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\_\_\_\*\*Kan DA – 1NC

Kan DA – 1nc (1/3)

**A) The DPJ is on its way down disabling its agenda – Kans honeymoon is over**

**Koh 6/15** (Yoree, writer for fins.com economics dept., Wall Street Journal,

http://blogs.wsj.com/japanrealtime/2010/06/15/the-end-of-the-honeymoon-for-kan/) JPG

**Japan’s romance with the Democratic Party of Japan under** the new helm of Prime Minister Naoto **Kan may be losing its sizzle**, at least **according to a pair of public opinion polling results** released earlier this week. A third one, however, suggests ongoing strong support.Just 29.4% of respondents said they planned to tick the box for DPJ-backed candidates in the upper house election scheduled for July 11, down from 43.8% five days earlier, according to the latest weekly poll conducted by Kyodo News. A similar sentiment was shared by those surveyed by the Yomiuri newspaper with 31% of respondents leaning towards the DPJ, down from 36% on June 10.

**The Liberal Democratic Party enjoyed a lift in the** Yomiuri **ratings,** rising three percentage points to 16% this week, but was denied a bump in the Kyodo results – falling below the 20% threshold to 14.5%.**The DPJ’s strength** going into the upcoming election **is essential for the party** to capture an upper house majority, enabling it **to push its own policy agenda** for the next three years **without the need to rely on coalition partners**, a crutch that caused angst for Mr. Kan’s predecessor, former Prime Minister Yukio Hatoyama. Indeed, the party jettisoned expectations of achieving a majority amid Mr. Hatoyama’s sinking popularity, but **the surge in public support since Mr. Kan’s induction into office revived DPJ’s hopes of reaching its** original **goal.** Looking to ride Mr. Kan’s wave of popularity while it was at its highest, the party even rebuffed calls from one coalition partner to delay the election a couple weeks.The DPJ received a burst of much-needed support in poll results — both Kyodo News and Yomiuri ratings climbed over ten percentage points each week — after Prime Minister Kan replaced Mr. Hatoyama, who abruptly resigned earlier this month. But **the latest drop in ratings suggests that within a time period comparable to the average shelf life of a carton of milk**, the new DPJ’s appeal is already in decline. The results released by Kyodo News are based on phone calls placed to 1,000 randomly selected households that are eligible to vote nationwide, according to the media company’s polling research center while Yomiuri randomly contacted 1,738 eligible voters, with 1,088 people, or 63%, giving valid responses in a nationwide, telephone-based opinion poll.

**B) The plan allows Kan to focus on economic reforms and increases DPJ credibility**

**Kyodo News 6/25** (Japan Times Online, 6/25/10, <http://search.japantimes.co.jp/cgi-bin/nn20100625a1.html>) JPG

**Kan took over** earlier this month **from** Yukio **Hatoyama, who quit after sparking public outrage** for breaking a promise to move a U.S. airbase off the southern island, reluctant host to about half the 49,000 U.S. military personnel in [Japan](http://www.reuters.com/places/japan).**The dispute over where to relocate the U.S. Marines' Futenma airbase has distracted** Washington and **Tokyo** as the close allies try to cope with an unpredictable [North Korea](http://www.reuters.com/places/north-korea) and a rising China.

**It has also hurt the popularity of the** ruling Democratic Party of [Japan](http://www.reuters.com/places/japan) **(DPJ)** with voters ahead of a July 11 upper house election, **which it needs to win for smooth policymaking, including efforts to rein in huge public debt.**"I want to express my gratitude for the fact that this burden contributes to the peace and security of the Asia-Pacific region," Kan said at ceremony to mark the 65th anniversary of the Battle of Okinawa at the end of World War Two, in which about 150,000 Okinawan men, women and children were killed."**I promise to** seriously **try** all the more **to reduce Okinawa's burden related to the U.S. bases** and eliminate the associated dangers."Kan, visiting Okinawa for the first time as prime minister, spoke at a memorial park where rows of black stones are engraved with names of those who died in the 82-day battle -- civilians and soldiers on both sides.**Kan has made fiscal reform a top priority ahead of the election, but opposition parties have used the base dispute to blast the DPJ's diplomatic policies since the party took power for the first time last year.**

Kan DA – 1nc (2/3)

**C) Economic reforms kill a Japanese economic recovery – lack of opposition, fiscally unsound policies and lack of competition**

**Bremmer and Roubini 9** (Ian and Nouriel, Ian - president of Eurasia Group & Nouriel - professor of economics at New York University's Stern School of Business and chairman of RGE Monitor Wall Street Journal, http://online.wsj.com/article/SB10001424052748704779704574553491570666698.html) JPG

In some ways, Mr. Hatoyama's victory was even more historic than the American election. His Democratic Party of Japan (DPJ) ousted the Liberal Democratic Party (LDP) that had held power virtually without interruption for more than five decades. Like Mr. Obama, he's had to come to grips with enormous immediate challenges, beginning with the need to kick start a stalled economy. Japan's public debt is approaching 200% of gross domestic product—by far the largest debt-to-GDP ratio in the industrialized world. Mr. **Hatoyama's promises were ambitious, and sometimes even contradictory. Recognizing Japan's financial limitations**, **he and his party pledged to slash wasteful state spending**. Yet he has also called for "an economy of the people" that includes considerable state subsidies, and his government put forward a record high initial budget request of 95 trillion yen.The government has now moved ahead with a new bond issuance, with a promise to cap the new debt at about 44 trillion yen. Mr. **Hatoyama has announced plans to halt the privatization of Japan Post bank, an enormous enterprise with more than $3 trillion in assets** that helps finance state spending. And he has reiterated **a pledge that Japan will reduce carbon emissions** 25% below 1990 levels by 2020, a promise that **will soon prove too costly to keep**. On foreign policy, the new prime minister has argued that the U.S.-Japan relationship should develop toward a partnership of equals. But despite some blunt warnings from Washington, DPJ officials have yet to resolve the standoff over the controversial relocation of a helicopter base and 8,000 Marines from Japan to Guam. This is a deal the U.S. believes it settled with the previous Japanese government in 2006. In Washington, the prime minister's critics are becoming more vocal. Former National Security Council director for counterproliferation strategy Carolyn **Leddy recently accused the Hatoyama government of "increasing security policy schizophrenia."**Mr. Hatoyama's domestic approval numbers have taken a tough hit: A Kyodo News poll last weekend found that disapproval of the government surged to 38.1% this month from 25% in November. And **the risk remains that he will try to keep too many of his campaign promises, deepening Japan's debt without actually spurring growth**. He also risks undermining a security relationship with Washington that remains essential for East Asian stability. There are two main reasons why Mr. **Hatoyama's unrealistic goals are** more **worrisome** than any of the economic plans Mr. Obama has proposed.First, **there are far fewer political checks on Mr. Hatoyama's ability to pursue them**. Mr. Obama faces a hostile Republican Party, a divided electorate, and moderates within the Democratic congressional caucus skeptical of his plans. He has accepted compromise on important issues like health-care reform and troop deployments to Afghanistan because he knows he must. Recognizing the complexities involved, he's taken a go-slow approach on domestic climate change legislation and the closing of the prison at Guantanamo Bay. Fiscal conservatives in both parties make a second stimulus package all but politically impossible. **The DPJ**, meanwhile, **has built a strong single-party majority in the lower house and relies on a pair of coalition partners to dominate the upper house**. Mr. Obama's party has majorities too, but Mr. Hatoyama faces fewer institutional obstacles, like the filibuster, to setting a political agenda and pushing it forward. Finally, the U.S. has a two-party system that allows business and industry groups to hedge their bets by lobbying both sides. Five months ago, Japan had a one-party system—one in which business elites negotiated legislative language with an LDP-dominated bureaucracy. **For the commercial elite, it now has a no-party system, a ruling coalition of mostly new faces with far fewer connections in the business world.** Mr. Obama's innate caution and his willingness to compromise are likely to serve him well. **To spare Japan an unnecessarily turbulent 2010, Mr. Hatoyama needs to become "Hatobama**," a pragmatist ready to disappoint ideological allies and assuage centrist fears of a policy agenda his country simply can't afford. **Japan's recovery is riding on it.**

Kan DA – 1nc (3/3)

**D) TAGGGGGGG**

**Burkert 9** (Michael, The Garner Ted Armstrong Evangelistic Association, 7/1/9 http://www.garnertedarmstrong.org/Mark\_Wordfroms/manews0122.shtml) JPG

Garner Ted Armstrong warned of worldwide financial collapse and it’s upon us now. He also warned us that **collapsing governments create a power void that is quickly filled by extremists** bent on righting the wrongs of the previous government, **often with violent and tragic results**. I urge each of you to read his comments published at this website in 2002. His commentary, [IS GLOBAL ECONOMIC MELTDOWN UNDERWAY](http://www.garnertedarmstrong.org/GTA_Wordfroms/gtanews63.htm), is as valid today as it was when he wrote it. Mr. Armstrong wrote, “**Japan is frantically trying to save its entire banking system, which had its own chicanery and scandals. Japan is now awash in a sea of bad debt**, struggling to make reforms after 10 years of falling prices and recession. Will a military government soon take over in Japan? "**What are the odds that Japan will once again become a** [**militaristic**](http://en.wikipedia.org/wiki/Militaristic) nation; one that reveres the emperor, bows to authority and honors a strong army and navy? Sadly, **the odds are good for this very event to happen and happen quickly** right before our eyes. **Japan continues to have many enemies**. Many nations once occupied by Japanese forces have NEVER forgotten the brutal ways in which their peoples were treated by the invading Japanese forces. In the West, “[political correctness](http://en.wikipedia.org/wiki/Political_correctness)” has seen to it that most Japanese atrocities committed against British, [Australian](http://en.wikipedia.org/wiki/Australia), [New Zealand](http://en.wikipedia.org/wiki/New_zealand), and American personnel were warranted and justified, due to the rampant anti-Japanese “[racism](http://en.wikipedia.org/wiki/Racism)” in the [Commonweath nations](http://en.wikipedia.org/wiki/Commonwealth_Nations) and the United States. **Wartime brutality and atrocities directed against the Chinese and other Asian peoples are glossed over and conveniently ignored by most in our Western** partisan and liberal **media.** However **the Chinese have not forgotten**. The [Koreans](http://en.wikipedia.org/wiki/Korea), [Vietnamese](http://en.wikipedia.org/wiki/Vietnam), and [Burmese](http://en.wikipedia.org/wiki/Burma) have not forgotten how barbaric, occupying Japanese troops behaved. Accordingly, **there is little sympathy for Japan today in most of Asia.** **Japan sees herself in a “go-it-alone” situation**. Today in Japan, **numerous radical political groups want to seize power and rule.** Most are extreme national movements that revere the emperor, swear allegiance to everything that smacks of Japanese royalty and absolutely are willing to “die for the emperor and the Japanese nation!” **They want a large, modern, and strong army**. They demand a new [Imperial Navy](http://en.wikipedia.org/wiki/Imperial_Japanese_Navy) that can rival any navy in the world. **They believe that they** have an economic plan that will put Japanese back to work, create jobs in the armaments industry and **return Japan once again to a nation feared and respected.** **Japanese militarism is on the rise and the collapse of the democratic government** in [Tokyo](http://en.wikipedia.org/wiki/Toyko) may well usher in a new prime minister selected from the military high command. The militarist groups have received little media coverage over the years and in the West were mostly thought of as kooks. Now, however, **the aggressive nationalism they espouse is becoming mainstream**. A resurgent nationalism among some mainstream politicians and **North Korea’s** recent **nuclear testing have meant right-wing groups are now being listened to at the highest levels**. **Many of the policies they promote are now on the government’s agenda. Traditionally sensitive topics** that have recently become open to political and public discourse, **such as stripping the constitution of its pacifist components, developing nuclear weapons**, and promoting patriotism in schools, **are the** very **issues** right-wing **extremists have been pushing** for decades. They know that Japan was able to rapidly expand her economy and bring about prosperity during the militaristic era of earlier times. They hope to repeat what their grandfathers accomplished and are likely to do so if Tokyo defaults on her huge debt and the government collapses. Already, **Japanese militarists are responsible for several riots**, sabotage against police stations and other government installations as well as political assassinations**. Don’t be surprised if political assassinations by Japanese militarists eventually paralyze the elected government and cause chaos and terror in Tokyo** and other Japanese cities.

