

The DPJ Manifesto
Creating a Dynamic Japan
Towards a Secure Society

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A Message from Naoto Kan to the People of Japan

The Significance of This Manifesto

In presidential-type elections such as those for prefectural governors, electors are able to choose the head of government, and therefore the administration, directly. Under a parliamentary cabinet system, in countries with single-seat constituencies and two-party systems the electors are effectively able to choose the prime minister by choosing among the candidates put forward by parties in each constituency. In Japan, however, we have never experienced the kind of routine change of administration that occurs in many other countries, when the principal opposition party wins an election and attains the political power to form an administration. In the first change of administration that I experienced, ten years ago, the main opposition party at the time, the Japan Socialist Party, was defeated heavily, but because the Liberal Democratic Party lacked a majority, seven other parties formed a coalition, and the Hosokawa Administration was born.

But even in the following two general elections under the single-seat constituency system introduced by the Hosokawa Administration, no change of administration resulted. It was like having ploughed a field but not sown the seed that brings it to life. If the Democratic Party of Japan is victorious and assumes power, it will be the first time in Japan that there has been a change of administration after an election victory by the largest opposition party, something that is a matter of course in other countries. That would mean that life-giving seed has been planted in the ploughed field of the single-seat constituency system.

A manifesto is a statement of the policies that the two major political parties, vying for government, pledge in advance to the people of the nation that they will implement when they form the administration. When two major political parties confront each other and the people choose one or the other of them, it is the same as choosing the governing parties to form the administration, the prime minister, and the manifesto (administration policies), or in other words the administration itself.

The Japanese government system, which uses a parliamentary cabinet system, has not hitherto been a system based on two major political parties, and as a result the people have not been able to choose an administration. To form one wing of a system of two major political parties, the Democratic Party and the Liberal Party amalgamated out of readiness to work for their common interests despite minor

differences of opinion. This presents an ideal opportunity for us to ask the people of Japan to choose our manifesto.

The Democratic Party of Japan (DPJ) manifesto was drafted on the basis of this thinking, and the final decisions were taken by myself through the responsibility vested in me as party leader. The entire parliamentary membership of the DPJ has signed this manifesto and pledged to put it into effect, and now asks the people of Japan to choose it. I hope that the LDP will also have a manifesto to which all of its members subscribe, and that there will be a fair contest.

If a change of administration comes about, Japan will also have entered the age of genuine two-party politics. The LDP will also be compelled to reform itself, signifying that Japanese party politics will have evolved into a form that befits the 21st century.

Ending the Centralization of Power and Showing the Bureaucrats Who Is Boss

The kind of country that the DPJ wants to build is a country that is decentralized, so that things are decided close to where people live, and a country in which the people, not the bureaucrats, are the masters. The Japan of today is a centralized state in which the centre exercises excessive control over the regions, and also a bureaucracy in which bureaucrats, rather than the ordinary people of the country, dominate the political and economic spheres. During Japan's development and industrialization phase, in some respects this kind of centralized bureaucratic state hastened our development, but today it is a major factor behind the weakening of the people's natural vitality. Japan will not be able to revive itself unless this type of state is changed fundamentally into a nation in which decentralization, the sovereignty of the people, and the leadership of the private sector, through markets, non-profit organizations, and the like, hold sway.

A Society with Minimal Unhappiness

In my view, the purpose of politics is to create a society in which unhappiness is minimized. There are people in our society who experience unhappiness, and that unhappiness arises for a variety of reasons.

The purpose of politics is to ensure that political power or authority eliminates as many of those causes that can be eliminated, and minimizes unhappiness.

The reason why I say "minimize unhappiness" rather than "maximize happiness" is because I believe that whereas the causes of unhappiness in such forms as illness and poverty can to a considerable extent be eliminated by political power, most happiness arises from spiritual and moral factors such as love and aesthetic sense, which are realms in which political power should not interfere. It constitutes coercive and autocratic behaviour for certain people to exercise political power unnaturally to force "happiness" on others. Because political power connotes coercive power that holds sway over people's fates, the goal of exercising it should be to minimize the causes of people's unhappiness, and not to create values, which fall into the category of personal preferences such as aesthetic sense. That is the basic philosophy that underlies my approach to politics.

Perhaps talk of "a society in which unhappiness is minimized" conjures up a rather weak image, but that is not the thought that I wish to convey to you. What I do want to convey is my absolute determination to exercise political power to minimize the unhappiness that many people feel. Law and order, and national defence, form part of that. In order to realize a society in which unhappiness is minimized, naturally the people must be protected against crime, aggression, and terrorism; that is the minimum obligation of government. To protect the lives and property of the people, it is essential for the nation to possess appropriate policing and defence capabilities.

In addition, the phrase "a society in which unhappiness is minimized" may also be suggestive of welfare-state-type big government. That is also incorrect. I want to enable self-reliant individuals to exercise their powers as much as they please in deregulated free economic markets and society, while the government lends a helping hand to people who fall into difficulty through no fault of their own. This means, for example, that the government should take active steps to extend relief to people who fall victim to natural disasters or criminal acts.

The problem of unemployment is not purely an economic one, but a major problem that can cause the loss of human dignity. The failure of government policy hitherto has been a major cause of the present difficult situation for small and medium sized enterprises and sole proprietorships, and of the distress of the unemployed. In view of this, I believe that it is now a major responsibility of the administration to

create jobs, to maintain employment, and to support all of you who are confronting these hardships and striving to make a fresh start.

To address issues of this kind it is essential for politicians to take the responsibility upon themselves to plan, implement, and check policy (Plan-Do-Check). Those in political power must not simply place all policy in the hands of bureaucratic institutions, but build proper relationships with officialdom, and take the initiative in governing the country in a responsible manner.

The Kan Manifesto

Based on the thinking set out above, I will radically change the system of bureaucracy in which full command of policy is handed over to bureaucrats, establishing an administration under which the bureaucrats are shown who is boss. In order to create a society in which unhappiness is minimized, I will commit myself totally to carrying out the following "Five Pledges" and "Two Proposals".

Showing the Bureaucrats Who Is Boss

DPJ Administration Policies

Five Pledges

1. Completely abolish the tied grants distributed by the central government within four years.

We will completely abolish within four years the form of tied grants, and radically increase funds that local authorities can use at their own discretion.

2. Ensure complete disclosure of political donations.

We will make donations by companies and organizations totally transparent, and eradicate influence-peddling and the role of special interests in politics.

3. Abolish the Japan Highway Public Corporation within three years and make all motorways outside the major urban areas toll-free.

To stimulate local economies and reduce distribution costs, we will make all motorways outside the major urban areas toll-free within three years, and abolish the Japan Highway Public Corporation.

4. Reduce the number of Diet members and civil service personnel expenses by at least 10% within four years.

We will reduce the number of Diet members and civil service personnel expenses, prohibit the giving of golden parachutes to retiring senior bureaucrats, ensure full disclosure of political funding, and freeze the remuneration of Diet members in police custody.

5. Cancel wasteful public works projects, and stop work immediately on the Kawabegawa dam, the Isahaya Bay land reclamation project, and the Yoshinogawa moveable dam.

We will do away with public works that waste taxpayers' money and damage the environment, hastening the changeover to new types of public works that will restore the environment.

Two Proposals

1. Use revenues from consumption tax to fund the basic pension, and create a new pension system.

We will create a two-tier pension system consisting of the basic pension and a top-up sum calculated as a proportion of income, within four years. By using consumption-tax revenues to fund pensions, the burden will be made more equitable, and a sustainable social security system can be created.

2. Reduce elementary school class size to 30 students, and reconsider the introduction of the 5-day school week

We will establish lower teacher-student ratios to provide education tailored to the needs of each individual child. In particular, we will realise class sizes of 30 students at the lower grades of elementary school within four years and reconsider the introduction of the 5-day school week in order to restore academic attainment levels.

The DPJ Vision

The creation of a dynamic Japan. That is our vision.

Our goal is to create a highly safe and secure society with zero unemployment and zero crime, a political system that is fair and transparent, and strong government that protects the people's lives and property.

We pledge to pursue policies that will inspire trust and will restore Japan's self-confidence and pride.

Note: The numbers to the right of text printed in bold indicate the detailed sections of the manifesto from page 37 onwards.

The Constitution

Based upon the three fundamental principles of the present Constitution – **the sovereignty of the people, respect for basic human rights, and pacifism** – we will engage in active deliberation on the Constitution in tune with the demands of the times, in particular the increasing diversity of basic human rights and the necessity for international cooperation.

The Constitution should not be seen as an immutable code of laws, and should not be reinterpreted conveniently to suit particular circumstances as they arise; the Constitution is the fundamental norm of the people and the state. Based firmly on that conviction we will initiate a national debate on the Constitution, obtaining a national consensus to move the focus from “**Constitution-debating**” to “**Constitution-creating**”.

Economic Policies

We will switch to economic policies directed at bringing about economic recovery that will lead to the creation of **jobs and employment**¹⁻¹. To achieve those ends it will also be essential to revise drastically the manner in which tax revenues are used, and to secure financial resources to enable sound economic

policies to be implemented. **It will be possible to secure financial resources**¹⁻³ by taking resolute steps to halt wasteful spending on public works.

Based on this we will switch the use of taxpayers' money to one that **places emphasis on their daily lives and on the environment**²⁻¹⁽¹⁾. A symbolic objective will be the abolition of the Japan Highway Public Corporation and the making of **most motorways toll-free**²⁻¹⁽²⁾. In Europe and the United States, motorways are toll-free; it is normal. Why is Japan unable to do what those countries have done? **Japan has become a country unable to do what is in the natural course of things elsewhere; a country where such things do not happen.** The reason is that it has a structure in which tax monies are used wastefully. We will reform that structure and be resolute in changing the manner in which tax revenues are used.

That is exactly what **structural reform** is all about.

We will go beyond mere gestures by formulating a **"5-year economic revival plan" and a "fiscal reconstruction plan"**¹⁻⁴, using these as the basis for the revitalisation of the Japanese economy.

Decentralization

One means that will form part of our resolute measures to change the use of tax revenues will be to foster **decentralization**. By building a society in which local issues are addressed by the local people themselves, we will give material form to what is in the natural course of things.

