

Prime Minister Obuchi Launches Coalition Government

Prime Minister Obuchi Keizo launched a coalition government on January 14 by adding a Liberal Party member to his Cabinet and removing two ministers on the basis of a policy agreement reached with Liberal Party leader Ozawa Ichiro.

Obuchi established the conservative coalition with the aim of strengthening the power base of his Liberal Democratic Party in the Upper House where it lacks a majority.

In the Cabinet reshuffle, Liberal Party Secretary General Noda Takeshi was appointed to the post of Home Affairs Minister and the number of ministers was reduced from 20 to 18.

The policy agreement reached between Obuchi and Ozawa also included cooperation between the two parties on the role of the Self-Defense Forces, a reduction in the number of Lower House seats and reform of Diet proceedings.

The two parties agreed that Japan should more actively participate in United Nations peacekeeping operations when authorized by U.N. resolution and as long as participation does not amount to exercising the use of force. Specifically, the two parties confirmed that the Japanese Constitution bans the Self-Defense Forces from directly using force and delivering goods to areas where military activities are taking place and that the government will deal with other forms of participation on a case-by-case basis to determine whether they are within the framework of the Constitution. Both sides further agreed to lift the current freeze on SDF participation in U.N. peacekeeping operations and

study legal measures for SDF participation in U.N. peacekeeping operations including the enactment of new legislation.

Regarding the Liberal Party's demand for a reduction in the number of Lower House seats, the two parties agreed to reduce the number of proportional representation seats by



The newly appointed Home Affairs Minister, Noda Takeshi

50, to 150 from the current 200, without revising the single seat constituency system.

They also agreed, at the Liberal Party's demand, to abolish the traditional Diet interpellation system in which bureaucrats answer questions addressed to Cabinet ministers from opposition Diet members in committee sessions. The measure is aimed at making Diet members less dependent on bureaucrats in policy matters and activating debates between politicians.

They also agreed to create two

deputy ministerial posts at each ministry to replace parliamentary vice ministers starting in 2001 when the administrative system is restructured, so that politicians will have more power in administrative affairs.

Following the start of the coalition, Liberal-Democratic Party Secretary General Mori Yoshiro said that Prime Minister Obuchi, who launched his administration with a pledge for economic recovery, would be reelected LDP president this autumn and stay in power if the Japanese economy rebounds by then.

Expansionary Fiscal 1999 Budget Adopted

The Cabinet approved on December 25 an expansionary ¥81.86 trillion general account budget for fiscal 1999, 5.4% larger than the initial fiscal 1998 figure of ¥77.67 trillion, reflecting the government's determination to buoy the nation's economy through spending. It is the largest initial state budget on record and marked the first time the general account figure topped ¥80 trillion.

The general expenditures portion of the budget, spending related to policy implementation, gained 5.3% to ¥46.888 trillion. It was the largest year-on-year increase in 20 years. The previous largest year-on-year growth was 13.9% in fiscal 1979.

To cover larger spending and decreasing tax revenues, the government will issue a record 21.71 trillion in deficit-covering bonds, putting the nation deeper into debt. Outstanding debts at the end of fiscal 1999 are estimated at ¥600 trillion.

The fiscal 1999 tax cut package totals ¥9.3 trillion, including a ¥4 trillion reduction in personal income tax and a ¥2.3 trillion reduction in corporate tax. The maximum personal income tax rate will be

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lowered to 50% from the current 65%, while the corporate tax rate will be lowered to the international level of 40.87% from the current 46.36%. Other tax reduction measures include a tax deduction on outstanding mortgage loans for 15 years and the abolition of taxation on equities transactions at the end of fiscal 1998.

The government's economic forecast for fiscal 1999, which serves as the basis of the budget, put the nation's real economic growth at 0.5% following two consecutive years of economic contraction.

The government submitted the budget and the tax revision bill to the regular session of the Diet for consideration. The government is expected to implement the tax reductions in April if the bill is approved by then.

Ancient Nara Capital Included in UNESCO's World Heritage List

The World Heritage Committee of the United Nations Educational, Scientific and Cultural Organization (UNESCO) has decided to include a group of historic structures of the ancient capital of Nara in UNESCO's list of World Heritage Sites. The decision came at the 22nd session of the committee held in Kyoto in early December.

The Nara properties newly placed on the World Heritage list include Todaiji Temple, famed for its Great Buddha, Kasuga Shrine, Toshodaiji Temple, Kofukuji Temple and the site of Heijokyo, which was Japan's capital from 710 to 784. Of the newly designated World Heritage assets in Nara, 25 structures are already designated as "national treasures" and 53 structures as "important cultural properties" by the Japanese government. Fourteen of them are wooden structures more than 1,200 years old.

Being designated as World Heritage Sites, these historical monuments will be preserved and protected as global



The model of Heijokyo — the ancient Nara capital

symbols through international assistance while boosting tourism.

The Nara properties are the ninth Japanese site on the World Heritage List and the second in Nara Prefecture following the Horyuji Temple, which was included on the list in 1993.

The seven others are Shirakami-Sanchi beech forest (Akita and Aomori Prefectures), Himeji Castle (Hyogo Prefecture), Yakushima ancient cedar forest (Okinawa), thatched houses in Shirakawa-go (Gifu Prefecture) and Gokayama (Toyama Prefecture), cultural treasures of the ancient capital of Kyoto City (Kyoto Prefecture), Itsukushima Shrine (Hiroshima Prefecture) and the Hiroshima Peace Memorial (Hiroshima Prefecture).

The World Heritage Committee, established by UNESCO in 1972, places cultural and natural assets with universal value on the World Heritage list for global protection.

As of December 1998, 582 sites were placed on the list, including the Great Wall in China; Al Hampra Castle in Granada, Spain; San Pietro Temple in the Vatican; the Benjamin

Franklin Memorial in Philadelphia; and Chambord Castle along the Loire River in France.

At present, 25 sites are placed on the endangered list. Among them are Angkor Wat (Cambodia); the Old City of Jerusalem (Jordan); the Kotor cultural and natural sites (former Yugoslavia); Yellowstone National Park (U.S.), and ruins in Chanchan (Peru). They are the victims of regional conflicts, civil wars, environmental disruptions caused by the construction of dams or roads, poaching, increasing population and natural factors such as weathering and erosion.

The World Heritage Committee is empowered to alert the world and take emergency measures when world heritage sites with universal value are endangered. When they are endangered by war or other emergencies, the committee is authorized to place such sites on the list of endangered sites even without receiving request for assistance from the countries concerned.