\_\_\_\*\*Kan DA – UQ

Link UQ – Kan Won’t Abandon JASA

**Kan will keep the US-Japan security alliance despite domestic oppositon**

**PressTV 6/8** (Staff, <http://www.presstv.ir/detail.aspx?id=129617&sectionid=351020406>) JPG

Japan's incoming Prime Minister Naoto **Kan has hinted that an alliance with the United States will form the cornerstone of Tokyo's foreign polic**y. Speaking during his inaugural address on Tuesday, **Kan said his government would maintain an alliance with the US**, adding that **it would also strengthen relations with Asian countries.** The new Japanese prime minister made the remarks hours after he unveiled his cabinet line-up, reinstating 11 ministers from the cabinet of former Prime Minister Yukio Hatoyama. **Kan also confirmed that he would respect a recent Japan-US accord on the relocation of a controversial US air base within Okinawa**. The confirmation comes as his predecessor Hatoyama was forced to resign after he failed to keep his election promise of moving the unpopular Futenma base off Okinawa Island. **The US base has provoked a wave of anger in the country, with the nation demanding a complete removal of the airbase off Okinawa.**

Link UQ – Kan Not Focusing on Troops

**Not dealing with US presence creates oppositon**

**Sumida 6/23** (Chiyomi, reporter on Okinawa for Stars & Stripes,

<http://www.stripes.com/news/on-anniversary-of-battle-kan-vows-to-reduce-okinawa-s-burden-1.108278>) JPG

But **Kan stressed that he would** honor a 2006 U.S.-Japan military realignment pact that would **relocate Futenma operations** from urban Ginowan to the rural coastal area at Camp Schwab, near the town of Henoko. **The plan**, however, **continues to fuel resentment** among Okinawans. Zenshin Takamine, speaker of the prefectural assembly, was applauded loudly at the ceremony when he criticized Tokyo for forcing Okinawa to host U.S. military bases. “**Voices are growing every day on Okinawa**, calling for the cancellation of the agreement to move Futenma operations to Henoko,” he said. Okinawa Gov. Hirokazu Nakaima, also speaking at the ceremony, urged the Tokyo government to share the hosting of U.S. military facilities more equitably with the rest of Japan. “I believe **these are issues that the entire nation should address** and should not be regarded as only Okinawa’s,” he said. Before the ceremony, 70-year-old Naha resident Yasunobu Akamine stood in the shade of a tree, waiting for Kan to arrive. “I’m afraid he will end up forcing [the Camp Schwab plan] on Okinawa,” he said of Kan. **Akamine** said he **has been hoping** for many years that **a prime minister would come along to reduce the U.S. military** footprint **on the island**. “Nothing has happened yet,” he said. “But I cannot afford to give up on the hope.”

Reform No Pass – 2NC\*\*

**Kan is pushing financial reform – but he is unpopular with the public and in the Diet**

**Kyodo News 6/25** (Japan Times Online, 6/25/10, <http://search.japantimes.co.jp/cgi-bin/nn20100625a1.html>) JPG

As campaigning officially kicked off Thursday, **the ruling Democratic Party of Japan** **hopes** new Prime Minister Naoto **Kan's popularity can spell success** **in** the July 11 Upper House election and **his goal of fiscal reconstruction**, which entails a future sales tax hike, will not invite a voter backlash.The poll will be the first full-fledged contest since the DPJ ousted the Liberal Democratic Party in last August's House of Representatives election, and also the first since Kan took office earlier this month and revived his party's popularity, which was plunging before the exit of his predecessor, Yukio Hatoyama.

Election boards nationwide reported 438 people filing their candidacies by early afternoon for the triennial poll, in which half of the upper chamber's 242 seats will be up for grabs with the fate of the DPJ-led ruling camp's majority at stake.

They include 187 candidates on the lists for the poll's proportional representation section submitted by all the 12 political parties and groups poised to vie for 48 seats. The remaining 251 will run in 47 prefecture-based constituencies, to which 73 seats in total are allocated.

"**What helped the economy to flounder is a wrong economic policy. I promise to rebuild the economy and put Japan on a growth track," Kan**, making his first stump speech for the race, **said** in front of more than 1,000 people in Osaka.

Kan also touched on the hot issue of a future hike in the 5 percent consumption tax, saying, "I hate to talk about raising the consumption and other taxes, but (the situation) could become like (debt crisis-hit) Greece in one or two years.

"Please understand that we will discuss the matter with other parties," he said to only scattered applause.

LDP President Sadakazu Tanigaki said in Kofu, Yamanashi Prefecture, "This is an election to test whether the LDP can be entrusted again as well as a rating of the DPJ-led government.

"We will have to stop the dole-out policy of the DPJ government for the sake of the next generation," he said, also citing the example of the Greek sovereign debt crisis.

**Attention is focused on whether Kan's government can hold public support despite his willingness to discuss the potentially contentious issue of raising the 5 percent sales tax.** **Public approval** of the Cabinet rebounded to over 60 percent after Kan took office on June 8 but **fell somewhat after he clarified his stance on the tax issue.**

**The envisioned tax hike drew resistance not only from smaller opposition parties**, including Your Party, the Social Democratic Party and the Japanese Communist Party, but also from the DPJ's tiny coalition partner, Kokumin Shinto (People's New Party).

Reform No Pass – Opposition

**Kan is pushing fiscal reform but its unlikely to pass – no party consensus and the political process**

**Japan Today 6/22** (Staff, 6/22/10,

http://www.japantoday.com/category/politics/view/fitch-hails-kans-fiscal-reform-drive-asks-boj-to-do-more-on-deflation) JPG

‘Prime Minister **Kan’s commitment to fiscal consolidation is on the record**, **and uncertainty arises from how much political room for maneuver he has,**’’ Colquhoun, director of Fitch’s Sovereign Ratings Asia Pacific, said a day before Japan’s announcement of medium- to long-term fiscal reform plans.**‘‘A key constraint** (to realize fiscal adjustment plans) **will be the political process**,’’ he said, adding that he believes the upcoming House of Councillors election will provide ‘‘some reading’’ of how much ability Kan possesses in leading the drive to rebuild state finances. The Hong Kong-based analyst also said that **one challenge will be to thrash out ‘‘a clear, strong cross-party consensus’**’ on the importance of reducing Japan’s debt, **indicating his support for Kan’s recent call for the opposition camp to join in his efforts** toward fiscal rehabilitation. Colquhoun said Fitch is ‘‘unlikely to change it (the agency’s AA rating on Japanese government bonds) anytime soon,’’ citing the fact that such debt is mainly held domestically and long-term interest rates remain low. But he warned that ‘‘Japan’s ratings may come under downward pressure’’ as its ability to raise funding may weaken in line with its declining savings rate, while adding that such pressure could be offset if the government implements ‘‘credible fiscal adjustment plans.’‘

Opposition will hold strong

Kusimodo, Sumida and Weaver 6/18 (Hana, Chiyomi, and Teri, ALL reporters for Stars and Stripes, 6/18/10,

<http://www.stripes.com/news/pacific/okinawa/futenma-fight-could-linger-despite-japan-s-new-prime-minister-1.107689>) JPG

**Japanese and U.S. leaders also are looking to see whether opposition dies down**.

Despite Kan’s cooler approach**, that seems unlikely**. Already this month, Okinawa’s capital city council adopted a resolution seeking a recall of the latest base agreement with the United States.

“**There is no expectation that the strong opposition will collapse**,” Maeda said.

**Hatoyama’s attempt to renegotiate awakened many in Okinawa** who for years had reluctantly accepted the U.S. bases in return for jobs and other economic development, according to Yoichi Iha, the mayor of Ginowan. **Those opponents are not ready to give up their new passion**.

“**They felt**, for the first time, because **there was a real possibility that bases might be removed** outside of the prefecture, they [could] change their position,” the mayor said at a press conference in Tokyo on Wednesday. “**You cannot change back the clock**.”

Others adamant about fighting the plan agree.

**“People will risk their lives**” to prevent construction of any new base on Okinawa, said Kiyomi Tsujimoto, a Social Democratic Party Diet member at a press conference in Tokyo last week.

**Opposition to Kan is firm – he’s already running away**

**Sakamaki and Hirokawa 6/17** (Sachiko and Takashi, both writers for Bloomberg.com, Business Week,

http://www.businessweek.com/news/2010-06-17/japan-opposition-party-rejects-tax-hike-dpj-alliance-eda-says.html) JPG

June 18 (Bloomberg) -- **A fledgling Japanese opposition party has “no intention” of cooperating with** Prime Minister Naoto **Kan** **and opposes any attempt to raise the nation’s consumption tax** soon, the party’s No. 2 official said. **Forming an alliance with Kan**’s ruling Democratic Party of Japan **would be “suicidal**,” said Kenji Eda, secretary-general of Your Party, formed last year by former Financial Services Minister Yoshimi Watanabe.**Kan yesterday said he will consider the proposal by the main opposition Liberal Democratic Party to double the national sales tax to 10 percent as he seeks to reduce the world’s largest public debt.** Speaking after the DPJ released its policy platform for next month’s mid-term elections, Kan said Japan must “rehabilitate” its fiscal situation. “They’re talking about raising taxes because they couldn’t stop wasteful spending as promised last year,” said Eda, 54, in a June 16 interview at his office in Tokyo. “**We have no intention to ally with the DPJ. We won’t be stupid and be lured by the promise of a couple of cabinet posts**.”

Reform No Pass – Public

**Public absolutely wont support a tax hike – empirics**

**Martin 6/25** (Alex, staff writer for Japan Times, http://search.japantimes.co.jp/cgi-bin/nn20100625f1.html) JPG

An opinion poll conducted by the daily Asahi Shimbun on Sunday and Monday said 46 percent of respondents favored a tax hike and 45 percent opposed it. There was no Kyodo News poll available for comparison. No margin for error was provided. An opinion poll the Asahi Shimbun conducted on Kan's new Cabinet from June 12 to 13 meanwhile said the support rate had fallen to 50 percent from 59 percent. **Kan's remarks on the consumption tax "have alienated people who oppose a consumption tax increase," the Asahi Shimbun concluded**. History has shown that just talking about the issue can cost a government dearly. The LDP suffered in the 1979 general election when the government led by Prime Minister Masayoshi Ohira said it planned to introduce a consumption tax by the end of fiscal 1980. **After the LDP rammed the Consumption Tax Act through the Diet** in 1988 to launch a 3 percent consumption tax under Prime Minister Noboru Takeshita, **the LDP lost its majority** in the Upper House election in 1989. Nine years later, **when the LDP hiked the consumption tax to 5 percent, it suffered another defeat in the 1998** Upper House election, **forcing** Ryutaro **Hashimoto to resign as prime minister.** If the ruling DPJ fails to win a majority in the July 11 Upper House election, it will have a difficult time getting government-sponsored bills through the Diet. **The DPJ's coalition partner**, Kokumin Shinto (People's New Party), **opposes the tax hike.** **The Social Democratic Party, which deserted the ruling coalition over the plan to relocate a U.S. base in Okinawa, is also opposed**.Matsubara of Toyo University said that considering its popularity and the number of candidates it is fielding, Yoshimi Watanabe's Your Party stands to win the most from any disenchantment with the DPJ.Your Party has emphasized that the government should focus on eliminating waste, such as by reforming the civil service and selling off state assets, before broaching the subject of tax reform. But with still roughly two weeks before the Upper House election, it remains unclear which party will come out on top.