However, in Japan it is very difficult to carry out what is in the natural course of things. In consequence, we describe this process as a **"decentralization revolution"**³⁻¹.

The reason why it is often impossible to do what is really only natural is the structure in which the centre controls and dominates the regions. The centre is crawling with venal politicians beholden to special interests, corrupt bureaucrats, and companies in collusion with them. This is symbolized by the **grant system**.

The root of all evil is the grant system, in which tax revenues collected from the people are allocated to the regions by bureaucrats acting as if those funds are entirely their own.

We will **abolish the payment to the regions of ¥18 trillion in tied grants**³⁻¹⁽¹⁾, changing them to funds that local authorities can use at their own responsibility and discretion. In addition, we will **limit the powers of central government ministries and agencies, and foster the establishment of local autonomy and participation in government by citizens**³⁻¹⁽²⁾.

Major Reform of Politics and the Bureaucracy

Using their budget powers, including over grants, venal politicians beholden to special interests and corrupt bureaucrats act in pursuit of their own interests. Although there are large numbers of government bureaucrats who are serious and right-minded, unfortunately there are also many who are not.

We will **prohibit the giving of golden parachutes to retiring senior bureaucrats**²⁻², a practice that breeds self-interest and greed, and to trim the surplus fat off the government we will **reduce the total personnel costs of the civil service**²⁻².

Venal politicians beholden to special interests and corrupt bureaucrats collude with profiteering private-sector companies seeking to derive dishonest gains. We will bring such relationships to light, and to stamp out dishonesty by politicians we will ensure **full disclosure of political contributions by companies and organizations**²⁻³⁽¹⁾.

In addition to reforming the useless aspects of the government bureaucracy, we will of course also **reduce the number of Diet members**²⁻³. Our immediate goal is to decrease by 80 the number of seats in the House of Representatives for members appointed in accordance with proportional representation.

We also intend to **correct disparities in the value of a single vote**²⁻³⁽²⁾, a factor that prevents changes of administration that are the natural course of events in other countries. Without these disparities, changes of administration would have occurred long ago in Japan.

Non-Profit Organizations

As part of our major reform of the political system and the bureaucracy, we will take steps to enable large numbers of ordinary citizens to participate in public policy and in the management of local-government bodies.

Policy issues are rapidly becoming more complex and sophisticated, and the speed of change is accelerating. As administrative organizations are staffed constantly by bureaucrats and officials alone, they are unable to keep up with conditions and needs in the real world, making it impossible to respond to people's needs, and in some cases leading to the conduct of administration of a kind that is markedly divorced from those needs.

In the Japan of the future **the knowledge and skills of large numbers of people should be put to good use in the management of both the national and regional governments**, including not only people with expert knowledge in private-sector companies and administrative organizations, but also people engaged in non-profit activities in non-profit organizations (NPOs).

For that purpose we will nurture the growth of NPOs by structuring an **NPO taxation system**³⁻⁵ through which 60% of NPOs will be able to benefit from preferential tax treatment.

SMEs and Financing

The **private-sector economy** underpins the nation, and financing is the lifeline of the private-sector economy.

Financing is the equivalent of **blood** in humans; if it does not flow, their health suffers. Banks play the role of **blood vessels**, and the fact that at present these blood vessels are not doing their work properly presents a major problem for the Japanese economy.

The weakened functioning of the financial system has meant that small and medium-sized enterprises (SMEs), which constitute the foundation of the Japanese economy, are suffering badly. We will establish **creditworthy banks**¹⁻², so as to enable the blood to circulate adequately in the body.

Furthermore, we will revise existing measures to assist SMEs – measures that merely pay lip service to their supposed intent – and **make a sevenfold increase in the budget for SMEs and commercial districts, as well as abolish the system whereby individuals act as guarantors for government loans**³⁻². With measures for SMEs currently accounting for only around 0.1% of the national budget, how can the government say it is devoting its efforts to these measures?

Instead of sham Post Office reform, we will conduct **a genuine reform of the Post Office**³⁻⁴ in a way that helps to enhance people's daily lives and to invigorate regional economies. The point of Post Office reform is to reform the structure in which **postal savings and insurance funds** are frittered away. We will study **the creation of a new system** in which those funds are used to assist regional economies and SMEs.

Agriculture

Agriculture is another cornerstone of the nation. As reflected in the term "**food security**", food policy is also an extremely important field from the standpoint of protecting the people's lives and livelihoods.

To date, **more than ¥1 trillion of funds annually** have been invested in this field, but farmers and people working in jobs related to agriculture are not of the opinion that Japan's food policy is working well. Why is that?

The reason is that the majority of the budgets nominally apportioned to food policy is in fact not used to facilitate the production of agricultural produce or to enhance the motivation of farmers to produce, but squandered on "**agricultural civil engineering budgets**" and the like. The budgets are in fact for construction and civil engineering works, for example for constructing unnecessary rural airports and for promoting the clearance of new farmland, while the government is at the same time enforcing acreage reductions. It is obvious from this that agricultural policy and food policy are inadequate. Our aim is to

ensure that budgets are used in a way that helps to ensure stable supplies of food, and to **increase self-sufficiency in food**.

We will **reduce agricultural and related subsidies** disbursed through these agricultural civil engineering budgets, and create **a system of direct assistance and direct payments that prevents waste**³⁻³. We will respond seriously and honestly to any sincerely held wishes and requests that farmers express.

In addition, the ultimate objective of food policy is to assure the supply of safe foodstuffs to consumers, and we will pursue policies designed to make stringent checks on **food safety**⁵⁻¹⁽⁴⁾.

The Environment

The size of the population of Japan will peak shortly, and finally enter an **era of full-scale aging and decline in the birth rate**. As the population declines, people will no longer need the same amount of land and space to live on and use. Notwithstanding this fact, the above-mentioned "agricultural civil engineering budgets" are formulated, and mountains and forests continue to be cleared, and beautiful rivers continue to be destroyed. We want to put a stop to this.

In order to bequeath **a land of abundant greenery**³⁻⁶ to future generations, we will **replant 10 million hectares of forest over the next decade**³⁻⁶⁽¹⁾. Since woodlands have very substantial water-retention capabilities, they will substitute for concrete dams being constructed in the name of irrigation and flood-control measures. In other words they will become "**green dams**³⁻⁶⁽¹⁾", nurturing both nature and people.

In addition to creating these "green dams", we will pursue policies that are pro-environment and that bring about the restoration of our natural surroundings. We will double the budget for **clean new energy sources such as wind power, solar power, and wave power**, and endeavour to ensure more **widespread use**³⁻⁶⁽²⁾ of **low-pollution cars**.

With respect to nuclear power as a transitional form of energy, **the administration of nuclear power will be subjected to strict supervision**⁵⁻¹⁽⁵⁾, first priority being given to safety.

The Protection of Working People

Policies concerning spheres such as the economy, industry, and the environment are all formulated to enable you to enjoy **an affluent and secure lifestyle**. Meanwhile **the foundations of everyday life** are supported by the work that you do.

Our goal is to create a society in which everyone is able to work in safety. We will establish **rules to ensure that** everyone has work and **due value is given to the work**⁴⁻¹⁽¹⁾. We will **improve the treatment of part-time workers**, and take steps to **enhance childcare/nursing care leave systems**⁴⁻¹⁽²⁾.

We will also give direct assistance to people who have the misfortune to lose their jobs or whose businesses fail. To assist such people when making a fresh start and to give some **stability to their lives**, we will **improve skill-development and training schemes and pay them an allowance of ¥100,000 per month**⁴⁻¹⁽³⁾, and will also reduce medical insurance premiums.

The Protection of Children

The future of every country rests on its children. We will pursue policies to ensure that our children are brought up in a sound and healthy way. In order to achieve that, we will realise **an educational system that tends to the needs of each child and eliminates parental misgivings**⁴⁻²⁽¹⁾.

We will **enhance the system of children's education by unifying nursery schools and kindergartens** in a manner tailored to conditions in each region and by **assisting NPOs**, and will increase **the number of establishments providing after-school care to 20,000**⁴⁻²⁽²⁾.

In addition, to support highly motivated children, we will increase **the amount of interest-free scholarship funds available**⁴⁻²⁽³⁾.

The nation's borrowings will weigh heavily on the taxpayers of the future: our children, and with respect to the administration of the country it is important to guarantee future generations the opportunity to express their will. We will **lower the voting age to 18**⁴⁻²⁽⁴⁾.

Having the right to vote means taking responsibility for one's words and actions as a member of society. By both granting voting rights and **lowering the age of majority to 18⁴⁻²⁽⁴⁾**, we hope that young people's self-awareness will also be enhanced.

The Protection of the Elderly

We also aim to build a country in which senior citizens who have retired from their active working lives can spend their lives free from anxiety. In order to create a nation that is “**second to none in the world in terms of the care and comfort of the elderly⁴⁻³**”, we have set a goal of **increasing by 10,000 the number of group homes⁴⁻³⁽²⁾** to serve as local centres for nursing care.

There will come a day when today's children and young people reach pension-recipient age. We will also create **a reliable pension system that can be trusted by both current and future generations⁴⁻³⁽¹⁾**.

Our aim is to create a stable new pension system by generating resources from the revision of the present wasteful budget system and funding from **consumption tax** revenues.

Healthcare

It is indispensable to have an appropriate policy for medical care, to ensure that people of every generation can lead healthy lives.

First and foremost it is important to prevent people from falling ill. We will work to create a living environment in which people can maintain their physical fitness, developing **preventative medical care⁵⁻¹⁽¹⁾** that ensures the early detection and early treatment of illness.

The fact that present healthcare policy is not satisfying the needs of the people is symbolized by the grossly inadequate **child healthcare** needed to protect younger children. We will develop **350**

emergency medical centres for infants⁵⁻¹⁽²⁾, and reduce the proportion of child medical expenses borne by parents or guardians to 10% until graduation from elementary school⁵⁻¹⁽²⁾.

To enhance relationships of cooperation and trust between patients and doctors, we will **require the release of medical records if requested by the patient and the issuance of itemized statements of medical fees⁵⁻¹⁽³⁾.**

The system of payment for medical services currently forms the basis of healthcare policy, but doctors hard at work in the front line of providing medical care find its content extremely opaque. We will take steps to **increase the transparency of the consultation fee revision process⁵⁻¹⁽¹⁾**, and will correct distortions in the structure of healthcare policy.

