointment of Kimitaka Kuze, a former Ministry of Home Affairs bureaucrat, as the Minister of Financial Reconstruction turned into a disaster when he was forced to resign after it was revealed that he had received large political contributions from several financial institutions and a real estate company. Even more damaging to Mori was his selection of Hideyuki Aizawa, who once served as Administrative Vice-Minister of Finance, to replace Kuze. The public criticized the selection not only for Aizawa’s age (81 years), but his conservative views on financial policy. Aizawa was a leading figure in opposing the entry of non-bank companies, such as Sony, into the banking industry in April 2000.

Mori survived the Okinawa G-8 summit without any mistakes. He failed, however, to lead the discussion on G-8 or Okinawa base issues during his meeting with President Clinton. In addition, Mori further damaged his public image by quarreling with news correspondents.

LDP’s internal struggle
In reaction to its electoral losses (the LDP lost 38 seats) and Mori’s lack of leadership ability, LDP leaders have taken some unusual actions. First, the chairman of the LDP’s Policy Research Council, Shizuka Kamei, asked the bankrupt Sogo department store to give up its public-funded rescue plan, which was unpopular with voters who had just finished bailing out Japan’s ailing banking system. While this action received some approval from the public, Kamei’s arbitrary style was criticized. Second, Kamei and the LDP recommended that the government review and terminate 233 questionable public works projects to pacify a public fed up with pork barrel politics.

Japan will have an Upper House election in July 2001, with half of the seats up for grabs. The LDP, which lost its independent majority in the Upper House in the 1998 election, wants to stress its “reliability” in appealing to the public. However, this “reliability” has resulted in numerous internal conflicts, as well as a declining support rate among voters (from 42% in April to 32.2% in September).

The LDP is suffering from a shortage of future leaders. Koichi Kato, the most likely candidate for next LDP president, has adopted an “anti-leadership” stance and is not widely popular with the party’s mainstream leaders. A group of “Young Turks” including Nobuteru Ishihara (son of Tokyo Governor Ishihara) and Makiko Tanaka (daughter of former Prime Minister Kakuei Tanaka), have created a young members’ inter-factional group to hedge against a political melt-down within the LDP. This group is appealing directly to the public advocating more rapid reform and, on occasion, criticizing LDP leadership. A number of other policy groupings, including members of the opposition, are also active. However, the
largest opposition party, the **Democratic Party of Japan**, has not yet capitalized on its victory in the recent Lower House election or on its growing voter support (from 11% in April to 24.4% in September). It, too, suffers from a lack of dynamic leaders and is not immune from scandal—a DPJ Diet member was recently arrested for pocketing state-funded staff salary.

**The next Diet session**
The special session of the Diet, starting on September 21 will pose **major challenges for the LDP** and its weak leader. A key actor is Komeito, a coalition partner, which holds a deciding vote on major policy questions. Positive steps in implementing the 1997 US-Japan Security Guidelines will be difficult, as Komeito is opposed to specifics in the “contingency” laws necessary for Guidelines implementation. Although the coalition agreed to pass the vessels-inspection law for implementation for the Guideline, it places a lower other important bills. Komeito also reluctantly agreed to amend a **juvenile crime law** to allow teenage killers over 16 to be tried in adult court and to prosecute teenagers over 14 years old, in lieu of 16. On the other hand, Komeito will play a positive role in pushing the LDP to act **against political corruption** by introducing strict measures to combat illegal contributions and graft. Also, the coalition agreed to pass a bill to let **foreign permanent residents vote in local election**. These two bills will face strong resistance from LDP conservatives. In addition, the coalition government is seeking to amend the **Upper House election law** which allows voters to write their favorite candidate as well as the party name, which would be more beneficial for the LDP. Strong resistance from the opposition is expected. Mismanagement of these issues as well as of a **supplementary budget bill**, which has to be passed within the session, would shake the Mori cabinet.