**Shifting opposition against the DPJ – the public and in the Diet**

**Hayashi 6/26** (Yuka, Wall Street Journal 6/26/10, <http://online.wsj.com/article/SB10001424052748704569204575328343065543942.html?mod=googlenews_wsj>) JPG

TOKYO—Japan's ruling party may be regaining popularity under new Prime Minister Naoto Kan. But **the real winner** of the coming national elections **may be** a party that didn't exist a year ago: **a start-up opposing tax hikes and advocating small government.**

Your Party, with just six lawmakers in parliament, appears likely to emerge as a bigger force after July 11 elections, and a major player in the country's continuing political realignment over the next few years. **Its policies emphasizing economic growth and deregulation are attracting wealthier city voters** wary of the increasingly populist policies of Japan's leading politicians.

Created last August by defectors from Japan's two biggest parties, Your Party has recruited 44 candidates for the contest, where half of the 242 seats in the upper house of parliament are up for grabs. Many of the candidates have had successful careers outside of politics, including entrepreneurs, financial service executives, and medical doctors, and are running for office for the first time. **Uniting them is a philosophy that Japan's government must shrink to give its economy a chance to revive itself, and an opposition to the sales tax** increase promoted by the major parties.

"Your Party is the only party that stands for a small government and offers pro-business policies," Kenji Nakanishi, a candidate running in Kanagawa prefecture near Tokyo, said in a recent interview. **The ruling Democratic Party of Japan "is very antibusiness**, and even the LDP has moved in that direction," he said, referring to the Liberal Democratic Party, the long-ruling business-friendly party that lost its grip on power last year.

As a senior executive at J.P. Morgan Chase & Co. in Tokyo, Mr. Nakanishi, 45 years old, witnessed Japan's decline first hand, as it was overtaken by other Asian nations and passed over by global investors. Frustrated, he joined Your Party last year "to change the politics to change the economy."

Other candidates for the party include entrepreneurs like Kota Matsuda, who brought American chain Tully's Coffee to Japan and ran the Asian operations for the Quiznos sandwich chain, and Yukio Fujimaki, an apparel industry star who made his name as a top buyer for the upscale Isetan department store chain.

Your Party won't take the reins of government anytime soon—and may not even exist for much longer. But it could play a significant role in Japanese politics. While Mr. Kan's DPJ ended the LDP's half-century rule last year, that's widely seen as just the beginning of a political realignment, as **voters and politicians search for new parties and new issues to define the current policy debates** in Japan.

Reform Link UQ – Kan Pushing

**Kan is pushing fiscal reforms and is gaining public support – still cant get past the red tape**

**Hosaka 6/3** (Tomoko, Associated Press Writer, 6/3/10, http://www.msnbc.msn.com/id/37481349/ns/world\_news-asiapacific/) JPG

"Now **it's time** for us **to push** forward economic, social and **fiscal reforms that the people have high expectations for us to tackle**," **Kan said**. To be sure, he has made his share of political missteps. Nicknamed "Irritable Kan," he is known for his fiery temper. He stepped down as head of his party in 2004 after admitting he failed to make pension payments while he was health minister. **Economists also wonder just much he will be able to deliver**, particularly if the DPJ loses its majority in the upper house, making it harder to pass legislation. **Japan must cut "lots of red tape" to spur growth,** including opening more investment to foreigners, said Martin Schulz, senior economist at Fujitsu Research Institute. "Kan has been talking about this," he said. "How tough he will be on this, especially when creating a platform for the election, is still a very open question." Kan's election is also not quite a done deal. Internal party jockeying continued into the night Thursday. Supporters of Ichiro Ozawa, who resigned as the party's No. 2 figure Wednesday but is still seen as a power [broker](http://www.msnbc.msn.com/id/37481349/ns/world_news-asiapacific/), were lining up behind little-known Shinji Tarutoko, chairman of the party's environmental committee. The DPJ roared into power amid high hopes last August when it crushed the conservative Liberal Democratic Party that had ruled Japan for most of the post-World War II era. Voters were inspired by the party's vision to bring more accountability to politics-as-usual and rein in powerful bureaucrats. For a while **the public seemed satisfied with the Hatoyama** government's **attempts to cut back** huge **public works projects**. But in recent months **his Cabinet's approval ratings tumbled** amid political [funding](http://www.msnbc.msn.com/id/37481349/ns/world_news-asiapacific/) scandals and, most critically, **Hatoyama's backtracking on a campaign pledge to move a key U.S. Marine base off the southern island of Okinawa. He also reneged on other promises** such as cash handouts to families with children, halving the money from the initial proposal, and toll-free highways, which have been postponed.

**Economy is the top priority – public and Kan**

**Kajimoto 6/22** (Tetsushi, journalist @ Reuters, http://www.reuters.com/article/idUSTOE65L01H20100622) JPG

TOKYO, June 22 (Reuters) - [**Japan**](http://www.reuters.com/places/japan) **set ambitious targets to rein in its debt** on Tuesday that it said could not be met even under its rosiest growth scenario, the latest indication that **the government will have to push through contentious tax hikes** to fill deep fiscal gaps. **In a sharp turnaround from his predecessor, new Prime Minister Naoto Kan has made fiscal reform a top priority** ahead of a July 11 upper house election, vowing to consider doubling the 5 percent sales tax, although not for at least two or three years."As shown by the Greek example, **the market's view on the size of outstanding public debt or sovereign risk has become very severe**," Kan said in a televised debate with other party leaders."If we could sustain the social welfare system forever by issuing deficit financing bonds, there would be no need to bring up the issue of the sales tax," he added. "But **if left alone, our social welfare system will collapse**."

Kan Credibility Low – No Bipart

**Theres strong opposition to the DPJ that wont budge**

**Reuters 6/21** (6/21/10, Staff, <http://in.reuters.com/article/idINIndia-49494620100621>) JPG

(Reuters) - **Japan's third-biggest political party has ruled out teaming up with the Democrats even if the ruling party falls short of a majority** in an upper house poll next month, an outcome that would cloud the policy outlook. **The Democratic Party of Japan** (DPJ), which swept to power in a general election last year, **will run the government regardless** of the result of the July 11 poll but the party risks policy deadlock if it fails to win a majority in the upper chamber. Analysts say Japan's opposition New Komeito party could be a possible coalition partner for the DPJ should a weak election outcome hamper their ability to forge ahead with plans to strengthen an economic recovery and cut huge public debt. But New Komeito leader Natsuo Yamaguchi said the party would not join the DPJ in a coalition and instead focus on drafting its own policy proposals in parliament. **"We have no intention of cooperating with the DPJ just to make up numbers (for a majority) at their convenience,"** Yamaguchi told Reuters in an interview. "**We don't want to be involved with them**," he said, criticising the DPJ for breaking campaign pledges it made before taking power last year. New Komeito, backed by a Buddhist lay group, was the Liberal Democratic Party's (LDP) junior coalition partner before it lost the general election last year. New Komeito tends to focus on economic policies for less well-off citizens. Yamaguchi also criticised Prime Minister Naoto Kan floating the idea of raising Japan's 5 percent sales tax, saying **the party would not take part in a non-partisan debate proposed by Kan** to discuss the tax.

Kan, who has made fiscal reform a top priority since taking office this month, stunned voters last week when he said doubling the sales tax to 10 percent was an option to stave off a Greek-style crisis. "**We cannot take part (in the debate). Why has the DPJ decided to first take money**?" Yamaguchi said, stressing the need to put priority on discussing reforms in social security policy. "The DPJ is asking the people for money without showing how much they need or how they will use it." New Komeito has said ahead of the election it wants a drastic reform of the tax system, including the sales tax, but has not specified by how much the sales tax should be raised. **Japan's many opposition parties have ruled out cooperating with the DPJ on policies**, but analysts say they could be more flexible after the election is over.

Kan Credibility Low – No Capital

**Kan wont be able to push his agenda – no political capital or public support**

**Business Monitor International 6/4** (Staff, 6/4/10, Riskwatchdog.com http://www.riskwatchdog.com/2010/06/04/why-naoto-kan%E2%80%99t-save-japan/) JPG

Kan is Japan’s fifth prime minister in four years, and the thirteenth since 1990. As far as I can tell**, Japan has the world’s fastest turnover of heads-of-government.** No wonder that **they have been referred to as** [**‘revolving door’ prime ministers**](http://www.riskwatchdog.com/2010/06/04/2008/09/08/japan-the-doors-revolve-but-where-is-superman/) (alas, **with no Superman in sight**). Indeed, **the political system has a chronic inability to produce strong and durable leaders.** The main exception to this pattern was Junichiro Koizumi (2001-2006), who presided over a strong period of economic growth supported by a robust global economy. This allowed the government to trim back its budget deficit and stabilise its debt burden. However, with the economy souring thereafter, successive premiers have come a cropper very quickly. Essentially, **Japan’s political culture makes it virtually impossible for prime ministers to hold onto office if their approval ratings drop below 25%**. And, given the economic challenges I listed above, **it is virtually inevitable that the incumbent prime minister’s popularity will slide below 25%** within a year of taking office. Kan’s immediate political test will come in late July, when Upper House elections are held. **A poor performance by his Democratic Party of Japan would severely weaken his leadership.** Thus, I see very little scope for Japan to break the cycle of revolving door prime ministers. This means that real power will continue to be wielded largely behind the scenes by party heavyweights and the bureaucratic machinery, with the latter generally being averse to political and economic reform. Yet without such reforms, Japan will find itself unable to [reverse its seemingly irreversible decline](http://www.riskwatchdog.com/2010/06/04/2009/09/01/japan-an-existential-election-victory/). Meanwhile, **the rapid turnover of Japanese premiers leads to policy confusion** for voters and investors alike. With each successive premier reshuffling cabinet posts and consolidating his authority, this means that **a considerable amount of political capital is spent on jockeying for position rather than meeting the challenges at hand.**

Kan Credibility Low – A2 Summit Meetings

**Summit meetings wont boost Kan’s capital**

**Hasegawa 6/24** (Kyoko, freelance journalist dealing with East Asian politics, http://www.google.com/hostednews/afp/article/ALeqM5gcHsigeB-CLh2mEfCOwLJMt7PWyg) JPG

In his meeting with Obama, **Kan will seek to rebuild ties that were strained under Hatoyama** **over** the issue of a contentious military base on the southern island of **Okinawa** Hatoyama had promised to move the unpopular base off the island, where most locals strongly oppose it, but then reneged on the pledge and caved in to Washington, which insisted on a pact to relocate it within Okinawa. **Kan will reaffirm the importance of the 50-year-old US-Japan security alliance and the relocation of the base** in talks that are also likely to touch of cooperation on North Korea, Iran, Afghanistan and Pakistan, said Kodama. Yoshinobu Yamamoto, politics professor and international relations expert at Aoyama Gakuin University, said: "It's good for Japan to have summit talks with the United States and China, the most important foreign countries for Japan. "But **I don't expect him to raise specific topics such as the issue of the Futenma air base with Obama,** or the issue of China's rapid navy expansion." Seiji Endo, professor of international politics at Seikei University, said **Kan faces the same problem as his predecessors** from a country whose leaders have had notoriously short political lives. "**Who will trust the leader of a country which has changed its prime minister so frequently**?" he said. "Diplomatically, **conditions are not ready for Mr Kan to discuss any specific issues**. He will have to start by getting foreign leaders just to remember his face and his name."

Kan Credibility Low – A2 Elections

**Elections results don’t matter – DPJ will still have majority**

**Kyodo News 6/25** (Japan Times Online, 6/25/10, <http://search.japantimes.co.jp/cgi-bin/nn20100625a1.html>) JPG

**Even if the ruling bloc fails to retain a majority, it would not immediately affect the DPJ's grip on power as it holds a comfortable majority in the more powerful House of Representatives**, **but such a result could impact Kan's party leadership and prompt the DPJ to seek a broader alliance or otherwise face a policy deadlock.** The DPJ-Kokumin Shinto coalition needs to secure at least 56 of the 121 seats to be contested to keep a majority in the Upper House.