Human Rights, Law and Order

Guaranteeing the human rights and safety of every citizen is a major premise for the realization of a society in which citizens can live in tranquility.

From that perspective we will create **a society in which human rights are respected⁴⁻⁴**. We will enact **legislation to eliminate discrimination⁴⁻⁴⁽¹⁾** and will consider **revising the present legal system⁴⁻⁴⁽²⁾**, including the Wire-Tapping Law, the Basic Residential Register Network System Law, and the Law Concerning the Protection of Personal Information, under which there is the risk of the infringement of human rights by the power of the state.

We will also devote attention to protecting the socially disadvantaged. We will foster **greater use of subtitles in television broadcasts⁴⁻⁴⁽³⁾**, and enable **foreign nationals who so desire to be included in resident registration⁴⁻⁴⁽⁴⁾**. The type of Japan that we are aiming for is **a society of coexistence and mutual prosperity in which the human rights of the individual are safeguarded.**

In addition, we will deal severely with crime, making the country a safe place to live in once again. We will raise the arrest ratio by **increasing the number of police officers by 30,000⁵⁻²⁽¹⁾**, institute a system of **life sentences without parole⁵⁻²⁽²⁾**, and stiffen other penalties for serious crimes. We will also **strengthen the Domestic Violence Prevention Law⁵⁻²⁽³⁾.**

We will devote our full energies to the creation of a society in which no citizen falls victim to crime or abuse, and those that do are protected.

National Security and Foreign Affairs

To protect the lives and property of all citizens, we will devote attention to **strengthening our national security and foreign policy** as part of efforts to protect world peace **centred on the United Nations**⁵⁻³.

To shape trustworthy foreign policy and build a system of national security that will protect the people of Japan, we will seek both to **pursue independent diplomacy and to enhance the functions of the United Nations**⁵⁻³⁽¹⁾. We will also not fail to attend to **the improvement of Japan's own defence capabilities**⁵⁻³⁽⁷⁾.

We will also devote ourselves to **the resolution of the abduction issue**⁵⁻³⁽²⁾, and address directly **the problems relating to the revision of the Japan-U.S. Status of Forces Agreement**⁵⁻³⁽⁴⁾, including the strengthening of measures to deal with crimes.

We will **not dispatch members of the Self-Defense Forces to Iraq**, where armed conflict is continuing, and will **review the Special Measures Law for Iraq, including its repeal**⁵⁻³⁽³⁾. We will actively extend humanitarian and reconstruction aid to the suffering people of Iraq, for example, in the medical-care, education, and economic spheres. Once the people of Iraq have established their own government and a resolution has been adopted by the Security Council at that government's request, Japan will – at its own discretion and within the scope permitted by its Constitution – provide assistance by easing the criteria for participation in peace-keeping operations and peace-keeping forces, **including through the use of the Self-Defense Forces**.

In addition, in order to put diplomacy back into the hands of the people, we will **reform the Ministry of Foreign Affairs**, and will **increase to 20% the ratio of appointments of people who are not professional diplomats to ambassadorial and other diplomatic posts**⁵⁻³⁽⁵⁾. We will recruit suitable people from all walks of life to serve as diplomats.

By enacting a basic law on environmental preservation and **engaging vigorously in environment-related diplomacy**⁵⁻³⁽⁶⁾, we will aim to be regarded worldwide as a **leading power in the sphere of the environment**.

Acting Hand-in-Hand with the People

Towards the Establishment of a New Government

If the government doesn't change, politics and policies won't change.

Despite the Koizumi cabinet's showy performance, the fact is that reform is being put off again and again. No matter how superior the DPJ's manifesto is, decisive action on reform would be difficult unless there is strong will to accomplish it, and a mechanism through which the cabinet pulls fully together to implement it. What is needed now is not words, but the dynamism and strength to change politics. There is an urgent need to establish a new government equipped with the power and the mechanisms to translate a reform plan into reality.

Why is that impossible with the LDP? The fundamental reason is the dual structure of power: the dual structure of the cabinet and ruling party; the dual structure of the prime minister and individual ministers; and the perverseness of the politicians and bureaucrats, and the bureaucracy-led management of policy. What emanates from the political side is just official verbiage, while the reality is that control is exercised by Diet members beholden to special interests and former senior bureaucrats who have received golden parachutes; this dual structure preserves old-style politics.

The new government the DPJ aims to create will be

- 1 A government that introduces a *do-shu* system, or a system of states, and transfers sources of tax revenue to the regions, that is resolute in entrusting to the private sector, the regions, and the citizens' sector the matters that should be entrusted to them, and that ensures "small government" at the centre, and

- 2 A government that eradicates the dual structure of power in the administration and establishes a tenacious cabinet that, with respect to issues that should be dealt with by the state, makes policy decisions more quickly and more resolutely, and clarifies where responsibility lies.

Hitherto and Henceforth

– Old Government and New Government –

Old LDP-centred government

Operation of government by the central bureaucracy

Duality and lack of accountability of cabinet and ruling party

Factional politics played out against a backdrop of ensuring the interests of the ministries

Special-interest politics of government-bureaucracy-business collusion based on Diet members beholden to special interests

Structures in ministries are ministers' independent fiefdoms

– Small Kantei/Large central bureaucracy –

New DPJ-centred government

Operation of government led by politicians centred on the Kantei

Unity and accountability of cabinet and ruling party

Integrated politics led by the prime minister

Fair politics giving priority to the national interest and the lives of the people

Structure in which ministers always work together in cabinet

– **Enhanced Kantei/Slim central bureaucracy** –

We will create a government that pursues the national interest and eradicates the self-interest of the bureaucracy, ministries, and bureaus.

The DPJ cabinet will take policy decisions on national strategy, including the framework of budgetary and tax-system reform, basic foreign policy, the desired way in which the reform of education and social security should progress, and strategy for industry and technology, not by relying solely on the central bureaucracy in Tokyo, but on a politically led basis in the national interest.

- In carrying this out, the cabinet will be joined not only by the chair of the Policy Research Committee, who is responsible for party policy, but also by the party secretary general, who has responsibility for party administration, enabling the government and the ruling party to tackle reform resolutely in a unified manner.

- The prime minister, chief cabinet secretary, and senior cabinet ministers such as the foreign minister and finance minister, together with their policy staff, will be based permanently at the prime minister's official residence (the Kantei). The prime minister and the cabinet will decide policy on the basis of the national interest, giving priority to relationships of trust between the prime minister and each individual cabinet minister, rather than on relations with the bureaucrats at each ministry.

- Basic policy planning will be conducted primarily by cabinet ministers and their policy staff at the Kantei and each minister's secretariat, while the central government bureaucrats will dedicate themselves to practical administration and policy execution in accordance with basic policy.

Core Structure of the Kantei

Prime Minister

Cabinet (Cabinet ministers)

Senior Vice Ministers, Parliamentary Secretaries

Policy staff

(Young bureaucrats, private individuals, etc.)

Policy

Chief Cabinet Secretary

Deputy Chief Cabinet Secretary A

Deputy Chief Cabinet Secretary B

Deputy Chief Cabinet Secretary C

(Policy, budgets)

(Public affairs, information)

(Central government ministries, administration)

Parliamentary Secretary

Parliamentary Secretary

Parliamentary Secretary

Assistant Chief Cabinet Secretary

Assistant Chief Cabinet Secretary

Assistant Chief Cabinet Secretary

Director General, Counsellor, and other policy staff (Young bureaucrats, private individuals, etc.)

Chief of Staff

Deputy Chiefs of Staff (5)

Private Secretary, Councillors, etc.

Policy staff

(Young bureaucrats, private citizens, etc.)

Affairs of State

Minister of State (without portfolio)

Cabinet Office Senior Vice Minister A

Cabinet Office Senior Vice Minister B

Cabinet Office Senior Vice Minister C

Cabinet Office Parliamentary Secretary

Minister of State's staff

(Diet affairs, affairs of state)

(Diet affairs)

(Policy affairs)

(Information affairs)

(Diet affairs, affairs of state, information)

Notes

1. Premised on the integrated management of the Kantei and the Cabinet Office, in which case references to "Kantei" encompass both.
2. Cabinet Office Senior Vice Minister, Cabinet Office Parliamentary Secretary, and Director General belong not to the Kantei but to the Cabinet Office.

We will work with people of all kinds who support and sympathise with this Manifesto (statement of administration policies)

The significance of this Manifesto (statement of administration policies) lies not in its words and phrases, but in its implementation. In order to accomplish this it will be essential to gather together highly able people who support and sympathise with the policies of the DPJ and are committed to working assiduously for the national interest, and under the guidance of the prime minister and cabinet ministers, to throw our combined energies into implementing reform resolutely.

- We will change the conventional seniority-based personnel practices at the heart of the bureaucracy, forming a Kantei policy team comprising young bureaucrats, private individuals, academics, and others who are competent and brimming with enthusiasm for reform, irrespective of age, gender, or background. Some places on the team will be filled by making a public appeal for applicants.

- In the ministerial secretariat in each ministry (actually positioned close to the Kantei) we will establish policy-drafting teams composed of reform-minded bureaucrats and private individuals of any age; each will be under the direct control of the minister. In this way we will create a structure to supplement ministers' political leadership, without being bound to the interests of a particular ministry bureau.

- Of course it will also be necessary to have the cooperation of the bureaucrats in each ministry. We will build a structure for realising political leadership by requiring officials of the level of administrative

vice-minister and bureau director-general to extend their full cooperation to the DPJ's basic policies, including its administration policies, and appointing those who pledge their cooperation.

- As additional steps to secure the structure described above, we will increase the number of special-service officials under the National Public Service Law, and ease the Diet Law restrictions on concurrent employment by members of the Diet.

Through a top-down approach we aim to achieve bolder and swifter policy-making.

We will implement a radical reform of Japan's policy-making process, over which ministries and agencies at present effectively hold veto powers, and which is burdened by very slow, half-baked decision-making.

To achieve that

- We will abolish the mechanism, symbolised by meetings of administrative vice-ministers, of advance manipulation of the cabinet's agenda, and change it to a politically led mechanism of top-down decision-making centered on cabinet meetings and meetings of senior vice ministers.

