

Lecture delivered by Prof. Nobuaki Hanaoka on April 28, 2009  
in the Conference Room, Nippon Foundation

Mr. Jiro Hanyu, Chairman of SPF

My name is Jiro Hanyu, chairman of The Sasakawa Peace Foundation.

I would like to welcome you all, in particular Your Excellencies and other members of the diplomatic corps from the Middle East and Islamic countries. Please accept my heartfelt welcome.

I would also like to express my sincere thanks to Professor Hanaoka, who has accepted our invitation to be the lecturer at this meeting, and who has outstanding information regarding the political situation in Japan.

In this month of April, we, The Sasakawa Peace Foundation, have started The Sasakawa Middle East Islam Fund. The purpose of this fund is to promote an exchange of people between Japan and the Middle East and Islamic countries, and to deepen mutual understanding.

Today's meeting falls under this framework. To deepen mutual understanding, it is necessary to know about politics, economy, society, and the culture of both sides. For Middle Eastern people, that of Japan; and for Japanese, that of the Middle East. Therefore, we set up the foundation to implement projects that support these ideas.

Historically speaking, the relationship between Japan and the Middle East and Islamic countries is unique. For the last millennium -- ladies and gentlemen, it is not a century, but a millennium - - Japan and the countries in the Middle East and Islamic region have never fought a war or had any nation-to-nation military conflict. In short, for more than a millennium, not a single drop of blood has been shed between the nations on both sides. And yet, in spite of such excellent relations, interaction between Japan and the Middle East and Islamic countries is not sufficient, to our regret. The main pillar of our relationship is trade in the international commodity, oil. We see that the time has come to change such trends and to deepen exchange between peoples in Japan and the Middle East and Islamic countries.

As I said before, we have to first know each other's situation to achieve this goal. For people from the Middle East, politics in Japan may be a mystery, and vice versa. The political situation in the Middle East is hard to understand for most Japanese.

Therefore, we plan to serve the diplomatic corps from the Middle East, who stand at the front line of mutual understanding, by holding around four times a year an opportunity to invite excellent speakers to talk about the latest situation in Japan in terms of politics, economy, culture and society. We do not intend to have one-way communication. Rather, we would like to ask you to be speakers who enlighten the Japanese in terms of Middle Eastern politics, economy, culture and society, and so on.

I should not speak longer. It will be much more productive if I ask Professor Hanaoka, who is regarded as an authority in Japanese politics, to begin. So I will stop now, but I have one request to make of you. We are planning to hold a kick-off party for the Middle East Islam Fund, on May 28, on the second floor of this building. On that occasion, we wish to invite Ms. Yuriko Koike, who may one day become prime minister of Japan. We are going to ask her to speak, and then have a party. So I would like to ask you to attend this party. I will be very happy if you invite friends and those who may wish to come with you.

Once again, I thank you very much, all of you, for coming to this meeting today in spite of your busy schedules.

Prof. Yoshiaki Sasaki

Thank you for joining us today.

As you may know, The Tokyo Foundation is engaged in holding lecture meetings geared towards Embassy staff of Islamic countries. These meetings deal with issues of politics, military, diplomacy, culture, and so forth. However, as Chairman Hanyu said in his speech just now, a new fund called The Sasakawa Middle East Islam Fund has been established within The Sasakawa Peace Foundation. Along with this, I have been appointed an advisor to The SPF in addition to my duties as a senior research fellow at The Tokyo Foundation.

My first proposal to hold this lecture meeting for a better understanding of Japan was met with agreeable support from the Chairman. This is how the invitation was forwarded to you.

I think you who work at Islamic Embassies are often engaged in writing reports to your home government. If so, topics such as "Where does Japanese politics stand now?" and "How long will the Aso administration continue and what comes next?" may be the most important

questions. Let's hear now from Professor Hanaoka of Takushoku University. For many years Prof. Hanaoka was a journalist at the Sankei Shimbun newspaper. I'd like to encourage him to speak freely and frankly. Over to you, Professor Hanaoka.

