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## **Has Capitalism Reached Its Limits on Addressing Poverty, Speculations, and Environment?**

**SHII Kazuo**

**Japanese Communist Party Chair**  
**On TV Asahi Network's *Sunday Project* program**  
May 18, 2008  
(Akahata, May 19, 2008)

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**FUWA Tetsuzo**

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**Fuwa Tetsuzo, former Japanese Communist Party Chair**  
**On TV Asahi Network's *Sunday Project* program**  
May 11, 2008  
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(Translated by Japan Press Service)

# Has Capitalism Reached Its Limits on Addressing Poverty, Speculations, and Environment?

**SHII Kazuo**  
**Japanese Communist Party Chair**

**On TV Asahi Network's *Sunday Project* program**

*This was the theme of the TV current affairs program Sunday Project broadcast on May 18 by the TV Asahi Network. Japanese Communist Party Chair Shii Kazuo was interviewed by the program's MC Tawara Soichiro. Senior staff writer Hoshi Hiroshi of the Asahi Shimbun and Watanabe Tsuneo, adjunct fellow at the Center for Strategic and International Studies (CSIS) in Washington, D.C. joined the discussion.*

*A photo of Karl Marx was shown before the start of the interview, followed by voice-over narration: "Karl Marx, who had an impact on the 20th century, pointed out that capitalism has its limits. And today, the United States, the capitalist superpower, is facing the sub-prime mortgage crisis. There is widespread concern over the future of the world economy. Economic inequalities are widening everywhere throughout the world. Has capitalism reached its limits? Marx serves as the theoretical foundation of the Japanese Communist Party. Japanese Communist Party Chair Shii Kazuo is here with us to answer questions."*

*A photo of the book Kanikosen ("Factory Ship") by the late JCP member and writer Kobayashi Takiji was also shown on the screen, when the discussion moved on to the masterpiece in pre-war proletarian literature which is a best-selling novel today. In introducing Shii to the viewers, Tawara said, "The name of Marx should be closely associated with Mr. Shii of the JCP. How do you see the Japanese economy and the world economy? Is the economy at its limits and will it eventually go broke? I hope you will take the time to give us your opinion on the topic for us. I am sure that it will be exciting to hear Mr. Shii talk about the economy."*

**Marx and Kanikosen are being much discussed today**  
**-- Are capitalist days numbered?**

**Tawara Soichiro:** Mr. Shii, thanks for joining us. Kobayashi Takiji's *Kanikosen* ("The Factory Ship"), which was written in the prewar period, is a best-selling book today. Takiji was arrested by the *Tokko* (special political police) and tortured to death.

I also find in bookstores many titles featuring Marx and his major work *Capital*. Today's *Asahi Shimbun* refers to Marx in saying that many books about left-wing or Marxist thought are in demand. *Asahi* says that this might be indicating the start of a new class struggle.

This phenomenon can be seen against the background of the failure of sub-prime housing loans in the United States, which has affected the world economy and the Japanese economy as well. More than a hundred years ago, Marx foresaw capitalism's limits and eventual failure. Many people are thinking that what we are seeing today is the limits of capitalism. What is your view?

### ***'Profit-first' craze going wild has reached its limits***

**Shii Kazuo:** *Kanikosen* depicts the struggle of workers who were forced into slave labor on a crab-fishing and canning ship on the Sea of Okhotsk in prewar days. As temporary workers today are forced to endure work conditions similar to slave labor, they are strongly attracted by this novel.

**Tawara:** You are talking about temporary workers who are underpaid and ill-treated?

*After this, the interview moved on to the question of the limits of capitalism and socialism.*

**Shii:** I hope this chart will help viewers understand the issue regarding the limits of capitalism, the topic you've just raised. Roughly speaking, in Japan as well as internationally, poverty and social inequalities are increasing, and speculative capital is going wild in pushing up the prices of grains and crude oil.

**Tawara:** The oil price has reached \$150 per barrel.

**Shii:** Right. The skyrocketing prices are pushing up the prices of all daily necessities. Environment disruption now involves the problem of global warming. Marx pointed out that capitalism by nature pursues profits above anything else. However, capitalism's uncontrolled rampage seems to have come to its limits.

### ***Fall of the Soviet Union and the present state of China***

**Tawara:** Before moving on to that topic, I have a question to ask. The logic may go that communism should grow stronger at a time when capitalism faces its limits. Why have the Soviet Union, the Eastern European countries, and recently China, broken away from a communist economy, even though they should advocate it today?