- We will introduce decision-making by majority vote into the process of reaching agreement at cabinet meetings, instead of requiring unanimous agreement on all items. We will also adopt a mechanism for stimulating the making of essentially political decisions through the flexible establishment and management of consultative meetings of related cabinet ministers.

- We will objectively evaluate and discard old politics and policies. To remedy the waste caused by previous administrations, under the strong leadership of the prime minister and cabinet ministers, shortlists of priority reforms will be drawn up for each ministry, and implemented within certain time limits. Also, during our term of office we will establish in the Diet an administrative oversight office (the Japanese equivalent of the General Accounting Office in the U.S.), introducing a mechanism for constant objective assessment and examination of policy and government business.

- We will reform the process for formulating budgets and revising the tax system. We will not simply place everything into the hands of the Ministry of Finance and other central ministries, but establish a cabinet finance bureau, make bold changes to budget allocations in a way that transcends the interests of individual ministries, and proceed with a radical reform of the tax system. Simultaneously with that we will restore soundness to public finances by reforming the public accounting system, exposing hidden debts, and casting light on the cost-effectiveness of public finance.

To establish a new government led by the prime minister and the cabinet, immediately after gaining power we will implement reform resolutely in fixed stages.

Upon taking over the reins of government we will pursue reform rapidly and relentlessly in the following stages.

- 1. Start of administration (1st & 2nd stages)**
- 2. Clear cleanup of the political system (Plan to dismantle the structure of special interests) (3rd stage)**
- 3. Implementation of full-scale reform programme (Japan Revival Plan) (4th stage)**

Establishment of administration and evolution of new government: Four Stages

1st Stage

First five days after assuming power

Immediately after gaining power we will create the core structure of the new government.

Under the person to be appointed prime minister (the party leader) we will establish a team to take charge of policy, composed of the persons to be appointed Chief Cabinet Secretary (chair of the party Policy Research Committee), Deputy Chief Cabinet Secretaries (3, in charge of policy, information, central government ministries), and Deputy Chiefs of Staff (5, under the Chief of Staff), and also a team to take charge of Diet affairs and affairs of state, headed by a minister of state without portfolio (party secretary general, with responsibility for affairs of state). The prospective prime minister will quickly nominate a number of persons to hold key ministerial posts, and by combining them with the two teams will establish what will effectively be the Kantei-cabinet team.

This team will carry out the verification of fundamental policies based on our administration policies, and will determine the basic policies for rapid and decisive policy-making, including by abolishing the

meetings of administrative vice-ministers and establishing meetings of senior vice-ministers, and by revising the management of cabinet meetings.

Period of cabinet formation

Action in the 5-day preparation period for the administration

1. Establish what will effectively be the Kantei-cabinet team (including nomination of persons to hold key ministerial posts)
2. Determine personnel policy for the cabinet
3. Verification of basic policies
4. Formulation of policy for the conduct of the administration

2nd Stage

Formal inauguration of administration, within 30 days

Within the first 30 days after gaining power we will complete the basic framework for the conduct of the administration by the new government. During this period the prospective prime minister and others will prepare the draft of the prime minister's keynote policy speech at the opening of the Diet session, draw up basic policy for the drafting of budgets, nominate all prospective cabinet ministers and senior vice-ministers, and draw up drafts of a 100-day reform plan and a 300-day reform plan.

At the first cabinet meeting after the appointment of the prime minister, the basic policy for the operation of the cabinet will be presented, officials at the level of vice-minister and bureau director-general in all ministries will be required to cooperate with it, and only those who cooperate will be

appointed. Reform-minded bureaucrats, private individuals, and other persons, irrespective of age, will be appointed to the policy staff in the new Kantei and ministers' secretariats.

Period of planning the activities of the new administration

Effective start of the new cabinet

1. Strategic approach to extraordinary and special Diet sessions
2. Formulation of draft of prime minister's general policy speech to the Diet
3. Drafting of 100-day and 300-day reform plans
4. Appointment of prime minister and formation of cabinet; at first cabinet meeting, presentation of basic policy for the operation of the cabinet
5. Recruitment and appointment of Kantei policy staff

Notes

1. In the 5-day period of the 1st stage, the final decisions will be taken on the core political staff who will move to the Kantei, and the list of cabinet ministers.
2. In the 2nd stage, decisions will effectively be taken on the assignment of personnel, including of aides at the Kantei and to form the staffs of ministers at their ministries.
3. The prime minister's general policy speech to the Diet will include policy for the drafting of budgets, and the key points of the 100-day reform.

3rd Stage

After forming the administration, a 100 days of reform

Immediately after the formation of the new administration, it will present to the people a 100-day reform plan that will incorporate the maximum number of issues in which reforms can be carried out under current laws. In particular, for each ministry a list of approximately five priority reforms will be issued with respect to the habitual carrying-out of public works through the collusion between politicians, bureaucrats, and big business, and the reforms will have to be pushed through within certain time limits under the leadership of the ministers. In order to support ministers we will institute a policy-evaluation council headed by private citizens or politicians and composed of reform-minded bureaucrats, private citizens, and others. It will be convened for a short period to concentrate on re-examining conventional administrative practices, in part by sounding out the views of ordinary people.

During this period, key ministers (senior vice-ministers, parliamentary secretaries, and core policy staff from individual ministries) will be stationed permanently in the Kantei. Also, to increase appointments from outside we will initiate a study to ease restrictions on concurrent employment by members of the Diet, and to amend the system to increase the number of special-service officials.

Period of full-scale start of the new administration

Distinct cleanup of the political system (Plan to dismantle the structure of special interests)

1. Prime minister's general policy speech to the Diet
2. Compilation of the 2004 fiscal year budget bill
3. Presentation and implementation of 100-day reform plan
(Elimination of old-style policies and projects)
4. Establishment of policy-evaluation council
5. Effective permanent placing of the prime minister and key ministers in the Kantei, and full-scale start of activities of the Kantei-cabinet policy staff team

6. Strategic arrangement of budgetary and legal matters

4th Stage

300 days of reform

Based on the results of the 100-day reform plan, the findings of the policy-evaluation council, and the party's administration policies, a 300-day reform plan will be unveiled. This will include a full-fledged budget bill, and bills to amend laws for the purpose of changing systems.

The principal focus will be on addressing specifically the domestic and foreign-policy issues set out in the administration policies. In addition, a start will be made on implementing cabinet-led fiscal reform by such means as the establishment of the cabinet finance bureau and reform of the public accounting system; the reform of the civil-service system in order to prohibit the institutionalized giving of golden parachutes to retiring senior bureaucrats and to facilitate the appointment of people from outside the bureaucracy; the development of think tanks as institutions to employ outside personnel; and the revision of the Cabinet Law and the National Government Organization Law.

Steps will also be taken to perform an ongoing review of wasteful policies and government projects, and to re-focus the values of the administrative authorities towards ordinary citizens in their daily lives. To that end, a bill will be prepared for the establishment in the Diet of an administrative oversight office (Japanese equivalent of the U.S. General Accounting Office).

Period of accelerated reform by the new administration

Implementation of full-scale reform programme (Japan Revival Plan)

1. Presentation and implementation of 300-day reform plan to address key domestic and foreign-policy issues, to include an annual budget bill and the reform of laws.

2. Implementation of cabinet-led fiscal reform
 - Establishment of cabinet finance bureau
 - Start of reform of the public accounting system
 - Formulation of medium-term fiscal-reform plan
3. Full-scale administrative reform by the revision of the Cabinet Law, National Government Organization Law, and National Public Service Law
4. Drafting of bill for the establishment of an administrative oversight office in the Diet
5. Development of policy think tanks

Our promise to the people of Japan.

We give you our word that under a DPJ administration, we will implement Prime Minister Naoto Kan's pledges, which he has made with utmost determination, and the "Policies of a Democratic Party Administration".

At the end of the first term of the DPJ administration, the extent to which these pledges have been fulfilled will be fully disclosed, so as to enable you, the people, to assess and evaluate the degree to which our public commitments have been fulfilled.

This manifesto sets out our minimum public commitment for the first four-year term of our administration, which will mark the initial breakthrough to a dynamic Japan and to economic revival. It includes items that cannot be determined by the ruling party alone. The DPJ administration intends to put forward responsible proposals and stimulate debate in the Diet, and reach agreement through vigorous debate between the ruling and opposition parties.

National policy is conducted on the basis of our Constitution. Based upon the three fundamental principles of the Constitution – the sovereignty of the people, respect for basic human rights, and pacifism – we will engage in active deliberation on the Constitution in tune with the demands of the times in which we live, in particular the increasing diversity of basic human rights and the necessity for international cooperation.

On such subjects as the restructuring of the relationship between the central government and local governments as a result of decentralization; the increasing diversity of basic human rights, such as environmental rights, the right to know, and the protection of privacy; the growing necessity of strengthening the prime minister's leadership and of international collaboration and cooperation; and national-security issues, during the period of our administration we will pursue the constructive development of policies based on constitutional debate and on the Constitution itself, in tune with the demands of the times.

The Constitution should not be seen as an immutable code of laws, and should not be reinterpreted conveniently to suit particular circumstances as they arise; the Constitution is the fundamental norm of the people and the state. Based firmly on that conviction we will initiate a national debate on the

Constitution, obtaining a national consensus to move the focus from “Constitution-debating” to “Constitution-creating”. Through the administration that the electors entrust our party to form, all DPJ members of the Diet will act with one accord to fulfil the party's pledges faithfully.

1 Carry out economic revival to create a dynamic economy with no unemployment

We cannot afford to neglect any longer the daily erosion of people's jobs and assets that has resulted from the serious deflation that the Koizumi cabinet's woefully inadequate economic policies have caused. The restoration of a dynamic economy is the minimum requirement for giving all our citizens peace of mind in their daily lives, and is a prerequisite for the fruitful implementation of all other policies.

The issue to which the DPJ will give first priority is the regeneration of Japan's dynamic economy, and to that end we will devote our full energy to achieving an economic recovery and assuring a stable employment situation.

1-1 Achieve economic recovery, creating jobs and employment.

In order to revive our dynamic economy to achieve economic recovery and boost employment, it will be essential to expand domestic demand by stimulating private-sector demand. We will take a solid first step towards economic revival by sweeping away unease about current and future conditions, and by stimulating the creation of new jobs and industries to cater for dormant demand.