Prof. Nobuaki Hanaoka

I'm Nobuaki Hanaoka. Thank you for the invitation and for this very precious opportunity. Professor Sasaki is my very close friend. Maybe it was destiny, but when Professor Sasaki left Takushoku University to no one's regret, I was able to fill the vacancy. I'm just kidding. Anyway, the university's graduate school has established a new course called Studies of Local Government and Administration in Japan. Japan is currently at the threshold of a decentralization era. We have a central government and 47 prefectures (*to-do-fu-ken*). Japan is divided into 47 prefectures, but the current plan is to transform Japan into about 10 states, such as in the United States. We call this the *do-shu sei* (states system) and there is a possibility that this will be realized in about 10 years. The present age is being called "the era of regionalism." The new graduate course was established to raise manpower to support such an era, and I was invited to teach the course. My seminar gathers 10 students of varying ages, from 22 to 78, including an incumbent city council member. In total there are 28 students, but my current work is focused in a corner of the Takushoku campus.

As introduced, I have dealt with politics, Japanese politics, in more than 30 years as a journalist for the Sankei Shimbun newspaper. I have always watched *Nagatacho* (where the Diet and party headquarters are), but I am very poor at English. So I will speak in Japanese. I wish I could speak in fluent English. It must be cool. But I will place my trust in the very good simultaneous interpreter available today.

I was told to speak about politics as frankly as possible. It is about politics, so my predictions might not come true. However, if my talk today does not come true, please understand it is not my fault. I should say it is Japanese politics itself that is to blame. Politics may change its course in one night. Especially, politics in Japan switches from offense to defense, the attacking side and the defending side, in one night. Please listen to what I say with this in mind.

Will political power change hands in Japan? Ask me that question today and I have to say no, unfortunately, I don't think it will. If such a change really were to take place, it would represent the first genuine transfer of power in the history of modern Japan. We have seen limited shifts in political power in the past. But until two months ago, we were looking at a genuine transfer of power. It would have been an event modern Japan had never witnessed. Then the situation

changed dramatically. Mr. Aso is very lucky. In fact, in my opinion, Mr. Aso is the luckiest Japanese prime minister ever.

Up until two months ago, it was said that the DPJ would overwhelm the others if a general election was called. The rate of those who supported Mr. Aso at one point dropped to around 10%. However, it has rebounded to around 30%, according to an NHK survey. And just yesterday it had risen to 32%, according to Nikkei Shimbun's research. As for the support rate for political parties, the DPJ once enjoyed higher points than the LDP. But now the LDP is top. In short, when people are asked which party they prefer in a proportional representation vote, a larger number used to answer the DPJ. But those who prefer the LDP increased in the latest survey. In Japan, we call the political situation *seikyoku*. I do not know if there are similar expressions in foreign languages, but certainly, the current *seikyoku* favors Mr. Aso.

In fact, I have been saying, even before Mr. Ozawa's political fund case came to light, that the *seikyoku* favors Mr. Aso no matter how low his support rate drops. But it can be said now that Mr. Ozawa's scandal has made that current even clearer. About Mr. Ozawa's case or about his next expected steps, I would like to talk later on.

Your immediate interest may be when the House will be dissolved, am I right? In Japanese politics, the prime minister can dissolve the House of Representatives. Although Representatives are elected for a four-year term, the prime minister alone has the power to dissolve the House before the full term is up. We often call this power "using a sword treasured by the family," as a last resort. When is Mr. Aso going to use this power? He is now free to use it whenever he sees that the LDP is winning. He has grasped complete freedom in terms of dissolution, I think.

Once, people were saying the dissolution would take place within May, but that chance is almost gone. What is the current feeling? I have to explain from the beginning. In Japan, the Diet has its longest session in January. This is called an "ordinary session." This ordinary session lasts for 150 days, and the biggest task of the government is to get approval from the Diet for a new budget proposal within this time. If not, the government collapses.

In Mr. Aso's case, he convened the ordinary session on January 5, although it is usually done in the end of January -- more than 20 days early. At this moment, I firmly believed that Mr. Aso took the initiative to play a political game. Meanwhile, this action suggested his intention and plan for two major budget bills to be approved before the end of fiscal 2008. In addition, he was

aiming for a third budget bill. The first bill was the last revision of the fiscal 2008 budget. The second was the budget for fiscal 2009. In addition, a revision of the fiscal 2009 budget was tabled for debate in the Diet yesterday. It is hard to recall any government in the history of Japan that has tried to pass three such enormous budget bills in quick succession during an ordinary session of the Diet.

