

# Japan's prime minister preparing pro-war, economic stimulus package

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Following last month's snap general election in Japan and his reappointment as prime minister, Shigeru Ishiba is pushing forward with attacks on the social conditions of the working class and preparations for war with China. However, the Ishiba government rests on an unstable basis following the ruling Liberal Democratic Party's (LDP) loss of its majority in the lower house of the National Diet.

This loss is a rare occurrence for the LDP, which has ruled almost uninterruptedly since its formation in 1955. Ishiba was selected as prime minister again on November 11 in a parliamentary run-off against Yoshihiko Noda, head of the main opposition Constitutional Democratic Party of Japan (CDP). It was the first run-off vote in 30 years and only the fifth in Japan's history. Ishiba now presides over a minority government and is reliant on opposition parties to push through his agenda.

Rather than back either Ishiba or Noda, the right-wing parties Nippon Ishin no Kai and the Democratic Party for the People (DPP) abstained in the second round of voting. However, the Stalinist Japanese Communist Party (JCP) backed Noda and the CDP. None of these parties is opposed to war or the attacks on the working class. Rather, they distance themselves from the LDP in order to convince the ruling class that they would be better able to carry out the demands of big business and Japanese imperialism.

Ishiba first came to office on October 1, replacing Fumio Kishida after being elected as leader of the LDP. Kishida was essentially forced to resign in the face of ongoing scandals gripping the LDP, as well as growing anger over declining economic conditions and Tokyo's support for Israel's genocide in the Middle East and plans for war against China.

At present, the Ishiba administration is reportedly

preparing a 13.5 trillion-yen (\$US87.3 billion) stimulus package that will likely be unveiled by the end of the month. While the government is presenting it as a means of assisting low-income workers and the poor struggling with rising consumer costs and stagnant wages, the real purpose is to provide a boost to Japanese big business and develop new supply chains.

Workers are struggling as real wages have fallen nearly every month for two and a half years due to inflation. While there was a small rise this past June and July, an effect of summer bonuses, real wages fell again in August and September by 0.6 percent and 0.1 percent respectively. The stimulus package will supposedly include a paltry 30,000-yen (\$US194) handout to low-income households and 20,000 yen (\$US129) per child to families. There are also plans for reintroducing subsidies on electricity and gas bills in January through March.

On the other hand, approximately two trillion yen (\$US12.9 billion) could be provided for the development of the artificial intelligence (AI) and semiconductor industries. While advanced technology could potentially benefit the world's population, under capitalism these developments will be used to slash jobs and wage war with China, which is viewed by the US and its allies as the paramount economic threat.

Today, Taiwan produces more than 60 percent of all semiconductors and around 90 percent of the most advanced chips. In contrast, Japan produces only 9 percent of all semiconductors. Washington and Tokyo are working to goad Beijing into a war over Taiwan. While the imperialists have no compunctions about exploiting working people in Taiwan as cannon fodder, a war would disrupt access to the chips necessary for weapon systems.

Tokyo is also investing in AI to strengthen its

military. In August, for example, the Defence Ministry stated it would purchase drones and three highly automated warships, which require only 90 crew members or less than half the crew currently needed. The ministry will also purchase AI surveillance systems for its bases. These purchases are to make up for the fact that the armed forces do not have enough recruits, a reflection of the anti-war sentiment that exists in the population.

At the same time, businesses are investing in AI as a means to slash jobs while boosting profits. A study by the Center for Global Communications of the International University of Japan found that Generative AI has the potential to lead to a 148.7 trillion-yen (\$US961.3 billion) boost in productivity. Despite claims that AI will merely assist workers in their current jobs or develop new ones, a Nikkei Research survey of 250 businesses conducted in July found that 53 percent viewed cutting labor costs as their objective for implementing AI.

Looking for support in parliament for this package, Ishiba is turning to the DPP, which won 28 seats in October's election, quadrupling its total in the lower house. The party was formed in 2018 as a breakaway from the Democratic Party (DP). The previous year, the DP leadership had attempted to dissolve the Democrats into the right-wing Party of Hope, a short-lived venture led by Tokyo governor Yuriko Koike. When that failed, the Democrats split into the CDP and the DPP, with the more openly right-wing members comprising the latter.

The DPP is currently posturing as a defender of poor and working people. It is demanding that the government's new stimulus package include a rise in the tax threshold, for which workers must pay income tax, from 1.03 million yen (\$US6,659) to 1.78 million yen (\$US11,508) annually.

The DPP claims that workers are reluctant to take on extra hours, as making more money than the threshold would lead to a decrease in wages due to taxes. The scheme is being used to push workers to accept longer hours while saying it will promote consumption, thereby directing money into the government's coffers through the sales tax. The raising of the tax bracket would also lead to a corresponding rise in all of the tax brackets, meaning the wealthiest would benefit the most.

The DPP has also proposed a tax cap on cryptocurrency income at 20 percent from its current 55 percent. The party has also proposed eliminating all taxes on crypto-to-crypto exchanges. This is aimed at developing Japan's crypto exchange market, a move that would essentially provide investors with additional means of engaging in financial speculation without producing anything of new value.

Whatever their posturing, none of the policies advanced by the establishment parties will benefit the working class. While they may disagree on the specific tactics to implement, all are in agreement with the US-led imperialist war drive against China and forcing workers to pay for the ever-growing crisis of capitalism.



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