(1) Lower unemployment to below 4.5%.

Our aim during our term of office is to bring the unemployment rate down from the current mid-5% level to below 4.5% by expanding new job opportunities and increasing employment. Means to achieve that will include the implementation of regional economic stimulus measures through assistance to SMEs and decentralization, the reorientation of public works towards "green dams" and similar projects, the nurturing of industries in the spheres of welfare and the environment, the development of a high-quality living environment, and the nurturing of NPOs, thereby actively creating employment, including in the public sector. We will also improve job retraining so as to give full play to private-sector ingenuity and originality.

(2) Stimulate demand and consumption by dispelling anxieties in such as areas as living standards for the elderly and childrearing.

We will stimulate consumption by eliminating anxieties people feel about current conditions and the future in such areas as pensions and nursing care, childrearing and education, and healthcare. In particular we will breed peace of mind and create new jobs by nurturing industries to create a comfortable society for our senior citizens, and industries to create a society in which it is easy to rear children.

(3) Switch to an economy in which importance is placed on the quality of life, e.g. by establishing a system that makes loan interest deductible.

We will arouse latent demand and foster the development of an economy in which importance is placed on the quality of life: an economy oriented towards services. The means we will employ will include, as an emergency measure, the establishment in 2004 of a system of tax deductions for interest on loans for homes and cars, and also the lowering of distribution costs by making motorways toll-free, the development of infrastructure to enable people to make effective use of their leisure time, and the nurturing of environmentally friendly industries.

(4) Expedite the removal in principle of the regulation on business activity, and stimulate corporate endeavour and motivation for business start-ups.

To induce private sector vigour and creativity and to stimulate new demand, we will take steps such as eliminating regulations on business activity in the private sector and ensuring an environment conducive to fair competition. To that end, in 2005 we will submit bills to the Diet that set out matters such as basic policy for the elimination in principle of business regulations.

(5) Promote the creation of a nation grounded on intellectual property rights, so as to enhance competitiveness and technical capabilities.

We will endeavour to strengthen intellectual property rights in pursuit of a strategy of strengthening international competitiveness and promoting science and technology. We will make the Intellectual Property Basic Law firmer, and take steps to enhance mechanisms for dealing with intellectual-property disputes, to conduct the training of experts in intellectual property rights, to strengthen industry-academia collaboration in the regions and elsewhere, to revise budget allocations for research and development, to create an improved environment conducive to increasing the motivation of research

scientists, to develop Technology Licensing Organizations (TLOs), and to strengthen measures to deal with the problem of counterfeit goods and with infringements of patent rights.

1-2 Create creditworthy banks.

After forming the administration we will move rapidly to implement the DPJ Financial Revival Final Plan, with the objective of restoring credit creation and financial intermediation functions within two years.

(1) When dealing with SME finance (financing based on personal credit, including for the self-employed), we will make a clear distinction from lending to large companies. Separately from those for large companies we will produce inspection manuals for SME financing in which emphasis is placed on cash flow rather than placing reliance on security, and reluctance to lend and forcible withdrawal of funds will be eliminated. In addition, the system whereby individuals act as guarantors for loans by governmental financial institutions will be abolished within five years.

(2) During the 2004 fiscal year we will submit to the Diet a bill for the facilitation of regional finance, which will require the disclosure of information on matters such as the extent to which financial institutions contribute in the regions, and their terms for SME financing.

(3) With respect to lending to large companies, we will ensure the clarification of the state of non-performing loans by means of rigorous financial inspections. At the same time as exposing the responsibility of large companies, bank executives, and the authorities for the bubble economy, we will if necessary take bold steps to inject public funds to enable banks to recover their lending capacity.

1-3 Drastically revise the use of tax revenues, and secure financial resources.

Under deflationary conditions it is very difficult to either raise tax revenues or make substantial reductions in government appropriations. Therefore, after the DPJ forms the administration it will as a rule maintain the present scale of public finances until such time as the economy is able to achieve stable growth.

Economic revival will be given the highest priority as a means to restore soundness to public finances. However, reckless administration of public finances at this time, which pays no regard to the effect it is having, will not only impose too great a burden on future generations, but will also fan mistrust of public finances by, for example, increasing people's anxiety about the future and bringing about sharp rises in long-term interest rates, and as a result will hamper an economic revival.

By totally eradicating the monster that preys on our tax money and by taking immediate resolute steps to change the way budgets are used, we will pursue economic revival while at the same time maintaining fiscal discipline.

In the 2004 fiscal year we will raise approximately ¥1.4 trillion, including ¥300 billion by reducing public works under the government's direct control by 10%, ¥200 billion by such means as reducing administration costs by making certain grants payable in lump sums, and ¥400 billion from a 10% reduction in disbursements to special corporations and similar bodies. These will serve as resources to fund the implementation of our administration's public commitments.

In the 2005 fiscal year we will raise approximately ¥2.5 trillion, including ¥600 billion by reducing public works under the government's direct control by 20%, ¥700 billion by reducing by 5% the grants eligible to be paid in lump sums, through expansion of the scope of grants to be paid in lump sums, and ¥800 billion from a 20% reduction in disbursements to special corporations and similar bodies. These too will serve as resources to fund the implementation of our administration's public commitments.

1-4 Formulate a 5-year economic revival plan and fiscal reconstruction plan.

Upon assuming office we will immediately formulate emergency countermeasures, and at the same time proceed with the preparation of more comprehensive measures to bring about economic revival. First, as the new administration we will identify and disclose publicly the most vital economic, monetary, and fiscal information concealed from the people by government ministries and agencies. Based on that we will prepare, during the 2004 fiscal year, a 5-year economic revival plan for sweeping away the effluent and waste in the economic, monetary, and fiscal spheres, and for building a dynamic economy led by private-sector demand.

While putting the economic revival on track, by the summer of 2005 (the start of budget compilation for the 2006 fiscal year) we will also formulate a fiscal reconstruction plan with the specific aim of putting a stop to the real increase in government borrowing over a 10 to 15-year period. It will enable us to avoid bequeathing an excessive burden to future generations and to establish sustainable public finance.

2 End the wasteful use of taxpayers' money and realise a fair and transparent political system

Japan is being weakened by a conglutinated structure that acts like a monster preying on taxpayers' money. We will totally eradicate the special interests influencing politicians and bureaucrats, and the conglutination of politicians, bureaucrats, and big business. We will eliminate the dishonesty concealed by political power and this conglutination to ensure that absolutely no tax revenues are used wastefully, and will proceed with a radical reform of politics and of the executive branch from the perspective of the ordinary citizen.

2-1 Resolutely change the way tax money is used.

[1] Halt wasteful public works, and switch emphasis to people's daily lives and the environment.

Our target is to cut public works controlled directly by the government by 30%, or ¥900 billion, by the time of the budget bill for the 2006 fiscal year. From the budget for the 2004 fiscal year we will halt construction and planning for large-scale directly controlled public works projects such as the Kawabegawa dam project (Kumamoto Prefecture; total project cost ¥265 billion) and the Yoshinogawa moveable dam plan (Tokushima Prefecture; total project cost ¥104 billion), which are classic examples of wasteful spending. For these we will substitute projects that genuinely aid regional development.

In addition, we will closely examine other projects such as the Tokuyama dam (Gifu Prefecture) project. We will then divide them into categories according to how to deal with them, for example whether they should be frozen, terminated, or revised, and start immediately on the most feasible.

With respect to projects such as the Isahaya Bay land reclamation project, on which work is well advanced (¥225 billion of the total cost of ¥249 billion already spent), and the Nagaragawa estuary dam project, which has been completed, we will review what is to be done with them after sounding out the view of local residents and local governments.

Our aim is not to reduce the overall extent of projects but to make it possible to undertake more projects for less expense. We will achieve that by reforming tendering procedures so as to prevent collusion, including by expediting the introduction of electronic tendering.

[2] Abolish the Japan Highway Public Corporation, and make most motorways toll-free.

We intend to make motorways easy to use in the regions, to lower distribution costs, and to bring greater convenience into people's daily lives by changing motorways into freeways. In tandem with that we will return the making, use, and management of roads, which have hitherto been in the thrall of various interest groups, to local communities and the people.

(1) Abolish the Japan Highway Public Corporation and make most motorways toll-free.

To make best use of motorways, which are not used effectively despite the huge investment made in them, stimulate regional economies, and reduce distribution costs, we will make all motorways except those in certain major urban areas toll-free within three years. We will abolish the Japan Highway Public Corporation and the Honshu-Shikoku Bridge Authority. Eliminating tolls will not only reduce costs to motorists but will also greatly increase the number of entrances and exits to motorways, with the result that regional motorways will be brought back to life as local roads that local people can make good use of in their daily lives.

Some ¥2 trillion must be spent annually on motorway-related debt repayments and road maintenance and management. A portion of the combined budgets for national and local roads, which currently total ¥9 trillion, could be diverted to that, and other funding could be derived from exceptional tolls payable only in major urban centres, which would be imposed as part of measures to deal with congestion and environmental damage.

(2) Abolish earmarked funds for road construction, reduce vehicle-related taxes, establish an environment tax.

Taking into account that vehicle-related taxes are high because of the priority given to road construction, we will divert funds earmarked for road construction to general use, and reduce taxes substantially. During the 2005 fiscal year we will submit to the Diet and seek the enactment of a bill to abolish earmarked funds for road construction, and a tax-reform bill to halve the motor vehicle tonnage tax and abolish the automobile-acquisition tax.

In parallel with these moves we will take steps to bequeath a pleasant global environment to future generations and to carry out Japan's international responsibilities as the chair country of the Kyoto Protocol. Accordingly, in addition to formulating measures that take Japan's international industrial competitiveness into consideration, we will establish an "environment tax" on sources of carbon dioxide as an effective measure for dealing with global warming. It will correspond with the extent of the burden imposed on the environment by imposing a tax of some ¥3,000 per ton of carbon content.

2-2 Prohibit golden parachutes for bureaucrats, and reduce civil service personnel costs.

We will prohibit the giving of golden parachutes to retiring senior bureaucrats. We intend, by the 2005 fiscal year, to extend the scope of the regulations, which cover only private-sector companies, to encompass special corporations and other governmental institutions.