Some still say that the Aso administration has poor prospects. People say some strange things. They say Mr. Aso's policy has changed course, and that he hasn't been consistent in his policies. People also make personal criticisms. They say Mr. Aso goes out drinking every night in expensive bars, and they raise the *kanji* issue. In Japan, we use Chinese characters, and some of these kanji are complex. But people criticise Mr. Aso for failing to read *kanji* properly. All these trivial, silly comments made his support rate go down. But we have to note that these comments have almost nothing to do with the central issues of politics. In today's Japan, like the rest of the world, I'm sure, the direction of politics is directly determined by television. If all the TV stations parrot the idea that Mr. Aso is incompetent, then everyone who watches TV will think worse of him. But how does Mr. Aso appear to a professional analyst? How do I myself see him, if you will allow me to regard myself as such an analyst. This man, Prime Minister Aso, is a very tough individual. Stout-hearted. How should I put it? He just doesn't worry at all. By and large, these trifling matters simply don't bother him. Compare him with previous prime ministers, and I see this as evidence that he is more stable, less likely to panic. He is that kind of statesman. He is a grandson of Shigeru Yoshida, a giant of postwar politics in Japan. We can see that DNA.

Taro Aso is a prime minister with a very courageous, die-hard character. That means he will not throw his power away easily, as others did in the past. Mr. Shinz\_ Abe abandoned power due to intestinal troubles. His successor Mr. Yasuo Fukuda also gave up within one year. In Mr. Fukuda's case, he was not able to manage Diet affairs because the LDP did not control the House of Councilors. As you may know, although the ruling parties have a two-thirds majority in the House of Representatives, they are in a minority in the House of Councilors. These circumstances have continued, but I do not think that Mr. Aso is such a timid prime minister. This has been my observation of him for quite a long period.

As for the timing of dissolution, the DPJ has demanded an early dissolution and early general election. But on March 3, an unexpected incident emerged. One of the aides to Mr. Ozawa was arrested on charges of breaching political fund control regulations. This was followed by his prosecution. Frankly speaking, although the amount involved in the case is rather high, it was

not such a serious crime that this aide should have been arrested and prosecuted. It could have been settled by correcting the books, when the matter was discussed, and the authority concerned should have accepted this. The charges are of falsely reporting donations, and of breaching a political funds control law. A Tokyo district prosecutor dared to take this to court. What you need as background information for this case is the system of fund-raising started by the late prime minister Kakuei Tanaka. Mr. Tanaka, then the key figure in the LDP, and his faction built up a comprehensive system for public procurement all over Japan, through which funds would flow into him. Mr. Shin Kanemaru took over the system from Mr. Tanaka, followed by Mr. Ichiro Ozawa and Mr. Toshihiro Nikai, who is now in the LDP. So the current question is whether the Tokyo prosecutors will go further to investigate Mr. Ozawa's system itself. This is not clear yet. The Tokyo prosecutors have not announced an end to the case, and this is why Mr. Ozawa cannot resign the presidency of the DPJ, even if he wants to.

What does it mean, that he cannot resign even if he wishes to do so? Well, it is a very tough argument, but I would like to speak frankly. If Mr. Ozawa resigns now, he may be exposed to immediate arrest. The possibility still remains. On the other hand, there is the subtle consideration that sooner or later, Mr. Ozawa has to quit. And I think he will. However, how can he preserve his great influence after his resignation? That is the question he is now trying to resolve. This is the situation for Mr. Ozawa.

At one point it was said that the dissolution will be in May. There was a period when people expected an immediate dissolution after the third budget bill. As I mentioned before, this is a supplementary budget for the new fiscal year. The DPJ is no longer talking about early dissolution. The Democrats are buying time. They think their support rate will eventually rebound. That is the situation now. So what is my assumption? If I dare make a prediction, I would say it will happen this summer. I think the Diet will be dissolved for a general election this summer. The campaign may start on August 18, with a vote on August 30. This is one of my expectations. The general election will probably be postponed to this date. Of course, early dissolution is actually possible at any time. If Mr. Aso judges the time is right for victory -- a moment when he believes his party, the LDP, will win -- then he can choose to dissolve the Diet. But for the time being, circumstances are working against an early dissolution and election -- and that's true for both the Liberal Democratic Party and the Democratic Party of Japan, the main opposition party. On this point, interestingly, they are in full agreement.