**Shii:** We had polemics with the Soviet Union for many years on various issues. Their arrogance led to great-power chauvinism.

**Tawara:** Arrogance, did you say?

**Shii:** Yes. They invaded Czechoslovakia. They carried out aggression against Afghanistan.

**Tawara:** Do you mean that communism can be either arrogant or modest?

**Shii:** The JCP contends that what we witnessed in the Soviet Union cannot be identified as socialism.

**Tawara:** In that case, you wholeheartedly welcomed the collapse of the Soviet Union?

**Shii:** When the Communist Party of the Soviet Union announced its dissolution, the JCP issued a statement welcoming the decision.

**Tawara:** What about China?

**Shii:** My view is that China is groping for answers and is undergoing a process of trial and error, but basically they are exploring a way toward socialism through a market economy.

**Tawara:** Socialism or communism does not entail free competition, but in China we see something similar to free competition - capitalism!

**Shii:** Not that socialism is without competition. China's approach is one of trying to advance toward socialism by combining the market economy and the planned economy. This in fact is the way explored by Lenin in his later years. I think both China and Vietnam, using their respective approaches, are producing good results.

## **Rampage of speculative money is causing the rise of oil and grains prices**

**Tawara:** What is your view on the sub-prime mortgage crisis in the United States?

***The U.S. sub-prime loan crisis is typical of the nature of 'over-speculation, gambling, and swindling created by credit system'***

**Shii:** Sub-prime loans are housing and other loans made available to low-income earners. These loans are provided in a fraudulent manner. The lenders would quickly securitize and sell them in the secondary market and take commissions.

**Tawara:** In the swindling sub-prime business, lending rates are very high for the minorities and other low-income earners. Sub-prime loan users are not asked to make a down payment, and initially, the interest rates are near zero, making it easy for them to borrow money. But the interest rates rise three or four years later. Users thought they could manage to pay the high interest rates if they sell off their houses at a higher price. But actually, the price of houses went down.

**Shii:** So they borrowed money on the assumption that housing prices will keep on

rising. In fact, as you point out, the housing prices fell drastically.

**Tawara:** Why has U.S. capitalism become plagued with such unscrupulous business practices?

**Shii:** Here are quotations from Marx's *Capital*: "*The credit system appears as the main lever of ... over speculation.*" "*The credit system, ... on the one hand, to develop the incentive of capitalist production, enrichment through exploitation of the labor of others, to the purest and most colossal form of gambling and swindling.*"

**Tawara:** Does this mean that the sub-prime loans are forms of gambling and swindling?

**Shii:** Yes, the sub-prime loan business is typical of gambling and swindling.

**Tawara:** Mr. Watanabe, do you agree with this view?

**Watanabe:** They may be so if they go too far. However, the credit system is essential for small- and medium-sized businesses to borrow money.

**Tawara:** The United States has gone too far in gambling and swindling, and the United States has lost the trust of other countries and the dollar has been weakening.

**Shii:** Right. But the JCP's position is not one of calling for the credit system to be abolished. The problem lies in "over speculation."

**Tawara:** That's what is happening in the United States.

### ***World finance economy has expanded to three times the size of real economy***

**Shii:** It certainly is. Another point to note is how much speculative money is flowing throughout world. This chart made by Mitsubishi UFJ Securities shows how different the state of the world finance economy and that of the real economy are. The real economy as expressed in nominal GDP was 48.1 trillion dollars in 2006.

**Tawara:** It's not growing much.

**Shii:** There has been some growth. In contrast, the finance economy has been rapidly expanding to 151.9 trillion dollars, about 100 trillion dollars more than the real economy.

**Tawara:** So, the finance economy is a far ahead of the real economy in terms of growth.

**Shii:** That's right. Although all of this is not necessarily attributed to speculative money, the expert who analyzed the data said that about 50 trillion dollars will be funds in excess. The excess money is being used for speculative purposes such as

investment in crude oil and grain futures around the world. It affects ordinary people, particularly in developing countries, where the food crisis is causing riots. This should be taken as a manifestation of the limits of capitalism.