In addition, during our administration we will take steps to create a transparent civil-service system based on International Labour Organization recommendations. This will include guaranteeing the fundamental labour rights of ordinary civil servants, but at the same time revising the functions of the National Personnel Authority and establishing a fair personnel-evaluation system. We also will establish political leadership over the bureaucracy and clarify responsibility for policy, by for example opening up posts at the level of the bureau director-general and above to recruitment from outside the civil service.

By pursuing decentralization and revising the functions of central-government ministries and agencies, we will follow a phased programme to include moving national civil servants between different ministries and agencies and reducing their number, and revising the remuneration and other conditions of high-ranking bureaucrats. Within four years our reforms will create efficient government enabling total personnel expenses for national civil servants to be cut by at least 10%, and more efficiency and downsizing will be pursued by such means as greater decentralization.

2-3 Eradicate dishonesty by politicians, and cut the number of Diet members.

[1] Full disclosure of donations by companies and organizations.

To get rid of influence-peddling and the role of special interests, in the 2004 Diet session we will table and seek enactment of a bill on the prevention of political corruption.

(1) We will expand the scope of penalties under the current influence-peddling law to cover family relatives of Diet members and the secretaries of municipal mayors.

(2) We will ban totally all political donations by companies receiving orders for public works.

(3) We will broaden the disclosure criteria for donations by companies and organizations to ensure full disclosure of all amounts, not only amounts above a total of ¥50,000 in a one-year period. We will also make it obligatory to disclose documents such as income and expenditure reports on the Internet.

[2] Correct disparities in the value of a vote, and reduce the number of House of Representatives seats by 80.

We will submit to the Diet and pursue the enactment a bill to revise the Diet Law so as to freeze the salaries and other payments to Diet members in police custody, and to terminate them if they are judged by the courts to have committed criminal acts.

We will also submit a bill aimed at correcting the disparity in the value of votes in the single-seat constituencies for the House of Representatives, and at reducing by 80 the number of seats in the House of Representatives for members appointed under the proportional-representation system. The bill will be submitted in 2004, and as the ruling party we will summon representatives of all other parties and groups to discuss it and reach agreement under the observation of the people or Japan, before it is put into effect.

3 Create regions that have autonomy and are pulsing with vitality

If the regions are autonomous, the vitality of their local citizens will make them dynamic. The DPJ will cultivate local autonomy and the economic strength of the regions, and will foster a "decentralization revolution" which also envisions the creation of a *do-shu* system.

3-1 A "decentralization revolution": Build a society in which the regions can decide local issues for themselves.

[1] We will abolish ¥18 trillion in tied grants and allow the regions to take responsibility for the use of these funds.

We will abolish the payment of the approximately ¥18 trillion of the ¥20 trillion of central-government tied grants whose use is subject to unnecessary restrictions, and change them to lump-sum grants that local governments can use at their own responsibility and discretion.

In collaboration with reformist prefectural governors and mayors nationwide, we will take steps to transfer the taxes and financial resources used to fund the grants. This will be based on a proposal to transfer the source of approximately ¥5.5 trillion of this ¥18 trillion from income taxes to local residents' taxes, and to convert approximately ¥12 trillion into lump-sum grants.

After forming the administration we will terminate individual grants available from budgetary measures, signifying the start of the switch to lump-sum grants. We will carry out revisions to the relevant legislation by the summer of 2005, and in the 2006 fiscal year will increase the amount of grants we terminate to approximately ¥18 trillion.

When transferring financial resources from the national government to regional level, we will develop a system for public monitoring and evaluation of the administrative authorities. We will require local governments to take measures to prevent collusion in tendering for public contracts, including the relevant reform measures effected at the government's initiative, and to cut administration expenses by reforming their local public finances.

[2] Limit the powers of central government ministries, establish local autonomy, and clarify the powers of citizens to participate in government.

During our term of office we will submit to the Diet and seek the enactment of the following bills: a bill for the establishment of local autonomy, to include provisions to limit the powers of central government ministries and agencies and to set out clearly the allocation of powers between the central and local governments; and bills for a basic law for the furtherance of self-government by residents and a law for residents' referendums, which will strengthen information disclosure and direct participation by citizens, the most important prerequisites for enabling local residents to participate in and have their views reflected in decision-making on administrative measures.

3-2 Increase the budget for SMEs sevenfold, and abolish the system whereby individuals act as guarantors for government loans.

To restore soundness to local industries and commercial districts, we will formulate annual plans for a sevenfold increase in the budget (approximately ¥90 billion in the budget for the 2003 fiscal year) for assisting SMEs and reinvigorating commercial districts; a twofold increase will be made in the 2004 fiscal year budget. By such means as improving preferential tax treatment for investment angels we will create mechanisms to facilitate fund-raising for business start-ups, and thereby foster the creation of new enterprises.

In addition to Financial Revival Final Plan, we will change the senseless insistence that individuals act as guarantors for SME financing. Over a five-year period we will remove in principle the providing of these guarantees for loans from governmental financial institutions (People's Finance Corporation, Small Business Finance Corporation, Shoko Chukin Bank).

3-3 Reform the ¥1 trillion agriculture-related budgets and create a system of direct assistance and direct payments that prevents waste

Our aim is to increase food self-sufficiency to ensure the stability of food supplies and food safety, and also to re-evaluate the multifaceted functions of agriculture, such as that of assuring an abundance of greenery in the national landscape, and to establish the kind of agriculture that harmoniously encompasses the environment, food production, and business in a way that the people desire. To that end,

we aim to establish a waste-free system of direct assistance and direct payments to start in the 2006 fiscal year, directed at agricultural entities undertaking the stable production and supply of foodstuffs.

We will also reduce agricultural civil engineering public works, numerous aspects of which are extremely opaque, and revise individual grants such as the complex production incentives. From the related budget of approximately ¥1 trillion we will devise a new system for the provision of funds.

3-4 Implement Post Office reform to enhance services to the public and boost funding for regional economies and SMEs.

The Postal Services Corporation was established in April 2003, but that has not eliminated abuses such as the effective monopoly of the postal services and the waste caused by special corporations administering areas such as postal savings. Instead of this kind of sham reform that only pays lip-service to genuine privatisation, we will carry out the reform of the postal services in a way that really helps to enhance people's daily lives and invigorate regional economies.

The DPJ has a plan to have private-sector companies participate in postal services, whose requirements currently are too demanding, for example the maintaining of 100,000 postboxes. Participation will be premised on the elimination of excessive government involvement in management, and terms that include providing a universal service (deliveries anywhere nationwide at uniform rates) within two years.

What is more, members of the public will be able to use the network of post offices to obtain an array of administrative services under one roof, for example being issued with passports at their local post office.

Before considering the final form that management should take, a decision must be taken on what to do with the bloated postal savings and postal insurance funds. We will begin with the phased lowering of the deposit ceilings for postal savings and of the limits for participation in postal insurance schemes while keeping a close watch on financial conditions.

In addition, we will study ways of creating a system whereby postal savings and postal insurance funds can be put to work to assist regional economies and SMEs by taking advantage of the market mechanism.

3-5 Assist 60% of NPOs through the tax system.

We will nurture and assist special non-profit organizations (NPOs) as providers of local services and of employment.

Of the more than 12,000 NPOs nationwide, only 15 institutions (as of August 2003) are authorized to receive preferential tax treatment. During our term of office we will ease the conditions substantially so as to enable as many as 60% of these institutions to benefit from that treatment. Moreover, to make it easier for people to give small sums to NPOs we will also make donations of less than ¥10,000 by individuals tax-deductible.

3-6 Bequeath a land of abundant greenery to the next generation.

[1] Replant 10 million hectares of forest over the next decade: Cultivate "green dams"

We will switch from public works that damage the environment to sustainable public works – green dam works – that protect the environment and our forest lands, creating 100,000 new jobs. This will be inspired by the flood-control effects to be derived from restoring to forest land its natural water-retention capabilities, and the effect of forests in preventing global warming through controlling carbon dioxide levels.

By making the development of forests – through periodic thinning and other means – into public works projects, we aim to replant 10 million hectares of forest over the next decade. We will do so by drawing up an annual plan immediately after forming an administration, and by then formulating budgets totalling approximately ¥100 billion in the first year and ¥250 billion after four years through the transfer of public works under the government's direct control. Ancillary to this plan we will actively promote projects to return rivers to their natural state, restoring their beauty and making them places of recreation and relaxation for people, and habitats for large numbers of living creatures.

[2] Double the budget for new energy, and promote more widespread use of low-pollution cars.

We will systematically increase the budget for new energy, in order to foster the development of renewable energy in such forms as wind power, solar power, biomass, and wave and tidal power, and of promising future forms of energy such as fuel cells. During our administration we will double the budget from its present level of ¥150 billion annually, to ¥300 billion.

We will also reinforce the assistance given for environmentally friendly means of transportation such as electric cars and fuel-cell cars. We will promote more widespread use of low-pollution cars by focusing assistance on electric cars, the use of which is already spreading, and fuel-cell cars, which are due to be brought into full-scale practical use in the near future. The necessary budget appropriations for this will be made by such means as transfers from energy-related budgets, and from budgets for environmental countermeasures.

4 Create a society in which women, children and the elderly can live and work securely.

A truly dynamic society is a society in which children are brought up healthily, a sound way of life can be built, and priority and respect are given to each person throughout their life. We will foster the development of the foundations of such a society, in which all individuals are able to lead flexible and vigorous lives.

4-1 Shape a society in which everyone can find secure employment.

[1] Establish rules to ensure that everyone has work and due value is set on the work.

Our aim is to lower the unemployment from the current mid-5% level to below 4.5%. We will do so by expanding job opportunities and also by such means as fostering work-sharing and joint participation in the workforce by both men and women, and taking steps to eliminate unpaid overtime working, so as to stop any new unemployment from arising and to increase the number of people in employment.

Other steps will include fostering the protection of workers' rights in line with changes in the economy, the correction of the disparities that exist between various aspects of employment in the public and private sectors, and the establishment of international rules.

[2] Advance equality of treatment for part-timers and the enhancement of childcare/nursing care leave systems

During the 2004 fiscal year we will submit a bill to the Diet to amend the Part-Time Workers Employment Law, so as to correct irrational disparities between full-time company workers and part-timers and others, and give the latter equality of treatment. Through this we will ban discrimination as regards wages and other working conditions that rests on the pretext that the hours of part-time workers are shorter than those of regular employees.