The supplementary budget, which is under discussion in the House of Representatives, will be agreed upon by the middle of May. After passing through the House of Representatives, the

budget bill will be debated in the House of Councilors. The DPJ says they want to discuss it completely. "Completely"... that is their expression. If they wish to vote on the bill earlier, that means voting against it; of course, that would result in rejection of the bill because the Democrats have a majority in the House of Councilors. However, once it is rejected, the bill would be returned to the House of Representatives for another vote. With the support of two-thirds of the Representatives, it can be approved as the decision of the Diet. This is what our Constitution dictates. And if there is no vote by the Councilors, within 60 days after the House has received the bill, the decision of the Representatives will be the decision of the Diet. I hope you understand these technical issues. This is the framework of our Constitution.

This is the reason why I predicted Mr. Aso's triumph when the Diet was convened on January 5. Mr. Aso has convened this ordinary session of the Diet with a big precondition that two or three giant budgets would be endorsed in the course of the session. When you count the dates, based on Constitutional provisions, the House of Councilors has to take action within 60 days, and you need at least half a month for its examination in the House of Representatives. So you see, if you have two months and a half for one budget, it will be endorsed for sure, no matter how the opposition resists, and it will pass.

This means a lot. If it is clear from the beginning that it will eventually pass, the opposition loses the means to fight. Therefore if you look to the two big budget drafts that have already passed, they have been endorsed in less than 60 days. It indicates that the opposition has had to cooperate with the government in some way, although unwillingly. Let me repeat this point. When convened on January 5, the official duration of the ordinary session is 150 days, so it means that the session ends on June 3. Because you need two and a half months to get one budget endorsed, it is possible to get two of them passed using the full five months, 150 days altogether. This is the framework established by Mr. Aso. When he is able to announce and implement this framework, he has won the game. So the opposition was forced to agree in haste on the budget bill, and Mr. Aso set the pace.

Consequently, Mr. Aso was able to submit a third big budget proposal, a 15 trillion yen supplementary budget for fiscal 2009 that had been on his mind. This will be endorsed also in around the middle of May. Add another 60 days and you get to mid-July or later. The current ordinary session ends on June 3. Yet it is possible for Mr. Aso to extend the term up to the end of July if the opposition tries to resist.

Before then, there is the Summit Meeting in Italy from July 8. Mr. Aso wishes to attend this

meeting at any cost. If he attempts to hold an election before the Summit, and loses, the leader of Japan who attends will come from the DPJ. That kind of risk should be avoided, Mr. Aso feels, and that's why he will postpone the general election until after the Summit.

On July 12, the Tokyo Metropolitan Assembly election will be held. Tokyo is the center of Japan so although it is a local election, it means a lot for political parties, especially the Komei Party. Every supporter from all over Japan will come to Tokyo, and a fierce campaign will be carried out. Therefore the Komei Party, the LDP's coalition partner, is against the idea of holding a general election near this date. From this perspective, what can be said is that the House of Representatives will be dissolved at the end of July, and then the general election will have to be held within 40 days after dissolution. Consequently, August 30 is a possible date for the vote. It is possible for the date to shift by one week, but I think August 30 is most probable. Here, I am not sure if you will understand this point, but in Japan, people believe in lucky days of the week, *taian* days. August 30 coincides with *taian*, and curiously enough, Japanese politicians often care about such superstitious matters.

The current term of the House of Representatives ends on September 10, when a four-year term ends. In this case, or when the term ends without dissolution, there has to be an election. This is called term-end election. The election has to be held within 30 days before the end of the term. So holding the general election around August 30 does not differ from holding a term-end election. But it means a lot to hold an election after dissolution, instead of the government being forced to hold an election after the term of the House of Representatives expires. Any government that is not able to dissolve the House automatically becomes fragile.