### ***Japan's export-heavy economy is at an impasse***

*The discussion turns to the Japanese economy.*

**Tawara:** Japan is not much affected by the sub-prime mortgage crisis, which put the United States and Europe into trouble. Nevertheless, the Japanese stock market has been plunging. While Japan is scarcely affected, Japanese stock prices plunged. Even though the epicenter of this tremor is in the United States, falls in the Japanese market are bigger than in the New York market. Why are stock prices in Japan affected to such an extent?

I suspect that foreign investors have been running away from the Japanese market since August 2007, in the wake of the LDP's crushing defeat in the House of Councilors election. They are abandoning Japan. Why is this happening?

In the recent OECD economic survey, Japan ranks 18<sup>th</sup> although it ranked second in 1993. It's a big setback. In an international comparison of competitiveness, compiled by the World Economic Forum, Japan ranks 8<sup>th</sup>. Japan ranks 19<sup>th</sup> in competitiveness in the IT industry. What has happened to Japan?

**Shii:** Let me first comment on the stock plunges. As Mr. Tawara showed with the chart what foreign investors are doing, they have been selling Japanese stocks. Roughly, in the Japanese stock market, foreign investors account for about 60 percent of investment. They are seeking high returns in a short period of time by trading in stocks.

I think that this is the direct cause of the market plunge. The question is how this heavy sell-off has occurred. Basically, this is due to the fact that Japan's economy has been too dependent on exports and paying too little attention to domestic demand. Japan owes much of its economic growth to exports. In fact, in Japan, only large exporting companies have prospered. Personal spending, which accounts for more than 50 percent of the country's economy, and domestic demand are sluggish. This shows that the economic policy of putting emphasis on exports at the expense of domestic demand has failed.

**Tawara:** So, that has been Japan's policy.

**Shii:** Yes, it has. But it has reached an impasse, and the rest of the world now knows it.

The United States is plagued with the sub-prime mortgage crisis, and its market is shrinking. Sensing that Japan's exporters are facing a danger, foreign investors are fleeing Japan.

**Tawara:** I thought I should buy Japanese stocks if the US economy is no longer

trustworthy.

**Shii:** Given the fact that Japan's economy has been export-heavy, it is necessary to steer the economy by boosting the household economy as the way to move toward a healthy development of the nation's economy. Without this change in economic policy, Japan will not be able to have long-term prospects for the economy in terms of international competitiveness.

Tawara: So, you are saying that an effort to boost domestic demand is essential.

## **Poverty comes from broken rules for decent work**

*After stating his view about where the Japanese economy should be steered, Shii answered Tawara's questions regarding what needs to be done to accomplish this.*

### ***'Working poor' has been increasing as a consequence of deregulation of labor market***

**Shii:** Poverty is the main issue today. The major cause of poverty is the fact that the rules for securing decent work are being broken.

**Tawara:** I have some data that confirm that point. The number of people whose annual income is less than two million yen is increasing rapidly. More than 10 million people are in this low income group.

**Shii:** That's right. It can be seen against a background of easing regulations to allow employers to use temporary workers in various sectors.

**Tawara:** Temporary workers and part-time workers ....

**Shii:** Yes. Deregulation has encouraged employers to replace as many full-time workers as possible with contingent workers. This has greatly increased the number of low-wage workers.

**Tawara:** In around 1999, deregulation gave employers the freedom to use temporary workers as they liked.

**Shii:** In 2004, further deregulation allowed employers to use temporary workers in manufacturing workplaces. So, the problem arose from government measures to deregulate the labor market.

### ***'After me, the deluge': Seeking quick profits without long-term vision***

**Shii:** Now let me quote a famous passage from Marx's *Capital*: "*Après moi le deluge!*" (*After me, the deluge!*) is the watchword of every capitalist and of every capitalist nation. Hence *Capital* is reckless of the health or length of life of the

*laborer, unless under compulsion from society.” (Karl Marx: Capital, Vol. I, Part III, Chap. X., Sec. 5, p. 257)*

**Tawara:** Are you saying that that is the way employers today are doing business?

**Shii:** A mistress of Louis XV, the king of France, lived in luxury. When the king told her to end the extravagance and avoid driving the nation’s economy into bankruptcy, she said, “Après moi, le deluge!” She was saying that if the flood should come, it should be after her death. There is a similar saying in Japanese, “I don’t care what happens afterwards.”

**Tawara:** Do employers all think that the flood can come after their death?

**Shii:** I would not say that all of them are thinking that way, but obviously, their main concern is how to make as much short-term profits as possible instead of caring for the long-term development of Japanese society and equitable economic development.