\_\_\_\*\*Kan DA – Link Stuff

2NC Focus Link

**Kan’s focus on US presence trades off with economic reform – thats the biggest internal link to relations**

**Twining 6/2** (Dan, journalist @ Foreign Policy, 6/2/10, http://shadow.foreignpolicy.com/posts/2010/06/02/the\_implications\_of\_hatoyama\_s\_downfall\_for\_the\_us\_japan\_alliance) JPG

Fourth, while Hatoyama's resignation may not herald a more pro-American successor, it should elevate one that can more effectively implement the DPJ's campaign promise to reform Japanese politics and restore Japanese economic growth. Leadership favorite and current Finance Minister Naoto **Kan** was an alliance skeptic when he served as DPJ leader earlier in the decade. Foreign Minister Katsuya Okada, once more of an alliance skeptic before his dealings with Washington in his current post reinforced his support for better U.S. relations, is also a prime ministerial contender. Both **may well judge**, following the Hatoyama fiasco, that **the domestic politics of picking fights with America are fraught -- and that the powers of the prime minister's office should therefore be directed toward other issue areas**. **These include** compelling needs for **financial and economic liberalization** and domestic reforms to empower women, improve education, **and** broadly **revitalize Japanese competitiveness** for the 21st century. Such an accomplishment manifestly would be in America's interest. And that is ultimately the point: **Washington needs a vibrant Japan as an alliance partner** in a region of tectonic power shifts -- and in a world where global governance requires all the responsible, capable, like-minded partners we can find. **The DPJ's historic ascension** to power last year **brought with it the promise of** **a more equal alliance** with the United States. **The U.S. should welcome the greater equality in alliance relations that would follow from the restoration of Japanese growth and vitality**. Prime Minister Hatoyama did not succeed in inducing it. **The U.S. should endeavor to help his successor do so.  A stronger and healthier alliance relationship would surely follow.**

2NC Push Link

**Kan won’t push unless he’s sure he’ll win**

**Kusimodo, Sumida and Weaver 6/18** (Hana, Chiyomi, and Teri, ALL reporters for Stars and Stripes, 6/18/10,

http://www.stripes.com/news/pacific/okinawa/futenma-fight-could-linger-despite-japan-s-new-prime-minister-1.107689) JPG

Yet, both countries strengthened their pledge to take Okinawans’ complaints seriously and explore ways to move U.S. military training off the island. **Kan, a political activist with a working class background, is in better position to make** such **concessions happen**, many say.**Kan is a realist. When he picks a fight, he expects to win it**. His biggest political success involved exposing a Japanese policy that, for nearly a decade, ignored a more modern blood-treatment method and ended up spreading HIV-infected blood to hemophiliacs.“**People respect him** for that,” said Sheila Smith, a senior fellow of the Council on Foreign Relations. “**He took on something wrong and made it right. When he cares about something, he really goes after it.”** **Kan also has the advantage of learning from Hatoyama’s missteps.** In office since June 4, Kan has already moved to unify the public positions of his ministries of defense and foreign affairs and named a high-level secretary to oversee the Futenma matter.

2NC Public Link

**Empirics prove public support for Kan will collapse in a matter of months – plan bolsters Kan**

**Tachikawa 6/10** (Tomoyuki, writer for Dow Jones Newswire, Wall Street Journal, http://online.wsj.com/article/SB10001424052748704312104575298062631396320.html?mod=WSJ\_economy\_LeftTopHighlights) JPG

TOKYO—**Public support for the Democratic Party of Japan has recovered sharply after the appointment of** Prime Minister Naoto **Kan,** suggesting that **voters have forgiven**, for now, **the ruling Democrats** for the previous leaders' policy missteps.

But **it remains to be seen whether the initial popularity of the Kan administration will translate to** a strong performance in next month's upper house elections, and whether Mr. Kan will ultimately **be given a strong enough mandate to push through difficult policy decisions**, such as adjusting U.S.-Japan security ties, analysts say.

In jostling ahead of the July 11 vote, Mr. Kan's banking minister, the populist Shizuka Kamei, quit the cabinet suddenly early Friday morning. Mr. Kamei was protesting the new government's decision to end the current session of parliament without passing his pet legislation: reversing the privatization of Japan's postal savings system, one of the world's largest financial institutions.

Mr. Kamei's departure is likely to be cheered by Japanese and foreign financial institutions, who bristled under his heavy regulatory bent. But it is unlikely to have any political impact. His small People's New Party will remain in the ruling coalition with the DPJ, and another party leader is likely to take his place in the cabinet.

Indeed, Mr. **Kan has been riding high politically** since becoming prime minister earlier this week.

Opinion polls released in the past couple of days have shown that public support for Mr. **Kan's cabinet stands around 60%**, in contrast to the final ratings of about 20% for the government of Yukio Hatoyama.

**Mr. Hatoyama resigned June 2 after his botched handling of the relocation of a U.S. Marines air base in Okinawa** and a series of political funding scandals.

**The simultaneous resignation of Ichiro Ozawa**, a powerful DPJ politician who has also been embroiled in a political funding scandal, **appears to have bolstered** Mr. **Kan's ratings** on the view that his administration will be cleaner that his predecessor's, according to reports in local media.

Still, Mr. **Kan's honeymoon with voters may not last long**. Japan has had five prime ministers in five years, **and in several cases high initial ratings plunged to rock-bottom levels in a matter of months**.

Public Link – Troops K

**Kan has flip-flopped on troop presence in the past – clarifiying his position is critical for approval by Washington and the Japanese public**

**Melchior 6/4** (Jillian, Freelance journalist dealing w/ East Asian politics, Commentary Magazine, http://www.commentarymagazine.com/blogs/index.php/jillian-melchior/306656) JPG

Kan has ridden to power on a rapid change in Japanese public opinion. In August, the [DPJ won](http://www.guardian.co.uk/world/2009/aug/30/dpj-wins-japan-election) after over half a century of LDP ascendency. Prime Minister Yukio **Hatoyama had played to populism, running his campaign partially on promises to reduce American presence in Japan. That** [**backfired**](http://www.asahi.com/english/TKY201005230199.html). Hatoyama initially tried to backtrack on an agreement with the United States about a military base in Okinawa, undermining American confidence. He eventually [bowed to U.S. pressure](http://www.nytimes.com/2010/05/05/world/asia/05japan.html), meeting [public uproar](http://www.newsdaily.com/stories/tre64l19j-us-japan-politics-usa/). That concession, along with [economic mismanagement](http://online.wsj.com/article/SB10001424052748703561604575281841493439382.html?mod=asia_opinion&utm_source=twitterfeed&utm_medium=twitter) and [funds scandals](http://search.japantimes.co.jp/cgi-bin/nn20100602x1.html), finally [ended in Hatoyama’s resignation](http://www.nytimes.com/2010/06/02/world/asia/02japan.html) from office. But **Kan holds what Americans would perceive as a mixed record about the U.S.-Japan relationship**. Like Hatoyama, **Kan seems to support the reduction or withdrawal of U.S. troops from Japan.** In 2001, he [said](http://nl.newsbank.com/nl-search/we/Archives?p_product=NewsLibrary&p_multi=BBAB&d_place=BBAB&p_theme=newslibrary2&p_action=search&p_maxdocs=200&p_topdoc=1&p_text_direct-0=0F97A3F2DB1A0706&p_field_direct-0=document_id&p_perpage=10&p_sort=YMD_date:D&s_trackval=GooglePM) that “a pullout of the Marines ‘should not have a major impact on the US strategy for the Far East. We should perhaps formerly propose through diplomatic channels that (the Marines) return to US territory.” Likewise, in 2003, **Kan** [**said**](http://www.stripes.com/news/japanese-opposition-party-leader-wants-u-s-marines-off-okinawa-1.13341) that “security in the Far East can be maintained without U.S. bases in Okinawa and the marines stationed there. **We are eyeing having them moved out of Japan**.” Furthermore, Kan has a history of outspoken statements against the U.S. war in Iraq. He made his strongest statement in 2001. Kyodo News Service [reported](http://nl.newsbank.com/nl-search/we/Archives?p_product=NewsLibrary&p_multi=BBAB&d_place=BBAB&p_theme=newslibrary2&p_action=search&p_maxdocs=200&p_topdoc=1&p_text_direct-0=0F9E6F238B732FFA&p_field_direct-0=document_id&p_perpage=10&p_sort=YMD_date:D&s_trackval=GooglePM): Japan’s opposition parties strongly criticized the US-led war on Iraq as well as Prime Minister Junichiro Koizumi for backing the attack, saying the government’s position is antagonizing the voice of people in the international community. “I cannot allow mass murder simply because Iraq did not fully comply with UN resolutions in the past,” said Naoto Kan, president of the main opposition Democratic Party of Japan. However, in September 2002, Kan [insisted](http://nl.newsbank.com/nl-search/we/Archives?p_product=NewsLibrary&p_multi=BBAB&d_place=BBAB&p_theme=newslibrary2&p_action=search&p_maxdocs=200&p_topdoc=1&p_text_direct-0=0F97E828B714CAB4&p_field_direct-0=document_id&p_perpage=10&p_sort=YMD_date:D&s_trackval=GooglePM) that the United States retain the ability to use its bases in Japan for the war in Iraq: “**If Japan refuses to allow the United States to use its bases here, we would have to risk breaking the very basis of the Japan-US security treaty**,” DPJ Secretary-General Naoto Kan said. “**We have never questioned the US use of bases in this country before,**” he said, referring to the US forces’ use of facilities in Japan during the Vietnam War and other wars.  “**We should keep this precedent intact,” he said**. That does not appear to mean that Kan supported the war effort. In 2003, Kyodo News Service [reported](http://goliath.ecnext.com/coms2/gi_0199-2755745/Kan-eyes-missile-defense-system.html%27) that regarding Iraq, Kan “urged Washington to return to the framework of the United Nations to resolve international issues through dialogue.” Other news reports said that Kan considered the use of American force in Iraq a violation of the UN charter. Later in 2003, Kan criticized then-prime minister Junichiro Koizumi for “a foreign policy of merely following in the footsteps of the United States like in the case of the Iraq bill.” Kan has consistently [argued](http://news.google.com/newspapers?id=DjsfAAAAIBAJ&sjid=YtAEAAAAIBAJ&pg=4401,4982443&dq=sending+troops+to+iraq+would+violate+the+constitution+naoto+kan+the+leader+of+the+edemocratic+party+of+japan+the+country%27s&hl=en) that sending Japanese troops into Iraq combat zones would violate the Japanese constitution. In 2004, Kan [said](http://www.chinadaily.com.cn/english/doc/2004-04/09/content_322061.htm), “Hasn’t this Iraq war contributed to an expansion of terrorism, rather than leading to its prevention?”

Finally, **Kan has consistently advocated for stronger relations with alternative allies besides the United States. That constitutes a significant shift in Japanese foreign policy**, which has considered the United States its primary ally since the aftermath of WWII. In 2003, he [said](http://nl.newsbank.com/nl-search/we/Archives?p_product=NWEC&p_theme=nwec&p_action=search&p_maxdocs=200&p_topdoc=1&p_text_direct-0=0FDC128E88506284&p_field_direct-0=document_id&p_perpage=10&p_sort=YMD_date:D&s_trackval=GooglePM), “**Our ties with the United States are vital, but our relations with Asian countries are equally important.**” In 2006, he criticized Japanese foreign policy for “lean[ing] too much toward the U.S,” as the Japan Times reported. **Kan** [**said**](http://search.japantimes.co.jp/cgi-bin/nn20060406a2.html)**:** “Our relations with the United States are definitely important. But at the same time, **we also have to build relations with Asian countries and resume top-level dialogue with them.”** It is encouraging that today he [said](http://online.wsj.com/article/SB10001424052748704764404575285761944018110.html?mod=WSJASIA_hps_LEFTTopStoriesWhatsNews): “I believe the Japan-U.S. relationship is the foundation of Japan’s diplomacy. … The course we need to take is to maintain a trusting relationship with the United States and at the same time to consider China as equally important. I think that’s the right course for Japan’s future as well.”