The Miki Cabinet offered a good example. Prime Minister Takeo Miki was not able to dissolve the House and was forced hold an election. Soon his cabinet was forced to resign. Therefore, Mr. Aso will not wait until the term-end election becomes necessary, but will definitely call for an early election after dissolving the House of Representatives.

Consequently, the possibility of a dissolution in May and an election on June 7, as people have speculated in the past, no longer exists. The dissolution has been postponed, and the general election will be at the end of August. This is the most probable "current of politics", I think. But Mr. Aso has to shoulder another risk -- quite a big one -- as a result of postponing the election. Currently things are going well for him. His support rate has recovered to 30% and higher. Everything will be fine for him as long as this trend continues. But if Mr. Ozawa resigns as leader of the DPJ, if he is succeeded by someone else, what will happen then? And I think the



new leader of the Democrats will probably be Mr. Katsuya Okada.

Mr. Naoto Kan is holding the position of acting president. This is second in the hierarchy. Then comes Mr. Yukio Hatoyama, who is the secretary general. That is number three. Both Mr. Kan and Mr. Hatoyama belong to the leadership of the party now. They must share the responsibility of leadership with Mr. Ozawa. We have an expression for this in Japanese: *ichiren takush*\_. This means that they share the same destiny, as if they were living together in one small lotus flower in paradise, in the afterlife. Neither of them has much chance to be the next president. When you go to the supermarket or convenience stores in Japan, you see food products with the expiration date stamped on the food items. People say that both Mr. Kan and Mr. Hatoyama are no longer edible, they have gone past their expiration dates. This is often said outside the DPJ, but when I spoke to some members of the party secretly, they mostly responded by saying “Yes, they *are* past their sell-by date.”

Furthermore, there are also factions: groups or mini-groups in the DPJ. Both Mr. Kan and Mr. Hatoyama lead a group of 20 to 30 members. You can find about five of those groups in the DPJ, but Mr. Okada is famous for not getting into groups. In short, he has no followers. Like Mr. Okada, I cannot drink alcohol, so when I dine with politicians including Mr. Okada, Mr. Okada and I always drink oolong tea. Mr. Okada never goes out for a drink with younger parliamentarians. He always carries heavy documents and tries to go back to his dormitory early so that he can study. That is the kind of person he is.

Also, as you may know, the Okada family is backed by one of Japan’s biggest supermarket chains, the Aeon Group. So Mr. Okada has no headaches about funding his political activities.

I have to add one more thing. Katsuya Okada is the type of politician who automatically refuses to receive gifts, whatever they are, and sends them back. As you may know, there is a custom in Japan to send seasonal presents in the summer and at the end of the year. These presents are an important tradition. There is a famous story about former prime minister Junichiro Koizumi that proves he belongs to this type of non-traditional politician. When Shinz\_ Abe was appointed deputy chief cabinet secretary, Mr. Abe thought that Mr. Koizumi should receive a gift from him to show that he was now supporting the Koizumi administration. So he sent Mr. Koizumi fish because his home electoral district is Yamaguchi, which is known for good fish. He used the well-known delivery service called “Cool-Bin” (refrigerated delivery). However, the goods were returned unopened. It took about a week for this to happen, so although it was refrigerated, the fish went bad. This is Mr. Koizumi. Mr. Katsuya Okada resembles him on this point. He

gives the DPJ a very clean image that may revitalize, or revive the party. Because he has no particular disciples, he is best positioned to unite all members of the party. And at the same time, he is the most appropriate person to give the party a clean image. So after the resignation of Mr. Ozawa, I think Katsuya Okada is the most likely person to be the next president.

With such new developments, what will happen to the LDP? It will be OK if Mr. Aso's popularity continues to rise. However, the Democrats, with Mr. Okada as head, may be regarded as having regained their vitality. What will be the choice for the LDP? Again, they will see their support rate decline. If such a situation materializes, you are going to see a completely different political scene from the current one. People in the LDP may start to argue that Mr. Aso will no longer be good enough to win the election, and that they want a new face. That's the political world. Nobody knows at all what will happen even one month or two from now. Therefore, postponing the dissolution is a risk for Mr. Aso either way.