## **Can capitalism hold out?**

*The discussion now moves on to the key question, “Can capitalism hold out?”*

**Tawara:** Mr. Hoshi is joining us on this program

### ***Failure of Keynesianism and neo-liberalism leads capitalism astray***

**Hoshi:** In the historical context, a kind of competition for flexibility existed in a rivalry between capitalism and socialism. For example, capitalism adopted some socialist elements in revising itself as part of the effort to recover from the Great Depression of the 1930s. In dealing with the sub-prime mortgage crisis, capitalism may try to adopt stronger regulatory measures and establish more equitable rules in order to compete for flexibility and modification. I think it’s interesting to see whether there is no room for modification any longer. Or, will revision show the resilience of capitalism to effect a recovery? I think this is an interesting point.

**Shii:** It would be difficult to tell exactly where and how capitalism will reach an impasse. However, if you look at the capitalism of the 19th century in a longer historical context, you will find that there was virtually no social regulation. At best, a 10-hour day was established under the Factory Act. However, such an economy could not prevent depressions from taking place.

That was why the Keynesian model was introduced, as you said, to enable the government to intervene in the nation’s economy to keep depression under control. The model, however turned out to be ineffective in the 1970s, and neo-liberalism took its place since the 1980s. Neo-liberalism is often referred to as market fundamentalism.

**Tawara:** That’s what Mr. Koizumi and Mr. Takenaka did. Ronald Reagan of the United States and Margaret Thatcher of Great Britain were their predecessors.



**Shii:** Yes, they were the forerunners.

**Tawara:** Milton Friedman is the economist who advocated the theory.

**Shii:** It is a theory that proclaims that everything should be left to market forces.

**Tawara:** So the idea was that the government should leave everything to market forces rather than intervening in it.

**Shii:** However, it contributed to increasing poverty and widening economic inequalities as we have talked about earlier, as well as having a devastating impact on the global environment. Would the option be to return to Keynesian model? That seems impossible. I think that capitalism has lost its way and has now gone astray.

**Tawara:** Precisely because capitalism has gone astray, we've invited Mr. Shii to our program.

***Need to impose social regulations in order to curb large corporations' craze for profit***

*The following quotation from Marx, which Shii presented, appeared on the screen:*

“‘Après moi le deluge!’ is the catchword of every capitalist and of every capitalist nation. Hence Capital is reckless of the health or length of life of the laborer, unless under compulsion from society.”

**Shii:** This is what Marx said. Look at the phrase “unless under compulsion from society.” By this he means the need for social regulations. It is important for society to impose regulations on large corporations that are maximizing their profits in reckless ways in regard to working hours and the use of temporary workers. Without such social regulations, employers will never care for the health and lives of workers. The capitalists do not care about *karoshi* (death from overwork) or about people who have no house to live in and are forced to sleep at Internet-cafes.

**Tawara:** Although I'm an outsider as far as Marx is concerned, I can at least say that work used to give us a sense of purpose and the worker could find value in labor. However, capitalists appeared and began to exploit workers as they pleased. Exploitation rapidly became intense. Thus, the value of labor diminished. In other words, the worker came to be treated as a commodity. Is this what the issue entails?

**Shii:** The use of labor as commodity is what capitalism is about. The use of temporary workers is a method of treating humans as objects of trade. This shows the ultimate form of capitalism.

***The need is to internationally control speculative capital and restrict M&A to obtain profits***

**Watanabe:** Let me ask a question. The hardest part of the present-day circumstances, which Marx did not face, will be how states can enforce socially imposed regulations in times of high international mobility of capital and labor. Is it possible to establish international regulations? For example, corporations say they are unable to give workers a pay raise because they have to survive international competition. What can be done to solve this problem?

**Shii:** We should recognize that we are in the era of corporate globalization. Marx said that globalization is inevitable. It is inherent in capitalism. If we are to place speculative money flow under control, for example, an internationally concerted effort is necessary. It is difficult for one country to do it alone. In fact, hedge funds are now spearheading financial speculation, but their actual conditions are not known at all. Leaders of the major capitalist countries have been discussing the disclosure of information concerning hedge funds. I think this should be the first thing to do.

**Tawara:** First, it seems necessary to distinguish speculation from investment. For example, there are two types of mergers and acquisitions (M&As). The takeover of a failing firm with the aim of rebuilding it is OK, but there is also the unscrupulous aim of raising the price by fomenting a rumor of a possible buyout.

