

Aso grilled over economy

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TOKYO - OPPOSITION lawmakers grilled Prime Minister Taro Aso in parliament Thursday over his strategy of pulling the world's second-largest economy out of recession with a contentious plan to spend 2 trillion yen (\$33.5 billion) on a cash payout to every household and then raise taxes.

Yukio Hatoyama, a leader of the Democratic Party of Japan, the biggest opposition bloc, said Mr Aso's ruling Liberal Democratic Party has 'completely lost touch' with the people.

'The Aso administration has already lost the support of the people, after only four months,' Mr Hatoyama said.

Mr Aso is under increasing pressure to either deliver on his economic reforms and pull Japan out of recession, or call elections to prove his mandate with the public.

He has resisted calls for elections because recent public opinion polls suggest that only 19 percent of voters support his Cabinet, and that more voters would prefer to see the opposition take over than continue with the status quo. Mr Aso's party has governed Japan for virtually all of the past 54 years.

Mr Hatoyama on Thursday renewed his calls for elections, saying that is what the country needs to get it back on track and end a parliamentary stalemate between the ruling party, which controls the lower house, and the opposition, which controls the less powerful upper house.

Elections in the lower house can be held at any time, but must take place by September.

Mr Aso brushed aside the election demands, and called for stability.

'We must support the job market,' he said, over jeers from the opposition. 'These are issues we must discuss in parliament.'

The parliament questioning session came a day after Mr Aso vowed to create 1.6 million jobs over the next three years and take other steps to pull Japan out of its economic crisis. Mr Aso's proposal on jobs was aimed at easing the impact of job cuts announced by companies like Toyota Motor Corp and Sony Corp.

Mr Aso, who assumed office in September, promised to create the jobs by encouraging workers to enter growing areas, such as nursing care, and turn temporary positions into full-time jobs to give more workers job security and benefits. But he also vowed to review the tax system and raise a consumption tax by fiscal 2011.

Earlier this week, Mr Aso's ruling party rammed through an extra budget of 4.8 trillion yen. Mr Aso hopes the stimulus, including the much-criticised 2 trillion yen cash payout plan to each household, will spur consumer spending and garner support for his embattled government.

The payout would lead to each taxpayer getting about 12,000 yen.

Mr Hatoyama panned that plan, saying that while increasing numbers of Japanese are in economic

difficulty, most oppose the payout as a waste of money, a criticism that many economists have also voiced.

'Prime Minister Aso sees the economic difficulties we face as somebody else's problem,' Mr Hatoyama said. 'But the situation is only getting more severe.' After the parliament questioning ends this week, attention will focus on Mr Aso's plans to pass Japan's main fiscal 2009 budget - totaling a record 88.5 trillion yen - by the end of March. The opposition has vowed to fight that and has repeatedly called for elections instead.

P.S.

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