So who would succeed Mr. Aso? When the DPJ appears to be revived, the LDP must be revived, too. In such a case, who can lead the LDP? When I think in terms of protocol, the answer is Mr. Kaoru Yosano, who is number two in the current administration. However, he suffers from health problems. The prime minister's very heavy schedule will be too hard for him. If I exclude him, then we have Ms. Yuriko Koike, Mr. Nobuteru Ishihara as I mentioned, and Mr. Shigeru Ishiba. However, it will be very difficult for Ms. Koike and the others to unify the LDP.

I personally think that if there is to be a female prime minister in Japan for the first time in history, she must be either Ms. Koike or Ms. Seiko Noda. But the time has not come. You may find this irrelevant, but Ms. Koike has to contend with the dislike of Mr. Yoshiro Mori, ex-prime minister and the leader of the Machimura faction that Ms. Koike belongs to now. He doesn't like her. So it is difficult to predict that the Machimura faction will unite behind Ms. Koike. Then who else?

Mr. Mori has someone else in mind: Mr. Yoichi Masuzoe. Mr. Masuzoe now enjoys a widespread popular recognition as a very hard-working minister. As minister for health, labor and social welfare, he is dealing with such challenges as pension system failure, problems involving contract workers, and job security during this severe economic crisis. I should not really say this, but he has had problems in the past involving a mistress. But now he is married to a young, attractive woman and has children. So no one expects any scandal of this kind from him at present. His main problem is that he is a member of the upper house, not the lower house. There are some people who say Mr. Masuzoe is excluded for this reason, but I don't think so.

Another election is coming up and Mr. Masuzoe has a chance to move from the House of Councilors to the House of Representatives. If he is listed as number one in the proportional representation race in the Tokyo district, his win will be guaranteed. So once the LDP asks him to run for the presidency, I think he will shift to the House of Representatives and move towards that goal. So this is how I see things. Right now, Mr. Aso stands opposed to Mr. Ozawa. But we may suddenly find ourselves in a different situation. The focus might turn to a confrontation between Mr. Masuzoe and Mr. Okada. That might happen towards the end of the summer this year. It's an undeniable possibility.

Many people ask me for my own assessment of the outcome of the next election. Wherever I lecture, especially in regional areas, people want to know. The House of Representatives has 480 seats. When you look at the number itself, you cannot know anything. Subtract 50 or 60 from that number. 50 or 60 is the number of seats for the Komei Party, Social Democratic Party, Communist Party and Kokumin Shinto (People's New Party), and so on. If you regard the general election as a contest over 420 seats, it will be much easier to understand.

I see the possibility of a split, 210 versus 210. If one side wins 10 more seats, it will be 220 for this side and the other side can take only 200. Once analysts were saying that the DPJ may win with around 280 seats. But now, even DPJ leaders say that 200 will be a good target for them. Of course it is difficult to predict the result since it is an election. However, it won't be a big mistake to say the LDP and DPJ are pretty evenly balanced.

What matters is what happens after the election. If the LDP has around 220 seats, with the Komei Party winning around 25 to 30, then the ruling coalition will hold a majority. It will control more than 241 seats. That would mean that the ruling coalition, the administration of the LDP and Komei, stays on for another term. I see this as a very likely scenario.

I favor that scenario, but a different outcome has to be mentioned. The DPJ, Social Democrats, Kokumin Shinto (People's New Party), plus some from the LDP may form a majority bloc. Mr. Hidenao Nakagawa is one candidate for this change. He is now isolated completely in the LDP, so if he forms a new party with 20 to 30 followers, they may form a bloc to take the majority. This is a very minor possibility, but if such a thing happens, a coalition government headed by "Prime Minister Nakagawa" may emerge. Government would become complicated with the DPJ's strong influence being felt. This is also an undeniable possibility.