**Shii:** That's the distinction we need to make. Investment is an activity to make profits through funding for the production of goods or services. In a sense, this is a sound activity.

**Tawara:** Securitization of mortgages is another form of financial speculation.

**Shii:** Exactly. The problem is in over-speculation. To talk about mergers and acquisitions, for example, a firm that has no interest in the production of sauces attempted at a takeover of Bull-Dog Sauce Co.

**Tawara:** You are talking about Steel Partner, a U.S. investment funds, aren't you?

**Shii:** Yes, Steel Partner is not interested in the production of quality sauce. Its job is to buy a firm and make quick profits through cost-cutting restructuring schemes. Making profits through toying with company ownership is a shady way of doing business.

**Tawara:** Mr. Watanabe, you have just pointed out that an increasing number of investors are repeatedly buying and selling firms. Could you comment further on this?

**Watanabe:** Mr. Shii has said sound investments are OK. However, money flows will be hampered if they are controlled on the grounds that speculative elements are involved. It will be difficult to carry out balanced regulation. In the case of Bull-Dog Sauce, investment will be meaningless if the company does not produce quality products. The problem is that speculative investors tend to withdraw from long-term commitments.

**Tawara:** Mr. Shii, foreign investment in Japan is surprisingly small. Every developed country in the world has a two digit percentage of foreign investment, while that for Japan is only 2.5 percent of its GDP. Why is investment in Japan so small?

**Shii:** The biggest problem will be that the Japanese economy is disproportionately export oriented. This makes the Japanese economy vulnerable. If it is driven by strong domestic demand in its growth, it will always attract investment. The absence of such investment shows that the Japanese economy is really vulnerable. Japan should choose a course of caring for ordinary people's living conditions, and boost domestic demand as the first step to improve the national economy.

## **Shift from 'Capitalism without Rules' to a 'Regulated Economy'**

**Tawara:** Last week, on this program we had a discussion with former Prime Minister Nakasone Yasuhiro, former House of Representatives Speaker Doi Takako, and former JCP Chair Fuwa Tetsuzo. Mr. Fuwa characterized Japanese capitalism as 'capitalism without rules.' What does 'capitalism without rules' mean?

### ***Lack of proper rules governing working hours, the use of temporary workers, and corporate takeovers***

**Shii:** There are different types of capitalism. For example, in a comparison between Japan and Europe, you will find that the Labor Standards Law in Japan does not provide strict legal regulations of overtime work. Employers can have workers work as many extra hours as they like if labor and management have signed an agreement under Article 36 of the Labor Standards Law.

In Europe, the use of temporary workers is allowed only for actual temporary or contingent work, and employers are required to offer temporary workers equal treatment to full-time workers. In contrast, Japan has no strict rules to regulate the use of temporary labor, and temporary workers are forced to work as disposables. This is why we say Japan's capitalism is without rules altogether.

**Tawara:** Particularly in the Netherlands, we hear that full-time workers and part-time workers are paid equally for equal hours of work.

**Shii:** That's right. They have established rules. Let's look how corporate takeovers are dealt with in the European Union (EU). An EU directive prohibits anyone who purchases a more than a 50 percent stake in a company from worsening the working conditions there, and the directive is being honored. In Japan, workers are the primary victims whenever M&A takes place. There are no rules governing capitalism in Japan

**Tawara:** M&A always includes corporate restructuring schemes.

**Shii:** Workers are the hardest hit by corporate cost-cutting restructuring schemes. I

must emphasize that capitalism without rules is not sustainable.

### ***EU is worth studying as an economy governed by rules***

**Hoshi:** As Mr. Tawara has mentioned, in the ranking of per capita GDP Japan slipped to 18<sup>th</sup> from second. Nordic and other European countries have climbed to higher positions. These are capitalist countries that have established rules and have high transparency . They are also countries with high levels of welfare services in return for heavy burdens for them. Is it correct to say that the JCP is aiming to make Japan a capitalist country with high level rules?

**Shii:** Yes, it is. It will be too early for Japan to envisage socialism as an immediate goal. We are calling for an advance from capitalism without rules to a regulated economy.

**Tawara:** I once asked Mr. Shii to name countries that are close to what you envisage, and I remember you shrugged off the question.

**Shii:** We cannot cite countries that fit in with a specific model.

**Tawara:** Is the Netherlands close to your image? Sweden and the Netherlands are often referred to in Japan as social democracies.