Japan has every right to pursue the policies that best fit its interests. And Naoto Kan the prime minister might be much more measured in his statements and actions than Naoto Kan the opposition leader. But **many of the statements Kan has made in the past suggest more contention between the United States and Japan regarding security and defense issues.**

Hatoyama left many defense and security issues unresolved, although his concession to the United States was one of his last acts as prime minister. Among broader Asian security concerns, **Kan will have to work with the United States immediately to determine many details about U.S. military placement in Okinawa**; yet to be determined is the configuration of the base, the exact location of its placement, and how to mitigate its possible environmental impacts, to name a few.

**Kan would do well to learn from Hatoyama’s failure**, acknowledging the controversial nature of these discussions but establishing a consistent and moderate foreign policy before addressing them. **He will have to clarify his position** on the issues he has in the past made statements about. Otherwise, **he risks disapproval both in Washington and among his people.**

2NC Winners Win Link

**Kan’s push for reform isn’t enough – he needs to be perceived as a winner**

**Hosaka 6/3** (Tomoko, Associated Press Writer, 6/3/10, http://www.msnbc.msn.com/id/37481349/ns/world\_news-asiapacific/) JPG

Should he win the top job, **Kan will face daunting choices in how to lead the world's second-largest economy**, which is burdened with massive public debt, a sluggish economy and an aging, shrinking population. **He also must quickly revive his party's tarnished image** before upper house elections are held next month.

Within his own party and among analysts, **Kan is seen as the Democrats' best hope for restoring confidence** in its ability to govern and delivering a viable roadmap for the future."**He has a record of** acting on the basis of his beliefs and **not backing down**," said Tobias Harris, a political analyst who once worked as an aide to a Democratic lawmaker in Japan. "**Those are good signs** for a prime minister, **and** I think those **are qualities that Hatoyama did not have**."With his ordinary upbringing, **Kan would represent a break with the past several prime ministers**, including Hatoyama, whose fathers or grandfathers were also prime ministers. The son of a businessman, Kan was born in Yamaguchi prefecture in southwest Japan and graduated from the Tokyo Institute of Technology's science department.

**Winners win for Kan – distancing himself from Hatoyama gives him the credibility necessary to create coalitions to push his agenda**

**McCallum 6/23** (Kenneth, journalist for the Wall Street Journal, http://online.wsj.com/article/BT-CO-20100623-702026.html) JPG

TOKYO (Dow Jones)--Naoto **Kan's debut on the international stage** later this week **will come at a perfect time** for Japan's new prime minister: the Group of Eight and Group of 20 summit meetings will be held right before key elections, and his attendance could help the ruling party at the polls.

At the meetings, to be held Friday-Sunday in Canada, **Kan will explain to counterparts his economic plan**, which aims to reduce Japan's mammoth debt while maintaining growth.

The 63-year old prime minister, who took office June 8, is also expected to hold one-on-one meetings with world leaders, including U.S. President Barack Obama.

Analysts say **Japanese leaders often get a bump up in poll ratings after summits**, as voters react favorably to seeing their leaders working with global counterparts. Elections for the Upper House of Parliament are scheduled for July 11.

Attending the summit "will have a marginal positive impact," says Gerald Curtis, professor of Japanese politics at Columbia University. "**The sense of comfort with Kan will grow if people think he can represent the country effectively abroad."**

Also **helping Kan is the contrast to his predecessor**, Yukio Hatoyama, who quit after eight months on the job. Unlike Hatoyama, **Kan is seen by the public as a strong leader with a clean image, and U.S. officials appear to be more comfortable dealing with the Kan administration** than its predecessor on security issues.

Hatoyama stepped down as leader in early June following his botched effort to relocate a controversial U.S. military base in Okinawa. **Kan told President Obama he would solve the base issue and that the alliance with the U.S. will remain a cornerstone of Japan's foreign policy**.

**On economic policy**, too, **Kan is blazing a different path than his predecessor**.

Highlighting his more fiscally austere stance, Kan this week unveiled a plan to try to balance Japan's budget over the next decade by capping fiscal spending and considering raising the consumption tax rate. At the same time, he has released a growth strategy aimed at generating 3% nominal and 2% real average growth over the next 10 years by encouraging areas such as health care and the environment.

"Aiming for both growth and fiscal rebuilding is possible, and that's the choice Japan is about to make," he said at a news conference Monday. "I want to express this clearly (at the summit), and it would be great if other countries can use what we do as an example."

**"He'll try to have some visibility there as one of the leaders who's pressing for** coordinated, **fiscally responsible policy** on the part of all the G-20 countries," Columbia's Curtis said.

Even if Kan's trip is a success, it still might not be enough to give his Democratic Party of Japan a victory at the polls: Voters initially welcomed Kan's intention to lift the 5% consumption tax rate on the perception that it would improve Japan's fiscal health. But after Kan said he'd consider doubling the rate, support ratings for his administration fell nine points to 50%, according to a poll in one local paper.

The DPJ has 116 seats in the Upper House now, and 54 of those will be up for election. Kan said Tuesday he hopes the party will win more than 54 seats, close to the 60 that would give it an outright majority. That would make Kan's job easier, allowing the administration to pass legislation through both chambers, as the DPJ already has a large majority in the Lower House.

Then again, the DPJ could end up losing seats. But competing parties are unlikely to win outright either, meaning **the DPJ will need to form a coalition to get bills passed** in the Upper House, some analysts say.

"**There won't be any winners. Everyone will be losers**," said Minoru Morita, a Tokyo-based political analyst.

**Winners Win 🡪 Public Support**

**A strong Kan is key to public support**

**Auslin 6/3** (Michael, Michael, PhD & Director of Japan Studies and Resident Scholar in Foreign and Defense Policy Studies @ The American Enterprise Inst, American Enterprise Institute 6/3/10, http://www.aei.org/article/102146) JPG

**Japan needs to rebuild strong ties with the U.S.,** in no small part by relying on the corps of professional diplomats that have helped guide the relationship for decades. Kan is considered a left-winger, based on his entrance into politics as a member of the Socialist Democratic Federation. He was one of the founders of the Democratic Party of Japan, along with Hatoyama, and helped shepherd the combination of Ichiro Ozawa’s Liberal Party with the DPJ in 2003, that ultimately led to the DPJ sweeping the LDP from power after a half-century. **Unlike Hatoyama**, who never came up with a clear reform policy (focusing instead on redistribution), **Kan has been seen as a critic of Japan’s convoluted financial regulations**. This is leading some commentators to speculate that, if selected as the next premier, **he will focus on returning Japan to financial health and reducing the country’s exploding budget deficit.** Whether Kan or someone else becomes prime minister, there is a short list that he must focus on in order to succeed. First, **the need to show focused leadership through realistic policies**, firm control over their Cabinet, **and effective managerial skills.** Hatoyama was undone in many ways by his grandiose visions as much as his poor leadership, being outflanked and harassed by his coalition partners. Japan needs real growth policies that free up entrepreneurship and the talents of its people. It needs to reduce regulation and public debt and get spending under control. **The next premier has to learn from Hatoyama’s mistake of focusing on rhetoric and not governance.** Second, leveraging the above skills, **the next prime minister has to win back the trust of the Japanese voters who supported the DPJ.** Japan’s era of hope and change was shortcircuited by Hatoyama’s incompetence, but the deeper damage to public trust in the ability of democracy to solve the country’s enduring problems. Further, he must be free from scandal and the poor judgment that entrapped both Hatoyama and party elder Ichiro Ozawa. **Four failed prime ministers in a row is a record that Japan should not seek to extend.**

**Winners Win 🡪 Agenda**

**The plan establishes Kan as a strong leader giving him the support of the public and power to push his agenda**

**Finan 6/21** (Elizabeth, staff writer @ International Affairs Review, IAR, http://www.iar-gwu.org/node/170) JPG

New Japanese Prime Minister Naoto **Kan is everything his four predecessors were not**: a political outsider, a self-made man, and a straight talker. But will Kan’s background and personality be enough to restore stability at the top of the government while simultaneously solving Japan’s ever-growing list of problems? Mired in the country’s worst recession since World War II, **the Japanese people want a change.** They thought it would come with a more competitive party system, which led to the election of Democratic Party of Japan (DPJ) candidate Yukio Hatoyama back in September, ending nearly 54 years of Liberal Democratic Party (LDP) rule. However, **Hatoyama proved to be no different than the ineffective, scandal-ridden prime ministers from the other side of the aisle**, and he stepped down in the face of approval ratings in the teens. Hatoyama’s resignation is problematic, as Japan is now on its fifth prime minister in four years. **Rather than a revolving door for leaders, what Japan really needs is stability at the top.** The unemployment rate stands around five percent, which is outrageous to many Japanese, accustomed to unemployment rates of around three percent. **Japan is also facing deflation, a ballooning deficit**, and a pension system on the verge of collapse – not to mention its **foreign policy worries, such as** the U**.S. military base** in Okinawa, **an aggressive North Korea, and a rising China. All of these problems require** bold ideas and **an adept leader to bring those ideas to fruition.** Such leadership has been lacking for the last four years, but **with Kan at the helm, Japan has the opportunity to get on the right track** once and for all. Unlike Hatoyama, who was born into a wealthy, prominent political family, Kan is the son of a middle-class businessman. He spent his early adult years as a civic activist, working on issues such as property taxes, improved housing, and transparent elections. **His experience as an average citizen will go a long way in convincing the Japanese people** that he understands their economic hardship and is working to improve their lives, and not line the pockets of various special interests groups. Kan also differs from Hatoyama—and other prime ministers before him—in that he does not just talk about battling the bureaucracy, but actually does it. As Health Minister during the 1990s, Kan investigated his agency for allowing the use of blood that was known to be infected with HIV. Several government employees were arrested for their role in the scandal, and Kan himself made a public apology after the investigation concluded. Such assertiveness in dealing with the bureaucratic monster is unheard of in Japan and won him many supporters. Of course, Kan’s background alone will not be enough to lead Japan out of its current malaise. While in office, **he needs to connect with the Japanese people** in a way not seen since Junichiro Koizumi, the popular former prime minister who served from 2001-2006. Koizumi took office at the end of Japan’s “Lost Decade,” pledging to reverse the country’s economic stagnation of the 1990s. With charisma and charm, he ushered in daring reforms such as deregulation and privatization, much to the dismay of government bureaucrats as well as his own party. **Despite the unpopularity of some of his specific policies, Koizumi still managed to leave office with an approval rating of 50 percent**, the highest of any outgoing prime minister in the postwar era. Besides an outsider’s perspective and charming personality, Kan also needs to show some resolve. Rather than resign at the first sign of plunging approval ratings, **Kan should articulate a plan and stick to it, even if it costs his party seats in an election.** It is a risky strategy—especially given the voters’ reluctance to give their politicians a large margin for error—but **it is exactly the kind of bold leadership that Japan needs at this critical moment.** Relying on his background as a civic activist and bureaucracy fighter alone will not help Kan succeed. **He must make a conscious effort to show the voters that he “feels their pain,” and then he must take decisive action.** While the voters may not approve of everything Kan does in office, he will have their support if he appears concerned about the average citizen and confident in his policies. It may be a low bar to set, but it is one that has not been reached in four years of muddled leadership. **With Kan, Japan just might have a fighting chance to turn itself around**.

Winners Win 🡪 Agenda

**Kan is perceived as strong if he gets a political win – that’s key to the agenda**

**Foster 6/12** (Malcolm, Associated Press Writer, JapanTimes, http://search.japantimes.co.jp/cgi-bin/nn20100612f2.html) JPG

In the past, prime ministers often could blame bureaucrats — who held powerful sway over policymaking — for problems or just ride out the storms. Not any more."**Japanese are really looking for a government who can solve their problems,"** said Sheila Smith, a senior fellow at the Council on Foreign Relations in Washington. "They want better governance. **They're not very tolerant**."

