

KENNETH COURTIS

Japan's Aso spits Weimar venom

Japanese Deputy Prime Minister Taro Aso has created a storm of outrage well beyond Asia with a recent speech to a nationalist group of the Liberal Democratic Party, the governing party of the country. In a key part of the speech, Aso indicated that the LDP should learn a lesson from the Nazis on how to revise the Japanese Constitution: Do it "without anyone noticing it".

Aso, who is former Japanese prime minister and foreign minister, subsequently issued a statement saying that he meant in effect the opposite of what he said. Militants for constitutional amendment know which of the two messages is the true position of Aso, one which he surely shares with a good part of Japan's current government and with Prime Minister Shinzo Abe.

Aso's exhortation to learn from the Nazis to change the Constitution when no one is looking is but one of a series of increasingly ominous outbursts of senior members of the current Japanese government.

In the run-up to the recent elections, we had the travesty of seeing the Japanese prime minister enthusiastically strapped into the cockpit of a jet fighter with the infamous number, 731, inscribed on the fuselage. His officials claimed it was a complete coincidence and oversight that the 731 fighter was chosen for the photo opportunity.

However, across Asia, this immediately brought to mind the unspeakable wartime human medical experiments performed by Unit 731 of the Imperial Japanese Army. In this embrace, there is nostalgia for a past of perceived greatness. But that was a time when the IJA rained death and destruction on the world, especially Asia, including the bombing of Pearl Harbor in the US and Darwin in Australia. Moreover, there is a cold determination to enact fundamental changes to the Japanese Constitution.

What Aso's allusions to stealthy constitutional change signals to his party militants is that, in today's domestic and international political context, a formal amendment of the Constitution is unlikely to happen. But the interpretation of the Constitution could be quietly stretched and twisted. Eventually, the effect of such manipulation would be the same as a formal amendment.

While selecting the example of how the Nazis were able to have the Weimar constitution in effect modified without a formal amendment was a particularly provocative comparison for many, but not necessarily for many within his own party. Although the LDP did well in the recent Upper House elections, it fell short of its ambition, both in terms of seats and popular votes. A two-thirds majority is required in the Diet to amend the Constitution. The LDP and its still more extreme nationalist fringe supporters simply do not have the numbers to amend the Constitution.

Similarly, in the Low-

er House elections last December, which brought Abe back to power in an apparent landslide, the actual number of votes cast for the LDP was less than it received in the previous Lower House elections, when the party had been badly defeated. In other words, popular support for the LDP across Japan is more shallow and narrow than is widely understood.

Domestic politics and constitutional processes aside, as Aso acknowledged in his speech, the international context is also "complicated". Complicated indeed, because people in China, up and down the Korean Peninsula and throughout East Asia, Australia and the US are watching closely.

This is not a case of acting while "no one is looking", as Aso's Nazi allusion suggested. Surely an attempt to formally amend the Japanese Constitution would trigger vast international opposition. But that will not keep the LDP leadership from proceeding to achieve their objectives of constitutional revision by other means.

There is talk, for example, that future Supreme Court vacancies should be filled by judges open to revisionist interpretations of the Constitution. Also watch out for personnel changes in areas of government which handle constitutional affairs.

What the revisionists want broadly today are the same three major changes they have sought since the early 1950s. First, there is the matter of official rearmament. That means in effect renunciation of the stated intent of Article 9 of the Constitution, a provision that commits Japan never again to develop an offensive military capability.

Second, there is a series of revisions of the individual and human rights clauses of the Constitution, including the role of women in Japan's political system.

Third is an "enhancement", as the revisionists call it, of the status of the emperor.

Of the three, the latter is discussed the least in public, but in smaller circles this objective remains central to the nationalist right, as it has been since the "Peace" Constitution was adopted in 1947. It is in this light that one can best understand the symbolism of Prime Minister Abe's cry of "Tenno heika banzai" (Long live the emperor) earlier this year during the first national "Restoration of Sovereignty" day ceremonies, in the presence of the emperor.

While the literal translation might seem commonplace in reference to a present monarch, it is actually the historical equivalent of "Heil Hitler" for 1930s Japan and has never been uttered by a prime minister in an official capacity since the collapse of the war cabinet in 1945.

