

August 10, 2012

Statement by Yasuchika Hasegawa, Chairman of Keizai Doyukai

**On Approval of the Legislation Related to the Unified Reform of
Tax and Social Security**

Based on the three-party agreement among the Democratic Party of Japan, the Liberal Democratic Party and the New *Komeito* Party, the legislation related to the unified reform of tax and social security system duly passed the Diet by approval at the House of Councilors this afternoon. I welcome this outcome because this legislation is one of the most important policies for Japan.

This achievement, however, is only the very first step of the unified reform; the government should establish a National Council on Social Security Reform as early as possible, so that it can immediately commence discussions aiming at the establishment of the sustainable social security system, which realizes the prioritized and efficient disbursement of social security benefit, and reduces inter-/intra-generational disparities. Then the government must make sure to reach the conclusion on those issues within one year.

In addition, the government should make maximum effort to develop the environment to implement the forthcoming consumption tax rate increase as scheduled in the bill. In particular, it is crucial to ensure the prospect for recovery and growth of the Japanese economy through steady implementation of the Strategy for Rebirth of Japan.

Furthermore, Japan faces a myriad of pressing challenges, which has been awaiting timely political decision, such as electoral system reform, civil service system reform, the environment and energy policy, and participation in the Trans-Pacific Partnership. These issues are so urgent and important that no further delay will be allowed, regardless of whether or not Prime Minister dissolves the House of Representatives and a general election is held -- which are said to take place "within a short period of time". We urge both ruling and opposition parties to pursue early consensus on those issues through substantial discussion, with viewpoints of future of the nation and benefits to its citizens, and a government to steadily make decisions to implement necessary policies.

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