The structure of **the two-chambered Diet makes it difficult for leaders to hang on to power**.

The party controlling the more powerful Lower House chooses the prime minister, but in recent years the ruling party has had difficulty controlling the Upper House. Unlike Britain's weaker chamber, the House of Lords, **the Upper House** of the Diet is made up of elected representatives who **can block legislation**, **which can create headaches for the ruling party and contribute to voter discontent over political gridlock.** Also, a poor showing in the relatively frequent elections — Lower House elections must be held every four years and Upper House polls every three years, often at different times — can prompt a prime minister to resign to take responsibility. Sometimes elections are called early.**The media also shape public opinion about leaders,** analysts say. For one, all major newspapers have monthly surveys measuring the Cabinet's approval rating, and **a persistently low support level can spell doom for prime ministers**.The way the question is framed is key, said Koichi Nakano, a political science professor at Sophia University in Tokyo.In Britain, the surveys that get the most attention ask voters a relative question: Which party do you prefer? But the most-watched polls in Japan ask an absolute question: Do you like the Cabinet or not? "That's harsh. **It really does make it hard for governments to stay popular**," Nakano said.Since the mid-1990s, TV talk shows that discuss politics — often from a populist, critical perspective — have added to the mix, bringing political discourse into more living rooms. Relatively inexpensive to produce, these shows do little reporting and investigating of their own and instead debate recent events and take a look at the day's main newspaper and magazine stories."They take a populist stance, expressing outrage about government," said Nakano. "That makes life very difficult for politicians." Perhaps most fundamentally, **few Japanese leaders in recent history have had the charisma or leadership skills to deliver results and remain in power for long**, analysts say.

**\_\_\_\*\*Kan DA – Internals/Impact**

Economy Impacts – JASA

**Japan economic stability is critical to its security alliance with the US and check multiple regional challenges**

**Denmark and Kliman 10** (Abraham and Daniel, Abraham – Fellow @ CNAS and Daniel – visiting Fellow @ CNAS, Center for a New American Security, June 2010, http://www.cnas.org/files/documents/publications/USJapanPolicyBrief\_DenmarkKliman\_June2010.pdf.) JPG

**Putting the alliance on a firmer foundation will also require a focus on fiscal health**. **Japan’s** declin- ing and aging population, coupled with a **large national debt, will likely reduce its potential to cooperate with the United States on a host of regional and global challenges**. Japan’s defense spending and foreign aid are already decreasing, and **Japanese politicians are preoccupied with issues** that affect an elderly population, s**uch as health care and social security**. Fiscal constraints could also limit America’s capacity to contribute to the alliance. As the baby-boomer generation retires, **social spending will compete with funding allocated to defense and foreign affairs.** Add to that payments on a mushrooming national debt, and **the United States may have little choice but to dimin- ish its foreign commitments, including the military capabilities it brings to the alliance.**

Econ Reform Bad – 2NC

**DPJ economic reform collapses the economy – state budgets and irresponsible government spending**

**iStock Analysis 9** (12/26, <http://www.istockanalyst.com/article/viewiStockNews/articleid/3739458>) JPG

The figures, approved by the Cabinet on Friday, **show the ruling Democratic Party of Japan's picture was too rosy when it said** in its campaign for the last House of Representatives election that resources for the programs in **its manifesto could be secured if the budget was compiled in a whole new way.**

The total amount of **long-term debt**, including that for the central and local governments, **is expected to rise to 862 trillion yen. The road to fiscal balance has become longer and harder** than ever.

**Expenditures grew to implement programs in the DPJ's** manifesto, such as the child-rearing allowance program, while the [government[mag-glass_10x10](http://www.istockanalyst.com/article/viewiStockNews/articleid/37394)](http://www.istockanalyst.com/article/viewiStockNews/articleid/3739458) fell short on the expected spending cuts involving existing programs. Feeling the pinch, the government hastily tried to cut the budget's size by giving up some manifesto pledges. Most provisional tax rates, including those on gasoline, will be kept at current levels to prevent a drastic fall in revenue. As a result, **state tax revenues will be about 200 billion yen less** than that of fiscal 2009, but **without the policy U-turns** on the provisional tax rates, **it could have fallen by about 1.7 trillion yen**. Expenditures for making expressways toll-free were trimmed from 600 billion yen in the initial budget request to 100 billion yen. But this did not help much. The government's primary balance--a leading indicator of fiscal health--is a 23.7 trillion yen deficit, far worse than the 13.1 trillion yen deficit at the time the fiscal 2009 was compiled. Even though Prime Minister Yukio **Hatoyama said** at a press [conference](http://www.istockanalyst.com/article/viewiStockNews/articleid/3739458) Friday, "**We barely managed to maintain fiscal discipline," the government is entering a danger zone**. Another reason why expenditure will grow is that the Hatoyama administration has not set any mid- or long-term fiscal reconstruction target. The DPJ pledged in its manifesto for the 2007 House of Councillors election to turn the primary balance back to the black by fiscal 2011, but it did not mention the issue specifically in the lower house election manifesto last summer. In the basic budgeting policy approved Dec. 15, the government said it would compile a multiyear, midterm fiscal framework in the first half of next year, which would include projected revenues and cuts in spending by administrative fields. The government should show its strong commitment to fiscal reconstruction. Otherwise it may be overpowered by lawmakers in the ruling coalition who seek even more spending, with their eyes only on next summer's upper house election and nationwide local elections in spring 2011. **To realize a more balanced budget, the government has to** increase tax revenues or **cut spending**, but neither is likely to serve as a quick remedy. **Tax revenues are unlikely to see any remarkable rise amid ongoing deflation and the recession**. A business-related source said tax revenue "will stay at the 30 trillion yen level for the next five years if no measures are taken." **Cuts in spending have limits**, as seen in the much-publicized Government Revitalization Unit's efforts, which managed to secure only about 2 trillion yen--far less than its goal. **The state budget is expected** to swell every year from now on, with social security expenditures expected **to rise by 1 trillion yen every year as society ages** and the birthrate declines. The cost to redeem government bonds issued in the past also is expected to increase by 1 trillion yen a year. **The fiscal 2010 budget included more than 10 trillion yen** in nontax revenues, **but** a Finance Ministry source said **nontax revenues are only capable of** stably **contributing about 4 trillion yen** to the budget. Besides, reserve [funds](http://www.istockanalyst.com/article/viewiStockNews/articleid/3739458) in special accounts and the funds in public corporations are one-off resources. Hatoyama said Friday, "I'll never consider raising the consumption tax [rate] in the next four years." But as he faces the harsh reality of falling tax revenue, he may just need to think about it.

Econ Reform Bad – 2NC

**DPJ economic reforms are all talk – they hollow out the economy and continue problems that plague Japan’s economy**

**Katz 10** (Richard, *editor of the* Oriental Economist Report *and author of* Japan: The System That Soured*, Foreign Policy, 1/8/10,* http://www.foreignpolicy.com/articles/2010/01/08/japans\_economic\_reforms) JPG

Just before the recently elected Japanese government released its new 10-year growth strategy, two top policymakers locked horns in a sterile economic debate. Heizo Takenaka, economic advisor to former Prime Minister Junichiro Koizumi, said the chief priority should be business-oriented supply-side measures to generate new wealth. Naoto **Kan**, the new deputy prime minister and finance minister, **stressed the need to boost demand and help consumers**. Arguing that the Koizumi cohort had failed, Kan said that companies would neither hire new workers nor boost capacity if they couldn't sell their output. In the end, Prime Minister Yukio Hatoyama took Kan's approach, saying, "[The past government] was biased toward the supply side, and we intend firmly to generate demand." His government set goals of 2 percent GDP growth per year for the next decade and the creation of 4.76 million new jobs in fields like elderly care, health, the environment, tourism, and exports. The problem is that **his "growth strategy" includes neither growth nor strategy. It lists targets but offers no means to achieve them.** Moreover, **the goals themselves are off base**. Hatoyama set a target of 2 percent per year GDP growth, starting from a 2009 baseline. But from 2007 through early-2009, **the recession slashed GDP by a remarkable 9 percent.** If the Japanese government based its goal from the pre-recession GDP levels -- as it should have -- its GDP target for 2020 works out to just 1 percent growth per year, a truly dismal rate. **The targets on the jobs side are equally off.** Over the next decade**, the country's working-age population will plunge** by 7.6 million people, or **10 percent**, and the number of retirees will rise by 6.5 million. **How can the** Hatoyama **administration promise 4.8 million additional jobs** when Japan won't have the workers to fill them? No one expects a rush of immigrants or women into the workforce to counter this trend. **For Japan to revive, it has to move beyond Kan** and Takenaka's **false supply-side, demand-side dichotomy.** As famed economist Alfred Marshall pointed out more than a century ago, **scissors need two blades: supply and demand. Japan has trouble growing because both blades are so banged up** that neither cuts very well. Plus, each blade's dullness worsens the other. For 30 years, **Japan has been afflicted with a chronic shortfall of demand, a kind of economic anorexia.** Consumer spending is too low, mostly because household income is too low. Over the last decade, real wages per worker have fallen every year but one. The only reason consumption has risen is that households have slashed their once-legendary savings rates: from 17 percent in 1980, to 10 percent in 1997, to 2.3 percent in 2008. If people earned more, they'd spend more. To make up this shortfall, decades of Liberal Democratic Party (LDP) governments used artificial stimulants: mammoth budget deficits, rising trade surpluses, and monetary steroids to gin up often-wasteful business and infrastructure investment. **The unsustainability of this strategy came home to roost in the recent recession, when a collapse of exports and accompanying investment sent GDP southward.** This collapse abruptly erased 70 percent of the recovery eked out since late 2001. With the economy now operating 7 percent below capacity and economists worried about a relapse in 2010, the newly elected Democratic Party of Japan (DPJ) turned immediately to measures to increase demand. It proposed a good initial remedy: boosting household disposable income, partly by measures making it cheaper to have children. Instead of building more of the LDP's notorious "bridges to nowhere," the DPJ proposed spending around 21 trillion yen, 4 percent of GDP, on measures such as an annual rebate of $3,250 per child, reimbursement for high-school expenses (which even at public schools can amount to $5,000 per year), free child-age medical care, and tax cuts. Unfortunately, **the DPJ evaded the issue of financing its largesse. Its talk of cutting wasteful spending to come up with the funds proved hollow**. As a result, the DPJ has already cut back or postponed some of these measures. Moreover, **the DPJ has not offered a remedy for the structural defects in private labor and capital markets that produce such low household income in the first place.** The DPJ's difficulty in financing its programs brings up the supply side of the scissors. Japan will never find the resources to boost household income, support the elderly, and address its gigantic government debt unless it accelerates per capita GDP growth, hikes the tax base, and increases returns to investment. With the number of workers declining, the only way to boost GDP is for each worker to produce more. At the moment, unfortunately, long-run productivity is growing only 1.5 or 2 percent per year. If the labor force declines 1 percent a year and productivity rises 1.5 to 2 percent, the math makes it clear: **over the long haul, GDP can only grow a meager 0.5 to 1 percent**, maximum -- which is just about what the Bank of Japan, the OECD, and other authorities estimate will occur after a few years of higher growth as the economy recovers. Thus, **Japan cannot achieve healthy long-term growth without a productivity revolution**. Unfortunately, **neither the DPJ nor the LDP has seriously addressed this need.** There is lots of talk about more research and development spending and economic exotica like nanotechnology. But Tokyo should take a look at the United States' recent productivity revolution, where real improvements lay in old-line sectors such as retail and rust-belt manufacturing. Under the pressure of stiff competition, companies in these industries adopted new technologies and more efficient ways of doing business. Aside from a few world-beating sectors, like the automotive industry, Japan is so far behind world benchmarks of efficiency that it could enjoy a huge leap in growth just by catching up. Even in manufacturing, Japan is 30 percent below U.S. productivity levels.