In addition, we will enable childcare and nursing care leave to be taken by all workers hired on at least the equivalent of a one year contract. We will also make improvements to the system as a whole, by for example enabling people to take their leave in instalments, up to a limit of twice monthly, until their children are of elementary school age.

[3] Assist people who are unemployed or whose businesses have failed to make a fresh start and to support themselves, by means of retraining and a ¥100,000 monthly allowance.

We will submit a bill to the Diet to stabilize employment insurance accounting and to assist unemployed people unable to find jobs during their period of unemployment benefit, self-employed people suffering business failures, and others, by expanding training schemes for them to develop their skills, and giving them an allowance of ¥100,000 per month for a maximum of two years. We will prepare a budget to enable this assistance to be provided from the middle of the 2004 fiscal year (averaging approximately ¥250 billion annually).

Also, to ensure that people laid off because of bankruptcies or restructuring are able to receive medical care, health-insurance premiums will be lowered for one year. National expenditure on this measure is estimated to be ¥2.5 billion annually.

4-2 Bring up children in a sound and healthy way

[1] Realise an educational system that tends to the needs of each child and eliminate parental misgivings.

To ensure that educational system tends to the needs of each child, during the four years of the DPJ administration the size of classes will all be reduced to a maximum of 30, at least up to the third year of elementary school. We will increase the budget by approximately ¥80 billion annually from the 2004 fiscal year, and at the same time will take steps to assure staff numbers by such means as close monitoring of the state of teacher postings.

We will promote measures to protect children from crime and natural disasters within schools and local communities, and during the 2005 fiscal year we will formulate a basic plan for education reform. The aims of the plan will include removing parental misgivings on such issues as the 5-day school week and the decline in scholastic attainment; expanding local governments' powers over education, including the content of courses of study; promoting participation by parents and local residents in the management of schools; and expediting the introduction of a system of evaluating schools. The "Heisei Education Reform" will be implemented in phases from the 2006 fiscal year.

[2] Enhance the system of children's education by unifying kindergartens and nursery schools and by assisting NPOs, and increase the number of establishments providing after-school care to 20,000.

To eliminate the waiting-list of children wishing to enter nursery schools, estimated at some 30,000, we will correct the present split between nursery schools, which are under the auspices of the Ministry of Health, Labour and Welfare, and kindergartens, which are under the Ministry of Education, Culture, Sports, Science and Technology, and unify these two types of pre-school. From the 2004 fiscal year we will implement concrete measures to eliminate the waiting lists, including by making active use of diverse local resources, for example the childcare establishments run by NPOs near railway stations, and women providing private day-care services.

We will increase the number of establishments providing after-school care to 20,000 over four years, from approximately 13,000 at present, and also boost the number of supervisors from 40,000 to 60,000. We will provide for a budget of at least ¥30 billion in the first year for the purpose of clearing the waiting lists, by for example extending childcare hours in line with the changing employment patterns of parents.

[3] Increase interest-free scholarship funds by 50%

The economic circumstances of parents have deteriorated as a result of the prolonged recession, and an increasing number of students are being compelled to drop out of high schools, vocational colleges, and universities. As an emergency measure to counter this, for three years from the 2004 fiscal year we will increase interest-free scholarship loans by 50% to those that need them. For example, a loan to a student at a private university living away from home will be raised from ¥63,000 to ¥94,500 monthly. We will also increase financial support to high schools that reduce or waive the tuition fees of pupils who are finding it difficult to remain at school.

The budget required to implement this policy will be approximately ¥60 billion, which will be funded from close examination of the education and science budget, and from cutting wasteful expenses from the government's overall budget.

[4] Lower both the age of majority and voting age to 18

We will lower the legal age of majority and the voting age to 18, in order to develop the sense of responsibility of members of the younger generation as members of society, and to ensure their active participation in society. We will submit to the Diet and pursue the enactment of a bill to enable these voting rights to be granted from the next general election.

4-3 Create a nation second to none for the “care and comfort of the elderly”

[1] Ensure the creation of a reliable pension system that can be trusted by the young

Under the present pensions law, from the 2004 fiscal year the amount of the basic pension borne by the national treasury from tax revenues is to be increased from one-third to a half, necessitating a budget of ¥2.7 trillion. However, because the present administration has long postponed facing up to reality, it is not feasible to effect this in one stroke.

The DPJ administration will take a scalpel to meticulously cut away the waste from the national budget from the 2004 fiscal year onwards, and add the financial resources it gains from that to the basic pension in stages, so that within five years the proportion borne by the treasury is raised to a half.

Also, in order to ensure we have a pension system that is sustainable in the future, the DPJ administration will create a new two-tier pension system for which every citizen will be eligible.

First we will amalgamate the employees' pension and national pension, and create a pension corresponding to a top-up sum calculated as a proportion of income for everyone, funded by premium payments related to earnings. People will receive benefit from the new plan in accordance with the premiums paid in during their working lives. Currently, the pension reserves fall prey to swarms of special interests, and as the state of their management is not disclosed clearly, we will make it fully transparent. During the period of around 50 years when the aging of society peaks, the reserves will be drawn upon, and increases in insurance premiums will be curbed.

In addition we will establish a "national basic pension", funded from tax revenues, to guarantee a minimum pension for everyone in their old age. Compared with the present system, under which

everyone is paid the same level of national pension/basic pension, this national basic pension will pay more to people who receive low benefit payments from a pension corresponding to a top-up sum calculated as a proportion of income. Thus it will enable everyone to be guaranteed a minimum pension from relatively small funding resources. And the fact that it will be funded from tax revenues will rule out the problems that can occur with the national pension, such as people not being paid pensions and the hollowing-out of the system.

The funds to back the national basic pension after the establishment of the new system will be secured in part from the funds for the half of the national pension to be borne by the national treasury, which will be derived from cutting the waste from the budget in the first term of our administration. The remainder will come from revising tax deductions for pensions and from applying a portion of consumption tax revenues, premised on a return to stable economic growth after overcoming the deflation currently burdening the economy.

An adequate transition period will be allowed for the switch to the new system. Also of note is that the level of benefits to people already receiving pensions, and the level of the portion of benefits that correspond with the periods during which insurance premiums have already been paid, will both be maintained.

To introduce the pension corresponding to a top-up sum calculated as a proportion of income, it will be essential to first gain an impartial and accurate grasp of everyone's income. If incomes are not identified accurately, it will not be possible to make an accurate assessment of future pension finances. The DPJ administration will reform the tax system to make it possible to gain an impartial and accurate grasp of incomes, and will then proceed with pension reform, at the same time disclosing the specific figures based on that assessment.

[2] Increase by 10,000 the number of group homes to serve as local centres for nursing care.

To eliminate the problem of waiting lists for nursing care, from the 2004 fiscal year we will secure budgets of some ¥85 billion annually to increase the number of group homes serving as local centres for

nursing care by 10,000 over a four-year period. These will be able to accommodate approximately 100,000 more people than at present. Helpers and other necessary personnel will also be trained.

Other steps will be taken to improve healthcare for the elderly in conjunction with this. For example, depending on circumstances in individual localities and the ingenuity of local authorities, city-centre residences with attached nursing facilities will be developed, and barrier-free urban development carried out.

(These measures include proposals from members of regional and local government assemblies who are dealing with local care-related issues on a daily basis.)

4-4 Create a society in which the human rights of every individual are respected

[1] Enact legislation to eradicate discrimination

In order to eradicate the various types of discrimination that persist, we aim to enact legislation of various kinds by the end of the 2005 fiscal year. This will include a law for the remedy of human-rights violations, which will involve the establishment of a human rights committee independent of the Ministry of Justice; a law to prohibit discrimination against the disabled, which will prohibit specific types of discrimination, guaranteeing complete participation and equality to all disabled people; and a law to prohibit age-discrimination, which will prohibit job discrimination on the grounds of age.

[2] Revise the Wire-Tapping Law, the Basic Residential Register Network System Law, and the Law Concerning the Protection of Personal Information

Immediately after taking power we will freeze the Wire-Tapping Law, and submit a bill to the Diet for the radical revision of the law within two years. We will also immediately embark upon revising the provisions on the Basic Residential Register Network System in the Basic Resident Register Law, and the Law Concerning the Protection of Personal Information. During the 2005 fiscal year we will submit bills to the Diet to radically revise these laws.

[3] Foster greater use of subtitles on television broadcasts

To enable people with impaired hearing to enjoy television broadcasts and derive information from them, we will ensure that by 2007 subtitles are used in all television programmes for which that is technically possible. We will implement support measures to provide some ¥10 billion of assistance to the broadcasting companies and manufacturers that carry out the subtitling.

[4] Include foreign nationals in resident registration if they so desire.

At present, even if foreign nationals marry Japanese citizens and live with them, their names are not included in resident registration, and various problems arise as a result. In view of this, we will amend the Basic Resident Register Law to permit foreign nationals to be included in resident registration if they so desire.

(These two measures were proposed by hearing-impaired people and foreign nationals residing in Japan in response to requests for policy proposals by the DPJ over the Internet.)

5 Realise a robust society that protects the lives and health of its citizens

The overall level of safety in our society is declining, and dangers lurk around us. We will build once again a society that sets a high value on life and health and maintains high standards of morality both domestically and overseas, and that protects the lives and health of its people.

5-1 Improve the living environment so people can maintain good health

[1] Assure reliable medical care with early detection and treatment. Ensure the transparency of the consultation fee revision process.

We will seek to eliminate restrictions on having medical examinations and to ensure early detection and early treatment of illness. To that end, at the time of the revision of consultation fees in 2006, we will restore to 20% the proportion of medical expenses borne by people covered by national health insurance, and carry out a reform of the system of medical care and of the system of medical care for the elderly.

In addition, at the time of the revision of consultation fees we will make public the data on such aspects as medicines and materials used for medical care, medical point scores, dentistry point scores, and home visits for nursing care, as well as price data, and also add them to our public comments. In addition, we will ensure that the composition of the membership of the Central Social Insurance Medical Council, which carries out the revision, includes equal numbers of people representing the parties providing the services, those paying for the services, and those representing the public interest (including patients); we will make the minutes public. These reforms will be carried out in stages from the 2005 fiscal year.

