

Japan's Nakasone: how long will he last?

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No sooner did Yasuhiro Nakasone become the new Prime Minister of Japan than certain Tokyo insiders began predicting that his reign will be very short-lived. They suggest that the problems that brought down Nakasone's predecessor, Zenko Suzuki—economic decline, unmanageable budget deficits, and worsening political-economic relations with the United States—will cause an early demise for Nakasone, perhaps as early as mid-1983.

On the surface, Nakasone's electoral victory was a landslide of stupendous proportions. Out of the approximately 1 million dues-paying members of the ruling Liberal Democratic Party (LDP), 560,000 voted for Nakasone, 265,000 for his leading rival, Toshio Komoto.

Since the LDP holds a stable majority in the Diet, Nakasone automatically became prime minister as has been the case with the LDP candidate for well over 30 years.

Far from representing any independent popularity contest in favor of Nakasone, the LDP primary simply pitted the powerful electoral patronage machine of former Prime Minister Kakuei Tanaka against the efforts of other leaders in the party, particularly former Prime Minister Takeo Fukuda. The primary did not include the millions of voters in Japan who vote for the LDP in general elections, but only the million dues-paying members who had been signed up by various faction leaders. Since Komoto had recruited the largest number of members, it was assumed he would do the best. However, say Tokyo sources, Tanaka somehow managed to get hold of the list of members recruited by Komoto's group. Tanaka's powerful machine went to work on businessmen, local community leaders, construction contractors, and other "vote brokers" dependent on government patronage and "convinced" them to switch from Komoto to Nakasone.

As a result, for now, Lockheed bribery case defendant Tanaka has just elected his third Prime Minister in a row, and Tanaka's main rival, Fukuda, has suffered a serious defeat.

In the meantime, under the slogan of "party unity" Nakasone will enjoy a honeymoon and seem to be a powerful Prime Minister. Nakasone's new cabinet includes all of the personality-led factions in the LDP. Naturally, the Tanaka faction garnered the most positions, 6 out of 20. But Fukuda's faction was also granted three posts, including the powerful

foreign minister's post for Fukuda's top lieutenant, Shintaro Abe (the third-place contender in the primary).

There are two major factors which portend early problems for Nakasone: 1) Nakasone now faces the most difficult policy choices of any post-war prime minister; all of the options he has are likely to hurt his popularity; and 2) as the verdict in the Lockheed trial approaches in mid-1983 (Tanaka is expected to be found guilty), Tanaka's power will begin to erode. All of the piranhas who have long sought Tanaka's political death will begin to swarm.

The most important problem Nakasone faces is the economy. Suzuki's downfall was caused by the fact that he had postponed decisions that he was unwilling or unable to make. Now Nakasone must make the difficult choices. Suzuki had promised to balance the budget—now running a 30 percent deficit—by 1984 *without* raising taxes. Virtually everyone agrees that goal is impossible. The question is whether Nakasone will raise taxes with an election for the Upper House of the Diet scheduled for April. The LDP well remembers the huge setback it suffered in the 1979 Diet elections when then-Prime Minister Ohira simply said he would have to raise taxes in the future. Related to this issue is the decision by the Suzuki administration to freeze the wages of government workers, along with private employers' anticipated insistence on holding down wage increases. Since the 1973 oil crisis, Japanese labor has been exceedingly moderate in its wage demands and, since they were promised that diminished wage hikes were only a temporary sacrifice. Without the hope of economic recovery in 1983 it is not clear whether Nakasone can succeed in imposing a wage freeze without sparking labor turmoil. Nakasone cannot evade this problem, as past administrations have, by boosting the economy with an export drive. World trade decline and tensions with the United States and Europe preclude this option.

Aside from the export issue, Nakasone faces delicate policy decisions on foreign policy, particularly defense. A nationalist and a "hawk" by inclination, Nakasone is disposed to go along with U.S. demands for a defense buildup—though he might want to carry out the buildup with a certain "Japanese Gaullist" independence from Washington. However, such a buildup is precisely what the Southeast Asian nations have raised a hue and cry about, as witness the private discussions with President Reagan by Philippines President Marcos and Indonesian President Suharto. Japan must take Southeast Asian concerns into account, since this region is Japan's biggest trading partner other than the United States. How Nakasone steers between competing trade and security issues pressures will be a big test for his regime.

In the Lockheed trial, the prosecution is expected to sum up by February; a verdict will come before summer, and Tanaka could be sentenced to prison then. At that point, Tanaka's enemies will insist that, if the LDP is trying to impose austerity on the Japanese people, it must win their trust by "cleaning up its image." That means getting rid of Tanaka, and the man Tanaka just made Prime Minister.