It is not clear whether the emperor was happy with the invocation of the nationalistic exhortation from the wartime period of the 1930s and 1940s, but the nationalist militants were giddy with excitement at the prime minister's full-throated cry.

Aso was right. There are important lessons for Japan and the rest of the world to take from the sad experience of Germany's Weimar Republic — or indeed from Japan's own equally sad history.

But they are just the opposite of the lessons he is urging the Japanese constitutional revisionists to learn.

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MARK BLYTH

End European Union austerity now

In recent weeks, talk about a budding recovery in the eurozone has gained traction, with key indexes pointing to expansion in the core countries — data that many are citing as evidence that austerity is finally working. Money-market funds from the United States are returning, albeit cautiously, to resume funding of the European Union's bank debt. Even Goldman Sachs is now bullish piling up into EU equities. But is a recovery really underway?

Cynics recall that a European recovery was supposed to take hold as early as the fourth quarter of 2010, and that every International Monetary Fund projection since then has predicted recovery "by the end of the year". Instead, GDP has collapsed, with the Spanish and Italian economies expected to contract by close to 2 percent this year. Portugal's economy is set to shrink by more than 2 percent, and Greece's output will fall by more than 4 percent.

Moreover, unemployment in the eurozone has skyrocketed to an average rate of roughly 12 percent, with more than 50 percent youth unemployment in the periphery countries implying a long-term loss of talent and erosion of the tax base. And, despite the spike in unemployment, productivity growth in the eurozone is decidedly negative.

More significant, over the last year, the public debt/GDP ratio rose by 7 percentage points in Italy, 11 in Ireland, and 15 in Portugal and Spain. If the sine qua non of recovery via austerity is the stabilization and reduction of debt, the cynics' case appears to have been made.

Against this background, the return of US investors to provide short-term dollar funding for EU bank debt smacks of a desperate hunt for yield that relies on European Central Bank President Mario

Draghi's promise to do "whatever it takes" to save the euro. As for Goldman Sachs' equity play, as bond market guru Bill Blain put it, "the words 'buy cheap, sell a bit dearer on the up, and then dump and run' spring to mind".

In fact, any talk of recovery is premature until the losses incurred by austerity are recouped. As it stands, every country that has implemented an austerity program without imposing losses on private creditors has more debt now than when it started. For example, according to official estimates, Spain's public debt, which amounted to only about 36 percent of GDP when the crisis began, has almost tripled — and the actual figure may be much higher. More telling, the countries that cut expenditure the most experienced the largest bond-yield spikes and the most significant debt growth.

The explanation for this is simple. When a country gives up its monetary sovereignty, its banks effectively borrow in a foreign currency, making them exceptionally vulnerable to liquidity shocks, like that which sparked turmoil in the EU's banking system in 2010-2011. The government, unable to print money to bail out the banks or increase export competitiveness through currency devaluation, is left with only two options: default or deflation (austerity).

Austerity's underlying logic is that budget cuts, by reducing the debt burden and restoring confidence, ultimately enhance stability and support growth. But when countries pursue austerity simultaneously with their main trading partners, overall demand plummets, causing all of their economies to contract and, in turn, increase their debt/GDP ratios.

But the problem with austerity in the eurozone is more fundamental: policymakers are attempting to address a sovereign-debt crisis, though the real

problem is a banking crisis. With the EU's banking system triple the size and twice as leveraged as its US counterpart, and the ECB lacking genuine lender-of-last-resort authority, the sudden halt in capital flows to peripheral countries in 2009 created a liquidity-starved system that was too big to bail out.

As holders of euro-denominated assets recognized this situation, they turned to the ECB for insurance (which the ECB could not deliver under its previous president, Jean-Claude Trichet, whose leadership was defined by his commitment to maintaining price stability). Investors' subsequent efforts to "price in" the risk of a eurozone breakup — not the volume of sovereign debt — caused bond yields to spike.

But the financial market turmoil fueled a panic among eurozone leaders, leading them to misdiagnose the malady and prescribe the wrong medicine, which has served only to generate new symptoms. While Draghi's promise, embodied by the ECB's "outright monetary transactions" program — as well as its long-term refinancing operation and emergency liquidity assistance program — has bought time and lowered yields, the eurozone's banking crisis persists.