[2] Establish 350 emergency medical centres for infants, and cut to 10% the proportion of medical expenses borne by parents of elementary school children.

We will develop a system of emergency pediatric care. Within three years of coming into power we will establish a structure to accept them in times of emergency by designating at least 350 hospitals nationwide to serve as emergency medical centres for infants.

In addition, we will rationalise consultation fees for pediatric care, and by the 2005 fiscal year will submit amending legislation to the Diet for the purpose of reducing the proportion of medical expenses borne by pediatric patients under national health insurance. For patients up to three years of age this will be cut from 20% to 10%, and for those aged three and above it will be cut from 30% to 10% until the year they leave elementary school. The budget required to fund this is estimated to be some ¥45 billion. The government's costs will be met by diverting wasteful expenses, and with respect to the health insurance system the fiscal situation will be taken into consideration.

[3] Make it obligatory to disclose patients' medical records and to issue itemized statements of medical fees.

To foster better relationships of cooperation and trust between patients and doctors, during the 2004 fiscal year we will table a bill in the Diet to make it obligatory for doctors to disclose patients' medical records and to issue itemized statements of medical fees.

[4] Conduct stringent centralized food safety checks.

We intend to conduct centralized inspections of imported foodstuffs, enforcement of food-distribution regulations, and operation of the food labelling system, and to strengthen food-safety regulations. For that purpose, by the 2007 fiscal year the DPJ administration will centralize food risk management – currently split between the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Health, Labour and Welfare – on the food safety committee to be established within the Cabinet Office. This will be given powers similar to those of the Fair Trade Commission, and we will strengthen it radically, including by appointing committee members to represent consumers. The budgetary requirement will be approximately ¥20 billion in the 2007 fiscal year, which will be allocated from the budgets of the Ministry of Health, Labour and Welfare and the Ministry of Agriculture, Forestry and Fisheries.

[5] Give first priority to safety, and strengthen supervision of nuclear power administration.

We will make a clear separation between the operation and regulation of administrative organs for nuclear power, giving first priority to safety. We will split off the body controlling nuclear power safety from the Ministry of Economy, Trade and Industry, and establish a new independent administrative body within the Cabinet Office, building a structure for rigorous and centralized checking.

We aim to submit a bill to the Diet in 2005, and bring it into force in the 2006 fiscal year.

5-2 Deal severely with crime, making the country a safe place to live in once again.

[1] Push up the declining arrest ratio by increasing the number of police officers by 30,000.

Our goal is to restore the arrest ratio for serious crimes, which over the past five years has fallen to 48%, to the level of 84% it was at five years ago. To achieve that we will increase the number of police officers in the regions by at least 30,000 over four years; expand police capabilities for community policing, criminal investigation, and community safety; strengthen the structure for crime-prevention patrols; and put officers back into empty police boxes. Over a four-year period from 2004 we will increase the number of officers by 6,000–7,000 annually, and secure a budget of around ¥40 billion per year, and therefore requiring a budget of ¥160 billion after four years.

We will also ensure that the views of local citizens are reflected in police administration. We will submit a bill to amend the Police Law in the regular session of the Diet in 2005, with the objective of establishing complaint-handling committees within prefectural public safety commissions; these will have their own independent secretariats and be composed of local citizens, knowledgeable people, and others acting as ombudspersons.

[2] Institute life sentences without parole, and stiffen other penalties for serious crimes.

We will take steps to stiffen penalties for serious crimes, which are currently criticised for being too lenient, and institute indeterminate sentences without parole. Our aim is to revise the Penal Code within three years of taking power, with a view to revising all punishments.

[3] Strengthen the Domestic Violence Prevention Law

During 2004 we will put before the Diet a bill to amend the Law for the Prevention of Spousal Violence and the Protection of Victims (the so-called DV Prevention Law), so as to extend the scope of restraining orders to cover other individuals such as former spouses, children, and relations. We will

endeavour to improve the system of restraining orders, for example through the prohibition of threatening behaviour and telephone contacts, and by extending the period of validity of expulsion orders and domestic restraining orders, and seek to strengthen the consultation system, etc., by means of police reform.

We will strengthen the self-help structure and increase financial support for private shelters, for which we will set aside annual budgets of approximately ¥2.5 billion from the 2004 fiscal year.

5-3 Protect world peace, centred on the United Nations.

[1] Conduct independent diplomacy and enhance the functions of the United Nations.

We will change Japan's passive foreign-policy stance, transforming it into a country with a clear-cut will in the realm of diplomacy.

To ensure that the Japan-U.S. alliance evolves in a meaningful way, we will make our basic stance towards the United States one of “cooperating when we ought to, and of speaking our minds when we feel we should”. In that way we can strengthen the relationship into a mature alliance.

In the Asian region we will pursue mutual cooperation and confidence-building. We will strengthen collaboration and cooperation as a nation that is itself an integral part of Asia, including in the sphere of economic cooperation, for example by promoting the conclusion of free trade agreements, and also of regional security, the environment, education, and measures to fight crime.

We will make active contributions to UN activities in such fields as humanitarian assistance, the protection of the environment, education, human rights, and conflict prevention, and at the same time take an active part in moves to reform the United Nations. Subject to the backing of domestic public opinion and the support of member nations, we will continue with the quest for Japan to become a permanent member of the Security Council.

Peace-keeping operations have gained the understanding and solid support of the people of Japan. In order to respond to the increasing diversity of requests for these operations, we will give active study to

aspects such as a review of the criteria for the use of weapons by troops that are dispatched, and the manner in which the Diet should be involved in factors such as the conditions, scale, and periods of participation. We wish to enable Japan to be directly involved in the building and maintenance of international peace.

[2] Tackle the North Korea problem head-on, including resolving the abduction issue.

A rapid resolution of North Korea's abductions of Japanese citizens is the most important issue from the standpoint of Japanese sovereignty and from a humanitarian perspective. We will press North Korea strongly for the prompt transfer to Japan of the victims' families and a full clarification of the abductions, and appeal to the United Nations and world opinion. As well as actively addressing the problem of allowing people to leave North Korea if they so wish, we will strengthen the structure of maritime policing, including the exercise of control over the smuggling of stimulants from suspect North Korean vessels.

The question of nuclear weapons and other weapons of mass destruction is a vital one for regional security. We will evaluate the international effort being made through the six-party talks, in the hope that they will develop into a confidence-building structure within the region, and will reinforce steps that are also backed by the United Nations.

[3] Review the form of reconstruction assistance for Iraq

The use of armed force against Iraq by the United States and others was a violation of the UN Charter and of international law, and cannot be condoned. The Special Measures Law for Iraq provides for the dispatch of members of the Self-Defense Forces to Iraq, where armed conflict is continuing, but it makes no distinction between combat zones and non-combat zones, and Japanese troops would effectively be providing logistical support for combat and occupation activities by U.S. and British forces. In view of factors such as these, we will not send troops under this law, which we will review and may repeal.

Nevertheless, we will actively extend humanitarian and reconstruction aid to ease the suffering the people of Iraq are experiencing under the state of breakdown of the administration there, for example in the medical-care, education, and economic spheres. We will support efforts in the United Nations and elsewhere to transfer sovereignty to Iraq quickly, and participate actively in international efforts to

provide reconstruction support, including through financial assistance appropriate for the circumstances concerned, such as the nature of the recipients and the use and management of the funds.

Once the people of Iraq have established their own government and a resolution has been adopted by the Security Council at that government's request, Japan will – at its own discretion and within the scope permitted by its Constitution – provide assistance by easing the criteria for participation in peace-keeping operations and peace-keeping forces, including through the use of the Self-Defense Forces.

[4] Commence the revision of the Japan-U.S. Status of Forces Agreement, including the strengthening of measures to deal with crimes.

We wish to ensure the sound management of the Japan-U.S. alliance, which is pivotal to Japan's foreign policy and national security. To achieve that we will embark upon a revision of the Japan-U.S. Status of Forces Agreement with the aim of incorporating into it such elements as a principle sanctioning the handover of persons suspected of serious crimes to the Japanese legal authorities prior to prosecution, the principle of extending the jurisdiction of Japanese laws to U.S. forces' facilities, and provisions relating to environmental conservation. Our goal will be to reach final agreement within three years. During the course of the negotiations for this revision, we will pursue the reorganization and reduction of U.S. bases in Japan, based on consideration of factors such as the situation prevailing in Asia.

[5] Increase to 20% the ratio of appointments of people who are not professional diplomats to ambassadorial and other diplomatic posts.

To develop a flexible and effective diplomatic service to serve as the "face of Japan", we will broaden the appointment of ambassadors and other diplomats (including ambassadors extraordinary and plenipotentiary) to include non-diplomats such as scholars, NGO officials, mayors, and former politicians, so as to conduct vigorous diplomacy that shows the true face of the people of Japan. The ratio of these appointments will be increased to 20% from the present 6% over a four-year period after the DPJ assumes power.

[6] Enact a basic law on global environmental preservation, and engage in environment-related diplomacy.

Based on the philosophy of the coexistence of humankind and nature, one strategic diplomatic issue through which Japan can contribute to the world is that of fostering activities aimed at preserving the global environment. By the end of the 2005 financial year we will spell out clearly our philosophy of preserving the environment of the entire earth, and submit to the Diet and pursue the enactment of a draft basic law for global environmental conservation.

[7] Switch to the development of a defence capability able to protect the people.

During the 2005 financial year we will formulate a new defence plan to give Japan the capability to deal flexibly with dangers of all kinds, such as missile threats and terrorism.

Under this new defence plan we will aim to accomplish goals such as the following within five years: (i) reduce the Ground Self-Defense Forces, (ii) introduce and strengthen special forces to deal with threats such as terrorism, (iii) expand the self-defence reserves, (iv) abolish the armoured divisions and reduce the numbers of tanks and artillery pieces by 20%, (v) enhance the integrated administration of the ground, maritime, and air forces, (vi) enhance the high-technology and IT content of military technology, and (vii) increase missile-defence capability.

In addition, we will undertake a comprehensive study of ballistic-missiles defence, encompassing aspects such as its fundamental necessity and cost-effectiveness.

The budget of approximately ¥500 billion that will be necessary for these measures will be allocated from the existing defence budget.