**Shii:** I would rather not name any one country. In discussing a regulated economy, I think that what the EU is aiming to achieve is a good reference.

\* Article 36 of the Labor Standards Law provides that labor and management can conclude an agreement that allows employers have employees work overtime in excess of the legal working hours and on legal holidays. This provision is instrumental in forcing workers to work more overtime.

## **Environmental concerns challenge capitalism's ability to address them adequately**

**Shii:** Let me say something about the environmental question. Here is one more flip chart.

### ***'Nature takes its revenge': Engels' warning***

**Tawara:** Engels this time. Not Marx?

**Shii:** Yes, Engels was a close associate and friend of Marx's. In his *Dialectics on Nature*, Engels states, "*Let us not, however, flatter ourselves overmuch on account of our human victories over nature. For each such victory nature takes its revenge on us*" (Marx and Engels Collected Works Vol. 25 pp. 460-61).

**Tawara:** At present, the increasing density of carbon dioxide in the atmosphere is

a source of various serious problems. Nature is indeed taking revenge on us for past actions.

**Shii:** Yes, it's taking revenge on us. In Marx's and Engels' era, forests were turned into farmlands to grow crops, but water was used up, leaving the land barren. Engels was alarmed by this change. And today, we are faced with carbon dioxide emissions increasing, causing global warming. This was exactly what Engels warned of.

***Focal issue whether the world can set mid-term goals for cutting emissions by 2020***

**Tawara:** Japan's situation is terrible in that regard. I saw in today's Asahi Shimbun an article about the upcoming G8 Summit due to be held at Lake Toya in Hokkaido. Last year, G8 leaders agreed on cutting carbon dioxide emissions by half by 2050. This year's summit should aim to achieve that goal well ahead of 2050.

**Shii:** You're right. Setting a mid-term goal to be achieved by 2020 is the present issue of focus.

**Tawara:** That needs to be attained by 2020. The Japan Business Federation (Nippon Keidanren) is playing a negative role in this.

**Shii:** Yes, it is.

**Tawara:** At a time when the task is for the G8 Summit to set a goal of cutting carbon dioxide emissions, maybe by 10 or 15 percent, by 2020, Nippon Keidanren is in firm opposition to setting a mid-term goal, calling for the reduction effort to be made by corporations voluntarily. The Economy, Trade and Industry Ministry is too weak-kneed to criticize the Keidanren approach.

**Shii:** As Mr. Tawara has said, the focal issue is whether the G8 Summit can adopt a mid-term goal for a major reduction by 2020, and Japan is reluctant to do this. European countries have decided to cut emissions in the mid-term by 20-30 percent.

**Tawara:** The United States may side with Europe.

***Social system finally settles issue, though we are now contributing our wisdom and power within the framework of capitalism***

**Shii:** The United States, which says its emissions will continue to increase until 2025, is certainly not worthy of praise. Japan's "profit-first" approach is terrible when it is seen in comparison with Europe. European countries are trying to protect the environment as much as they can within the framework of capitalism. Capitalism in Europe is far-sighted. Japanese capitalism in contrast is shortsighted with immediate profits in mind and operates without rules to abide by.

**Hoshi:** The ongoing contention between the JCP and capitalism has its expression in the environmental question. It is a very difficult task because for capitalists, it is an effort that entails cutting profits.

**Shii:** The environmental issue calls for a lot of efforts by using as much wisdom as possible to resolve the problems even within the framework of capitalism. At the same time, however, the fundamental question persists: Can it really be solved when capitalism maintains the principle of “profit-first”?

**Tawara:** Western and northern Europeans are not on the profit-first principle, are they?

**Shii:** No they are not. They are trying to regulate the “profit-first” approach.

**Watanabe:** However, the effort to protect the environment, in the short run, will probably contradict the effort to expand domestic demand and thereby support the household economy.