Econ Reform Bad – 2NC

**Economic reform’s effetiveness is questionable at best and wont boost investor confidence**

**Dickie 6/23** (Mure, Journalist @ Financial Times (FT), FT, http://www.ft.com/cms/s/0/70505da4-7e60-11df-94a8-00144feabdc0.html) JPG

**Japan yesterday moved to boost confidence** in its state finances by issuing a "fiscal management strategy" that aims to cap government bond issuance at current levels, curb spending growth and bring the primary budget into the black by 2020. **The plan highlights the Democratic party-led government's effort**s to demonstrate that it is serious about fiscal sustainability in spite of a gross state debt that has soared in recent years to almost 200 per cent of gross domestic product. However, **the strategy left unresolved the question of how to raise state revenues**, merely promising a "comprehensive reform" of taxes to be decided "soon". And **economists said the government's ability to deliver fiscal sustainability was still open to question.** Naoto **Kan**, Japan's prime minister, has **made f**iscal consolidation a central theme of his new administration and has promised cross-party negotiations on tax reforms, including **a possible rise in the politically contentious 5 per cent consumption tax.** With an important upper house election scheduled for July 11, Mr **Kan has sought to win political cover for such a rise** by citing an opposition Liberal Democratic party proposal to double the consumption tax to 10 per cent as a reference for negotiations. However, a televised election debate among party leaders yesterday made clear that smaller opposition groups, such as the Social Democratic party, New Komeito and Your party, were seeking to capitalise on voter opposition to a consumption tax rise that some polls suggest has already hurt Mr Kan's popularity. Under its new "medium-term fiscal framework" the government aims to ensure that debt issuance in the next fiscal year does not exceed the about Y44,000bn expected this year, and that it "steadily decreases" thereafter. A "pay-as-you-go" principle is to be adopted for government spending, with general expenditure, not including debt repayment and interest, to be basically capped at Y71,000bn for this fiscal year unless new and permanent tax revenues are secured. **While the framework marks an effort to cap debt and spending at what are record levels,** Hideki Takada of the government's National Policy Unit said the limits should be seen in the light of growing social security costs associated with a rapidly ageing population. Under the strategy, Japan aims to at least halve the deficit in its primary budget by 2015 from the current estimated level of 6.4 per cent of GDP. By 2020, it aims to achieve a primary budget surplus, paving the way for stable reduction of state debt relative to GDP. **Financial markets were largely unmoved by the strategy, with economists saying it had few immediate economic implications and that Tokyo's ability to deliver fiscal sustainability remained open to question. "While these objectives also deserve high praise, the details are wanting"**, wrote Ryutaro Kono, economist at BNP Paribas, in a research note.

**Kan cant tackle the economy for 10 years**

**Business Monitor International 6/4** (Staff, 6/4/10, Riskwatchdog.com http://www.riskwatchdog.com/2010/06/04/why-naoto-kan%E2%80%99t-save-japan/) JPG

Japan’s new prime minister, Naoto **Kan, has been given a poisoned chalice** to say the least. Although GDP is growing again, **the magnitude of the country’s economic challenges is gargantuan:**

**A fiscal deficit of around 10% of GDP**

**A public debt burden of 200% of GDP**

**An ageing and shrinking population**

**Weak private consumption**

**Consumer price deflation**

A weak external environment, with **a real possibility that China** – Japan’s biggest trade partner – **could** [**slow sharply**](http://www.riskwatchdog.com/2010/06/04/2010/06/02/expecting-a-recession-in-china/). Given the sheer scope of these problems, **no Japanese leader, no matter how capable, can be expected to make progress in tackling these any time soon**. Most likely, **it would take at least 5-10 years** to put Japan on the path to sustained recovery. However, **the temporal dynamics of Japanese politics do not allow prime ministers that much time.**

\_\_\_\*\*Kan DA – Aff Answers

UQ – Kan Credibility Up

**The DPJ is popular now – Kan appointment**

**Sakamaki and Hirokawa 6/11** (Sachiko and Takashi, both writers for Bloomberg.com, Business Week, http://www.businessweek.com/news/2010-06-11/japan-s-ruling-party-vows-to-balance-budget-by-2020-slash-debt.html) JPG

Polls show **the DPJ’s popularity has jumped since Hatoyama**, 63, stepped down on June 2. Kan served as Hatoyama’s finance minister and deputy premier. **Kan’s government had an approval rating of 60 percent** in an Asahi newspaper survey published June 10, **compared with Hatoyama’s rating of 17 percent** in late May. Some **39 percent of respondents said they will vote for the DPJ in the next election, up from 33 percent in last week’s poll.** The June 8-9 telephone survey of 1,088 people didn’t provide a margin of error. Kan’s government plans to hold upper- house elections on July 11, media organizations including Kyodo News have reported.

UQ – Reforms Pass

**Sales tax increase is gaining credibility, but builds opposition**

**Nishikawa 6/21** (Yoko, reporter for Reuters, http://www.reuters.com/article/idUSTOE65K01D20100621

HOW DID IT PLAY OUT IN THE PAST?

[**Japan**](http://www.reuters.com/places/japan) **last raised the rate** to 5 percent from 3 percent **in 1997, a move that was followed by a sharp economic downturn and a big** election **defeat for the ruling party.**

**But people may now be more willing to tolerate a rise because of worries about creaky pension and health care systems and the spectre of a Greek debt tragedy.**

A poll by Yomiuri newspaper showed on Monday that **48 percent of voters supported Kan's remarks on possibly doubling the sales tax in the future**, against 44 percent who did not.

**Kan's gamble may be less risky than precedent suggests**. But voter support for his government, which had jumped right after he replaced Hatoyama, has slipped slightly with one public opinion survey showing an increase in opposition to the government among those who do not favour the sales tax hike.

No Vote Switching – 2AC

Opposition will hold strong

Kusimodo, Sumida and Weaver 6/18 (Hana, Chiyomi, and Teri, ALL reporters for Stars and Stripes, 6/18/10,

<http://www.stripes.com/news/pacific/okinawa/futenma-fight-could-linger-despite-japan-s-new-prime-minister-1.107689>) JPG

**Japanese and U.S. leaders also are looking to see whether opposition dies down**.

Despite Kan’s cooler approach**, that seems unlikely**. Already this month, Okinawa’s capital city council adopted a resolution seeking a recall of the latest base agreement with the United States.

“**There is no expectation that the strong opposition will collapse**,” Maeda said.

**Hatoyama’s attempt to renegotiate awakened many in Okinawa** who for years had reluctantly accepted the U.S. bases in return for jobs and other economic development, according to Yoichi Iha, the mayor of Ginowan. **Those opponents are not ready to give up their new passion**.

“**They felt**, for the first time, because **there was a real possibility that bases might be removed** outside of the prefecture, they [could] change their position,” the mayor said at a press conference in Tokyo on Wednesday. “**You cannot change back the clock**.”

Others adamant about fighting the plan agree.

**“People will risk their lives**” to prevent construction of any new base on Okinawa, said Kiyomi Tsujimoto, a Social Democratic Party Diet member at a press conference in Tokyo last week.

No Link – Troops ≠ Key

**Troop presence doesn’t spill over to a national issue**

**Kusimodo, Sumida and Weaver 6/18** (Hana, Chiyomi, and Teri, ALL reporters for Stars and Stripes, 6/18/10,

<http://www.stripes.com/news/pacific/okinawa/futenma-fight-could-linger-despite-japan-s-new-prime-minister-1.107689>) JPG

Still, **even staunch protesters against the new air station admit it will be hard to keep Okinawa’s issues in the national spotlight. “Mainland people’s interest is fading away**,” said Okinawan protester Sakae Toyama.Activists like Toyama hope a series of Okinawa elections, including the prefecture’s gubernatorial seat, will serve as referendums on the Futenma issue as the year wears on. A new governor could attempt to block construction that involves the public waterways; the plan, so far, proposes to build a new runway into the waters off Camp Schwab. Other trouble about the landfill runway looms: the Pentagon is appealing a 2008 federal court decision that says the military failed to study the environmental impacts of building the air strip out in the waters of Oura Bay. Most expect the debate about Futenma to remain primarily an Okinawa issue, for now. **“It is highly unlikely that Futenma will come back to a national political scene, at least for a time being,”** said Haruo Tohmatsu, a professor at the National Defense Academy in Japan. But he quickly added: **“Unless there is something earth-shattering occurs on Okinawa involving military bases.”U.S. military leaders may have the same mind-set**. Despite a two-year drop in off-base crimes among U.S. personnel, U.S. Marine commanders last week imposed a midnight to 5 a.m. curfew for troops on Okinawa. The new rule bans service members from being in bars, or other businesses whose main trade is alcohol, during the early morning hours.The curfew policy came out first thing in the morning June 11. By noon, newscasters in Tokyo were reporting it in their lunchtime reports.“Okinawa,” Tohmatsu said, “is like a time bomb.”

**Troops are on the backburner – economy will stay at the top of the docket**

**Loo 6/10** (Tze M., Asst. Prof of East Asian history @ Univ of Virgina @ Richmond, http://www.nytimes.com/2010/06/11/opinion/11iht-edloo.html) JPG

Hatoyama cast his resignation as taking responsibility for failure on the Futenma issue, but this too, looks likely to hurt the situation. **Since his resignation, Japanese media and popular attention to the Futenma issue has collapsed, and Okinawa’s base issue faces the very real risk of getting lost in the transition to the new government**. Indeed, the new prime minister, Naoto **Kan, has made the Japanese economy his primary focus.** Regarding Futenma, **he reaffirmed the government’s commitment to the May 28 agreement with the U.S. while promising** (vaguely) **to give attention to reducing Okinawa’s base burdens.** Kan did, however, mention at a press conference that he had recently started reading a book on Okinawa to deepen his understanding of its history. Let’s hope that his reading helps him understand the weight and complexity of the base issue, and that it gives him enough of a sense of history to see why he must not lose sight of it.

Link Turn – Focus

**US presence allows Japan to focus on fiscal reform as opposed to China and North Korea**

**Harris 6/20** (Tobias, Japan Analyst @ Int’l Affairs, PhD student @ MIT in Poli Sci, East Asia Forum, http://www.eastasiaforum.org/2010/06/20/the-third-way-has-belatedly-arrived-in-japan-with-prime-minister-kan/) JPG

Moreover, the Kan government’s overtures to the US can be overstated: even the formulation of support for the alliance voiced in Kan’s address last week was [more like](http://www.observingjapan.com/2008/05/new-fukuda-doctrine.html) former LDP Prime Minister Fukuda Yasuo’s, in which the alliance is viewed largely in terms of its role in providing stability in Asia, than the vision of the alliance as resting on a foundation of shared values and dedicated to the promotion of democracy in the region. Like Fukuda, **Kan recognises that** stable, constructive **relations with Japan’s neighbors**, China most of all, **are essential, and that the US-Japan alliance is valuable insofar as it contributes to Japan’s Asia policy aims.** But in the Kan government’s unflinching support for last month’s agreement on Futenma, the new government is clearly interested in bolstering the US pillar of Japan’s foreign policy. What I wonder is whether **the DPJ’s renewed interest in the security relationship is a function of** its focus on **deficit reduction**. As the government looks to reduce spending, DPJ officials may increasingly be coming to the realisation that **austerity combined with regional uncertainty means** that for the foreseeable future **Japan will be dependent on US deterrent power**. While the new government is quietly hedging against the possibility that the US commitment to Asia might weaken through its focus on bilateral cooperation with regional powers and its growing acceptance of the need to loosen restrictions on arms exports (which would lower the cost of bolstering Japanese’s own conventional capabilities), **the DPJ clearly accepts that for the foreseeable future it will be necessary to maintain a constructive security partnership with the US**, even if the party continues to hope for an ‘equal’ partnership. It is open to debate whether austerity is leading the Kan government into a more enthusiastic embrace of the US (or even whether the embrace is more or less enthusiastic than the Hatoyama government’s or any LDP government’s for that matter). **The DPJ** may simply be free or cheap riding irrespective of concerns about austerity in the future. Or it **may sincerely believe** that **the status quo is** more or less **the best option for Japan when it comes to coping with** the rise of **China.** However, I think the proposal to relax the three arms-exporting principles is a sign that the DPJ is sensitive to the costs of defending Japan and, therefore, that while the alliance may provide the most cost-effective means of national defence (provided measures are introduced to lessen the domestic political costs of US bases on Japanese soil), the government should look for ways to reduce the costs of Japan’s providing its own defence in due time. In short, at home and abroad **the DPJ is performing balancing acts, pursuing multiple and at times conflicting goals that require flexibility** on the part of the government — precisely the reason why Ozawa and other politicians have called for a stronger Westminster-style executive over the past two decades. Whether the government will be up to these challenges even with reform remains to be seen.

