

Minister's Summary by Minister Yosano

23rd Meeting (October 17, 2008)

(1) Measures for current financial and economic situation

(2) A road map to comprehensive reform of social security, tax and fiscal policy



Kaoru Yosano here. Today, the Council on Economic and Fiscal Policy (CEFP) held its first meeting under the Aso administration (23rd meeting of the year).

The first topic for discussion was measures for current financial and economic situation. At the beginning, I explained instructions the Prime Minister had given yesterday, and expert members and cabinet members made comments. In response, the Prime Minister made the following statement:

In my instructions, I referred to the necessity for increasing public financial burden, as a “The Medium-term Program,” and I believe that people now have a better understanding of the necessity when thinking about the sustainability of social security systems and other issues. I believe that people are ready for potential tax increases someday in the future. Accordingly, we will have to develop a road map to a tax increase. This is what a responsible political party should carry out. This is what responsible politics should carry out without fail. I believe that public consensus has already been achieved on “medium-level welfare state matched with medium-sized burdens.”

The second topic for discussion was a road map to comprehensive reform of social security, tax and fiscal policy. First, Expert Member Yoshikawa made a presentation.

I concluded that we will have more detailed discussion on the timetable for a sustainable social security system of “medium-level welfare state matched with medium-sized burdens” and on reliable financial resources.

The Prime Minister made the following statement:

When I was serving as the Policy Research Council chairman of the Liberal Democratic Party, the party conducted a questionnaire survey. It was eight years ago, and to my real surprise, many of those surveyed replied that an increase in financial burden would be acceptable for the purpose of establishing a reliable social security system. We will ensure a sustainable social security system and secure financial resources which are reliable enough in the long run. Accordingly, I would like CEF members to engage in constructive debate on the issues.

(End)