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JAPAN: Political and Economic Background

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MY TELNOS 707 AND 708 (NOT TO ALL): JAPAN: GENERAL ELECTIONS

1. THE RESULT IS 300 SEATS FOR THE LIBERAL DEMOCRATIC PARTY (LDP) IN THE LOWER HOUSE. THIS IS A TRIUMPH EXCEEDING ALL EXPECTATIONS BOTH FOR MR NAKASONE AND FOR THE PARTY MACHINE. IN JAPANESE TERMS, IT IS A LANDSLIDE.

2. THE IMPLICATIONS IN TERMS OF FACTIONAL STRENGTH ARE NOT, REPEAT NOT, YET CLEAR. NOR ARE THE UPPER HOUSE ELECTION RESULTS YET KNOWN: BUT IT SEEMS CERTAIN THAT THE LDP MUST HAVE STRENGTHENED THEIR POSITION THERE TOO. THE FULL RESULTS IN THE LOWER HOUSE (WITH STRENGTH AT DISSOLUTION IN BRACKETS) ARE AS FOLLOWS:

LIBERATL DEMOCRATIC PARTY	300 (250)
JAPAN SOCIALIST PARTY	85 (111)
KOMEITO	56 (59)
DEMOCRATIC SOCIALIST PARTY	26 (37)
JAPAN COMMUNIST PARTY	26 (27)
NEW LIBERAL CLUB	6 (8)
SHAMINREN	4 (3)
INDEPENDENT	9 (5)

3. THIS IS THE BEST RESULT THE LDP HAVE EVER ATTAINED, WITH A TURNOUT, AT 71%, A LITTLE LOWER THAN THE BEST. IT REPRESENTS A COMPLETE EXPOSURE OF THE WEAKNESS OF THE OPPOSITION PARTIES, AND ESPECIALLY OF THE JAPAN SOCIALIST PARTY (JSP) WHO HAVE NOW FEWER

COMPLETE EXPOSURE OF THE WEAKNESS OF THE OPPOSITION PARTIES, AND ESPECIALLY OF THE JAPAN SOCIALIST PARTY (JSP) WHO HAVE NOW FEWER SEATS THAN EVER BEFORE. IT REVERSES DRAMATICALLY AN APPARENT TREND OF GRADUAL DECLINE IN THE LDP'S STRENGTH.

4. IT MUST SIGNAL THE APOTHEOSIS OF NAKASONE. UNLESS IT SPLITS, WHICH SEEMS HARDLY LIKELY AT SUCH A MOMENT, THE PARTY WILL HAVE TO GIVE HIM CREDIT FOR THIS ACHIEVEMENT. NAKASONE HIMSELF HAS SAID THAT THE RESULT IS A PUBLIC ENDORSEMENT OF THE LIBERAL DEMOCRATIC PARTY'S COMMITMENT TO EDUCATIONAL, FISCAL AND ADMINISTRATIVE REFORM AS WELL AS TO SPECIFIC PROJECTS LIKE THE PRIVATISATION OF THE JAPAN NATIONAL RAILWAY SYSTEM.

5. A SPECIAL SESSION OF THE DIET WILL NOW BE CONVENED FOR THE FORMAL ELECTION OF THE PRIME MINISTER, AFTER WHICH A NEW CABINET WILL BE FORMED. THE DATE OF THIS HAS YET TO BE ANNOUNCED.

(MEANWHILE, PERSONAL MESSAGES OF CONGRATULATION TO MR NAKASONE WOULD NOT BE OUT OF PLACE.)

6.

IN GENERAL TERMS, WE MUST NOW EXPECT NOT ONLY A MORE CONFIDENT AND ASSERTIVE BUT ALSO A MORE NATIONALISTIC JAPANESE GOVERNMENT. THE NEW GOVERNMENT WILL BE IN A POSITION TO PURSUE ECONOMIC POLICIES WHICH TAKE ACCOUNT OF THE REASONABLE CONCERNS OF JAPAN'S INDUSTRIALISED TRADING PARTNERS, BUT ITS WILLINGNESS TO STIMULATE DOMESTIC DEMAND TO THE EXTENT REQUIRED BY THESE CONCERNS MAY BE IN DOUBT. THE EXIGENCIES OF FACTIONAL NEGOTIATION MAY STILL HAMPER THE EMERGENCE OF A CLEAR LINE OF POLICY UNTIL AFTER THE LDP'S PRESIDENTIAL ELECTIONS IN OCTOBER.

7. WE SHALL REPORT DEVELOPMENTS.

GIFFARD

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