If the DPJ forms a government, what can we expect? I think we can say that the government

will be strongly influenced by the Social Democrats and the Communist Party. Why will that happen? Because there will be tactical cooperation between the Social Democrats and the DPJ in some electoral districts. As for the Communists, it is their habit to run candidates in almost all the districts. They have been pushing candidacies even though they know that they will lose. However this has resulted in the loss of deposit money. That's around three million yen each time. Each candidate pays this deposit at the start of the electoral campaign. This is a big financial burden for the party, so they will change this policy from the next election. The Communists will select a smaller number of candidates. Consequently, in some electoral districts where the Communists are absent, say 10,000 to 20,000 voters who originally supported the Communists will vote for the DPJ candidate. So let's say the DPJ wins the election fairly comfortably. In that case, it will probably be because the DPJ has received the help of both the Social Democrats and the Communists. If that happens, it is certainly possible that these socialist elements will heavily influence the new administration.

This is not good for Japan. This is the true reason why Tokyo district prosecutors leveled charges in connection with the mishandling of Mr. Ozawa's political funds. I really shouldn't say any more in this type of forum. But if Mr. Ozawa were to maintain his strength until the election and established a new DPJ-led government, the socialist wing, namely the Social Democrats and the Communists, would strongly influence that government. That would not be desirable for Japan. This may have been the judgment of the prosecutors. Prosecutors, ladies and gentlemen, sometimes make political decisions. So this is my very personal feeling, but I think that was the judgment of the prosecutors.

After taking all of this into consideration, another possibility after the next general election is the forming of a grand coalition. Two years ago, then prime minister Fukuda and Mr. Ozawa actually agreed on the idea of a grand coalition. According to the agreement, Mr. Ozawa was to be the deputy prime minister. Also the DPJ would provide six Cabinet ministers. They had devised the outline of a completely new coalition. But when Mr. Ozawa went back to his party with this idea, the entire party executive condemned it. Eventually, the plan was abandoned. But the concept of a grand coalition -- the idea itself -- is still alive.

If neither the LDP nor DPJ wins a majority, but they are both around the 200-seat range, the possibility that a grand coalition could be formed will increase. For the past several years, Mr. Yasuhiro Nakasone, a former prime minister, and Mr. Tsuneo Watanabe, the key figure at the Yomiuri Shimbun, have been active behind the political scenes. Mr. Watanabe is a well-known advocate of a grand coalition and so is Mr. Nakasone. Also, and please remember this name, Mr.

Yoshihide Suga, who plans political scenarios in the LDP, is working to change the present political current. He now holds the position of vice chairman of the party's election campaign. He is the former minister for internal affairs and communications. He is the best right-hand man for Mr. Aso and is now maneuvering behind the scenes. Mr. Suga also sees that in the right circumstances, a grand coalition will be the only choice. There is a very strong intention to prevent the DPJ from forming a government heavily influenced by the socialist bloc. But a grand coalition would help Japan recover from the world financial crisis, which is being described as the biggest in a century. We are facing a big challenge, so the LDP and DPJ should unite to form a coalition. It might be a middle-sized one. Maybe not everyone would join. But a coalition government would have the power to solve big issues such as the pension problem, raising the consumption tax rate and so on. Germans were able to raise their consumption tax rates thanks to a grand coalition. The question of whether to allow Japan the right to collective self-defense, or whether to revise the Constitution -- these are issues that only a grand coalition can resolve. This is what we can expect after the general election.

Time is almost up, but I have one thing that I should add. I have been telling you what we can expect from the upcoming general election. I don't know if my prediction will be on the mark or not. But in any case, whether a grand coalition is formed or not, whether the LDP continues to control the government with a slight advantage, or the DPJ runs the next administration, there will be simultaneous elections for both Houses in July 2010, or so people say. People are saying this right now. Because there is a regular election for the House of Councilors every three years, the election in July 2010 is definite. There were two simultaneous elections in the past and the LDP didn't lose either. When simultaneous elections are organized, the LDP can expect a synergy effect. Conservative votes can be employed nationwide, and this would lead to a triumph for the LDP. This has led to an idea that the LDP can only win a simultaneous election. There is no chance for dissolution in May, and we are asking ourselves when the dissolution and the general election will be. However, some political maneuvering that focuses on next summer has already started. Indeed, we are at the beginning of a big political current.

I am unsure to what extent have I been able to help you understand. Please use the remaining time for detailed questions, frank questions that you cannot normally ask. I can tell you anything on condition that it remains off the record. So let me stop now. Thank you very much.