Eurozone leaders must recognize that spending cuts will do nothing to stabilize the balance sheets of core countries' banks that are overexposed to peripheral countries' sovereign debt.

Until the EU rejects austerity in favor of a growth-oriented approach, all signs of recovery will prove illusory.

The author is professor of International Political Economy at Brown University and has the book, Austerity: The History of a Dangerous Idea, to his credit.

PROJECT SYNDICATE

WHAT'S THE BUZZ

China is enduring an exhausting heat wave this summer with many cities breaking their highest temperature records. How do you save yourself from the deadly heat when the sidewalk surface is hot enough to be used for barbecue? Following are suggestions of China Daily's mobile phone news readers on how to escape the scorching weather:

Stuff the bed sheet in a plastic bag and keep it in the refrigerator for some time before using it. Wrapping a cold bed sheet on will lower your body temperature and calm the nerves and help you to get a good sleep. Since high body temperature is a major reason why we find it difficult to fall asleep in hot weather, a cold bed sheet is an effective solution to the problem.

A READER, Changsha, Hunan province

I have two secret "weapons" to fight the summer heat at night. One is to clean the sleeping mat with cold water, spray some water on the surface as well as the body and then switch on an electric fan before lying down on it. Your body will cool down immediately and you will get a pleasant feeling. The other is a self-made water mattress. You can fill up an ordinary air mattress with water, which will allow you to get a sound sleep, especially because the mattress will cool down further later at night. Thanks to these two "weapons", I have been able to endure the summer in my non-air-conditioned dormitory.

A READER, Changsha, Hunan province

The scorching summer has made life difficult for many people across China. I escape the heat during daytime by spending as much time as possible in ticket-free public places such as libraries or museums which have air-conditioning. Such places offer a cool and refreshing environment. After sunset, I go shopping or walking in open air. We should take full advantage of a city's resources to spend sweaty summer in an economic and eco-friendly way.

XUWANGANG, Lanzhou, Gansu province

I suggest three ways to escape the summer heat. First, have sweet mung bean soup because it not only quenches thirst, but also helps us keep cool. Second, spend some time in a library reading to cool your mind as well as body temperature. And third, take your family out for dinner over the weekends to escape the heat and hassle of spending time in the kitchen.

MANMAN, Tianjin

The least laborious way to escape the summer heat is to spend the day in an air-conditioned room. But considering health concerns and energy conservation, we could try some other methods to beat the heat. For example, after ventilating the house for a couple of hours in the morning, we could draw the curtains to block the heat out and keep the rooms cool. Also, we should avoid going out during daytime as much as possible. And if we cannot avoid venturing out, we should always wear sunglasses and carry an umbrella. And we should drink more water and eat more fruits like melons and cucumbers.

FEITIAN, Shanghai

Keeping the doors and windows open for ventilation, and spraying the curtains with water will cool down an air-condition-less dormitory or apartment through evaporation. And tying a wet handkerchief around our wrist will help cool down our body temperature.

A READER, Xian, Shaanxi province

Compared with South China, the weather is quite cool in my hometown in the Northeast China. In fact, it feels like early autumn in the morning and evening. During the relatively hot afternoons, we have some iced watermelon and drink chilled beer, which makes us feel as comfortable as staying in an air-conditioned room. But be careful not to drink too much chilled beer.

A READER, Zhengzhou, Henan province

LETTERS

Let the western region go green

Comment on "Western program new engine for growth" (China Daily, Aug 20)

China should take this opportunity to promote a green policy in its western region and effectively avoid the mistakes it committed while developing its coastal region.

By "green" I mean an environmentally friendly energy and resource utilization program. A green infrastructure program is one that maximizes the use of existing facilities. For example, the government can build straddling bus systems and sky train networks on existing highways and roads, instead of digging up and/or occupying more land to build new railways and subways and causing more environmental damage.

Also, a green administrative system allows more grassroots participation, and a green taxation system promotes simple, fair and low tax for all.

ICWU, on China Daily website

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