Impact D – Japan Econ Resilient

**Japan wont collapse like Greece – our evidence is compartive**

**Financial Express 6/19** (FE Vol. 18 No. 171, 6/19/10, http://www.thefinancialexpress-bd.com/more.php?news\_id=103491&date=2010-06-19) JPG

The economy of Japan, the second largest in the world after the USA, is stagnant. This is an open secret. What is startling is that Japan's new Prime Minister, Naoto **Kan, fears Japanese economy is in danger of collapsing like that of Greece.** Only a week into his premiership, Kan gave this warning in his first policy statement in parliament on June 11. **Japan is burdened with the largest gross public debt-to-GDP ratio in the world at an unbelievable figure of 189 per cent**. In comparison, Greece's public debt is 115 per cent of its GDP. **The plight of Japan is not**, however, **as bad as that of Greece. Greece is heavily indebted to foreign banks while most of the Japanese public debt is domestically held** as the government bonds are purchased by domestic investors. Greece was on the brink of bankruptcy when its government was in no position to servicing foreign loans. **Japan will not face such a humiliation** until the time -- some time in the future -- when its greying population begin to retire and cash in their bonds and the number of domestic investors dwindles forcing the government to look for foreign sources for financing. Nevertheless, Japan needs to take measures to restore its financial health. International ratings agency Standard & Poor's downgraded Japan's sovereign debt rating in January on the ground that the country did not appear to have any plan to contain its debt.

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**Economic Reform will balance the budget and increase foreign investment**

**Sakamaki and Hirokawa 6/11** (Sachiko and Takami, both writers for Bloomberg.com, Business Week, http://www.businessweek.com/news/2010-06-11/japan-s-ruling-party-vows-to-balance-budget-by-2020-slash-debt.html) JPG

June 11 (Bloomberg) -- **Japan’s ruling party pledged to balance the country’s budget by 2020** and address what Prime Minister Naoto Kan called an “unsustainable” dependency on public borrowing that threatened a crisis similar to the one that erupted in Greece.

“**We can see from the eurozone confusion that began in Greece that our finances can go bankrupt if we don’t address our rising public debt**,” Kan said today in his first policy address to Parliament. “It’s difficult to wipe out Japan’s massive debt overnight so we have to get working right away.”

**Kan called for cross-party cooperation** in tackling Japan’s fiscal burden a month before elections that will determine his government’s ability to pass legislation on its own. **Japan’s debt burden**, the world’s largest, **is approaching 200 percent of annual economic output**, according to the Organization for Economic Cooperation and Development.

“**The DPJ can change its irresponsible image as the public wants fiscal health and feels tax increases are inevitable**,” said Tsuneo Watanabe, senior fellow at the Tokyo Foundation, a think tank. “**This is** positive for the government as an election strategy and **effective in giving foreign investors hope for the future of Japan’s economy.”**

**Tax hikes are inevitable – they are critical to preventing an economic collapse**

**Martin 6/25** (Alex, staff writer for Japan Times, http://search.japantimes.co.jp/cgi-bin/nn20100625f1.html) JPG

Despite misgivings in his own party, Prime Minister Naoto **Kan has pledged to raise the 5 percent consumption tax in** a few years **to fund snowballing social security costs and avoid a fiscal crisis like the one that engulfed Greece.**"We decided to break the ice and mention it in our manifesto," the Democratic Party of Japan leader said last week, calling for full debate on tax reform and crediting an opposition plan to double the sales tax to 10 percent. **Even when the dangers of ignoring fiscal reform are obvious, talk of raising taxes is a political taboo** **because the parties that attempt it usually get slapped** in subsequent elections. **But experts said Kan's bold move was backed by the DPJ's newfound popularity** since he took over from Yukio Hatoyama. **He is confident he can win voters over, given** national concern that **a fiscal meltdown could devastate the economy for years,** they said. "**Considering the nation's poor fiscal health, it's quite obvious that a tax hike will eventually be necessary**," said Satoru Matsubara, an economics professor at Toyo University. "So it was a question of finding the right timing," he said, adding that Kan's firsthand experience monitoring the economy as finance minister in the previous Cabinet lends a sense of urgency to the situation.That urgency may be justified. Kan has voiced frequent warnings about the nation's enormous public debt since Greece entered crisis earlier this year. **Now that the crisis has forced fiscal reform to spread through Europe, Kan said Tuesday he would stake his political career on the issue.** A consensus on a tax hike has emerged on both sides of the political divide. The conservative Liberal Democratic Party, the leading opposition party, said June 17 it would campaign on the need to double the consumption tax to 10 percent. The DPJ said it might use that figure as a reference point. Before Kan broached the issue, **a majority of voters appeared surprisingly supportive of raising taxes.** According to a June 8-9 Kyodo News survey, **60 percent of respondents backed a consumption tax hike while 40 percent opposed it. This may have emboldened Kan.**

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**Japan risks economic collapse without Kan’s reforms – Greece proves**

**Mmegi Online 6/14** (Vol. 11 No. 22, http://www.mmegi.bw/index.php?sid=4&aid=2955&dir=2010/June/Monday14) JPG

Naoto Kan, in his first major speech since taking over, said **Japan needed a financial restructuring to avert a Greece-style crisis.**"**Our country's outstanding public debt is huge... our public finances have become the worst of any developed country**," he said.  
After years of borrowing, **Japan's debt is twice its gross domestic product**. For 20 years, the government has been borrowing to spend, hoping to revive the stagnant economy, amassing the biggest debt-to-GDP ratio in the industrialised world. The Japanese themselves have been buying those bonds at low interest rates. But **as Japan ages**, the thinking goes, **households will save less**.  
The Government will have to look abroad to borrow, and the higher interest rates demanded could tip the world's second biggest economy into the abyss. Now the new Prime Minister Naoto Kan has stepped into the debate in his first policy speech to the Diet, warning **Japan could face similar debt problems to Europe**.

But not everyone is convinced Japan, with its huge trade surplus, is doomed.

And Kan may simply be easing the way towards raising consumption tax and reneging on spending pledges made during last year's election.

"It is difficult to continue our fiscal policies by heavily relying on the issuance of government bonds," said Kan, Japan's former finance minister.

"Like the confusion in the eurozone triggered by Greece, **there is a risk of collapse if we leave the increase of the public debt untouched and then lose the trust of the bond markets**," he said.

Despite the prime minister's hair-raising words, markets did not bat an eyelid, with the Japanese yen, the Nikkei stock market index and Japanese government bonds unmoved.

**"Fiscal austerity measures are long overdue**," said Chris Scicluna, deputy head of economics at Daiwa Capital Markets in London.  
He forecasts that the government's budget deficit will be 8% of GDP this year, a number that Kan has promised to reduce to zero by the end of the decade.

However, Scicluna said the government does not face any immediate fiscal crisis, unlike some European countries, and probably will not start tackling its budget deficit for at least another year or two. Unlike Greece or Spain, Japan is a net lender to the rest of the world, to the tune of 2.5% of its GDP last year.

The Japanese government is effectively the only borrower in Japan, and raises all of the money it needs from the savings of its own citizens. Some 95% of the government's debts are held by Japanese investors, and the government can currently borrow for 30 years at a mere 2% interest rate. But Scicluna says Japan does have serious medium-term problems related to its ageing population. As more and more Japanese citizens retire in the next few years, they are likely to start selling their government bonds to pay for their retirements. This means that **Japan will need to start borrowing from the rest of the world, and the government may have a hard time convincing foreign lenders to let it borrow** at such a low interest rate. Kan did not detail the fiscal changes he may impose to revive Japan's economy after years to stagnation. But in the past, Kan has advocated increasing Japan's sales tax, a move that would be unpopular.

He said: "It is unavoidable to launch a full reform of the tax system. If we maintain the current level of issuance of new bonds, **outstanding debt will surpass 200% of GDP** in a few years.

"It's been 20 years since the collapse of the bubble economy in the early 1990s. **Because the Japanese economy had been in the doldrums, people have lost the trust they had and fear the uncertainty of the future,"** he said.

**Reform is key to public investment – investor confidence**

**Japan Today 6/2** (Staff, 6/2/10, http://www.japantoday.com/category/commentary/view/next-pm-tasked-with-putting-economy-on-growth-path-rebuilding-finances) JPG

On the heels of Prime Minister Yukio Hatoyama’s announcement to resign**, market attention is focused on if his successor can demonstrate leadership in laying out and implementing a credible growth strategy and fiscal discipline target** for the world’s second-largest economy.Economists say that **the immediate repercussions of** **his resignation** on the financial markets **are limited, as the Democratic Party of Japan**, **which has an outright majority** in the powerful House of Representatives, **will likely stay in office until the next general election**, which does not have to be held until 2013. But some are concerned that the development could delay the announcements scheduled for the end of this month of medium-term fiscal policies and growth strategies, while government officials are rushing to sooth such worries.‘‘**The administration should not have any intervals, so we will try to take steady action especially when the market is nervous**,’’ Parliamentary Secretary of Finance Hiroshi Ogushi said at the Finance Ministry on Wednesday afternoon.

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**Kan’s reforms are key to the economy but cant do it without cooperation**

**JapanToday 6/3** (Kyodo News,

http://www.japantoday.com/category/commentary/view/next-pm-tasked-with-putting-economy-on-growth-path-rebuilding-finances) JPG

**Kan**, a former DPJ chief who took up the current post to replace Hirohisa Fujii in January, **has been leaning toward more fiscal responsibility and tax increases** amid lingering concerns over the debt debacle in the eurozone economy. **Markets are expected to welcome his basic stance**, but there are a dearth of materials to determine if **Kan is fully capable of putting the economy on a stable growth path and rebuilding state finances at a time when Japan’s public debt to GDP ratio is almost 200%.** Kyohei Morita, chief economist at Barclays Capital Japan Ltd, said that national policy minister Yoshito **Sengoku**, **who** also **prioritizes fiscal health, could be tapped for a key post in the new cabinet**, which is expected to be launched Monday. **But the fiscal issue could be a headache for the cabinet as the issue of a U.S. Marine base troubled the Hatoyama government, which led the Social Democratic Party to break away from the DPJ,** if the DPJ fails to find a consensus on the direction of fiscal consolidation with the People’s New Party, another coalition partner led by Shizuka Kamei who seeks massive fiscal stimulus, he said. Since the closely watched House of Councillors election is drawing near, however, the DPJ may become cautious about setting any clear targets for a tax hike especially when the party struggles with critically low support ratings. Hideo Kumano, chief economist at the Dai-ichi Life Research Institute, warned, however, that **if the DPJ puts off the schedule for a sales tax increase, that could give ‘‘an extremely bad impression’’ to the global market** which has been sensitive to sovereign risks since Greece’s debt crisis. Market eyes are also watching to see if the DPJ moves to tie up with other parties after the upper house election in July, in which the DPJ seems unlikely to rack up a majority of the 121 seats up for grabs.**The** 12-year-old **DPJ**, which won a landslide victory in last year’s general election, **still needs cooperation** from other parties in the upper chamber **to ensure smooth passage of legislation**.  
   