**Shii:** The JCP is saying that large corporations, the biggest source of emissions, should bear due responsibility.

**Tawara:** Thank you for joining us.

**Shii:** Thank you.

*-Akahata, May 19, 2008*

# **Fuwa Tetsuzo's Message to Young People**

## **Concerning war, youth, the world, and the Constitution**

***At war's end, we groped for something that might help us  
start a new life***

***I found a party that never gave up its opposition to war  
and Karl Marx***

*On May 11, 2008, former Japanese Communist Party Central Committee Chair Fuwa Tetsuzo, former Prime Minister Nakasone Yasuhiro, and former House of Representatives Speaker Doi Takako appeared on TV Asahi Network's Sunday Project program marking its 20th anniversary. With Tawara Soichiro as the moderator, they discussed the days of their youth and the present-day world. Fuwa talked to young people about how he chose to become a statesman, and how he views Japan and the world today as well as the issue of the Constitution of Japan.*

*In the TV studio, there was an audience of 57 students, aged between 17 and 22.*

*Photos of Fuwa, Nakasone, and Doi—all in their youth—were shown on a big screen in the studio. Fuwa's photo was taken when he participated in a May Day demonstration. He was in his second year at the University of Tokyo's physics department. Asked by Tawara what he wanted to become after studying physics at the University of Tokyo, Fuwa said, "I did not plan to become a physicist. I always wanted to become a writer." He related his experience when as an elementary student, he visited Yoshikawa Eiji, one of the most popular writers in those days.*

*Japan in those days was waging a war of aggression. Tawara asked Fuwa what his wartime days were like for him and what reaction he had to the emperor's radio speech conceding Japan's defeat.*

*Fuwa said:*

*I was on a student mobilization and worked at a factory of Meidensha, an electric appliances maker in the Osaki district of Tokyo. I listened to the emperor's radio address announcing defeat together with factory workers on the rooftop of the factory.*

*Asked how he felt about the emperor's speech, Fuwa said:*

*I totally belonged to the war generation. The "Manchurian Incident" (that marked the start of the Japanese aggression against China) took place the year after my birth, and Japan escalated the aggression to a full-scale war against China when I*

was a second grader. Japan started the Pacific War with the attack on the Pearl Harbor when I was a sixth grader. Throughout our elementary school years, we were indoctrinated to believe that Japan is a divine nation that is invincible and has a divine right to intervene in any country.

On August 14, 1945, I heard a rumor that the emperor's radio address will be about Japan's surrender. I shrugged it off because I had thought no such thing could happen. The next day, the rumor turned out to be true. Our homeroom teacher was weeping. He told us not to forget the frustration. We could share this feeling at that time. However, the surrender by the "divine nation" would make what we had been taught during the war invalid.

I was fifteen at the time, and Japan's surrender marked the beginning of my groping for something that I could believe in and for something that would guide me in my life.

### **On 'Japan's war'**

*The discussion moved on to how to view the Japanese war of aggression. Nakasone said, "The war was a tragedy in which Japan wrongly used its power as a leading nation." Tawara asked Fuwa to comment on Nakasone's comment.*

*Fuwa said:*

After I became a member of the Diet, I asked each prime minister to state their view on the Japanese war of aggression. The first prime minister who I posed that question to was Tanaka Kakuei. That was the year after he visited China and restored state-to-state relations between the two countries. His answer was: "The only thing I can say is that this question will be judged by historians in the future." I was amazed to hear that ambiguous response because he signed the restoration of diplomatic relations with China, without doubt after resolving the issue of the past war of aggression. So, I refuted his argument.

Prime Ministers Miki Takeo, Fukuda Takeo, Ohira Masayoshi, and Suzuki Zenko answered that question more or less in line with what Tanaka said. When I asked the same question to Mr. Nakasone in 1982, I got an answer that was different from his predecessors.

He said, "Japan came under severe criticism internationally for the war of aggression. It is a fact, and the government should recognize this fact."

Mr. Nakasone was the first prime minister to use the word 'aggression' in his response in the Diet. That came as a surprise to me. Prime Ministers Hosokawa Morihiro and Murayama Tomiichi followed his example.

*Nakasone said that the crux of his statement at the time was that Japan fought an ordinary war against the United States and Britain, adding that Japan's war against Asian countries was a war of aggression. "War is*



*complex by nature. That's the point I wanted to make clear about Japan's war," he said.*

*Asked to comment on Nakasone's remarks, Fuwa said:*

My view on the Pacific War is different from Mr. Nakasone's. Japan-U.S. negotiations at that time focused on the question whether Japan will continue the war of aggression against China. And the Pacific War broke out because Japan rejected the demand that it withdraw from China. Thus, the Pacific War started after the failure to force Japan to end the war of aggression against China, at least from the U.S. point of view. This is why, I think, the negotiation on what should be done after the war's end dealt with the question of peace in Asia.

Japan needed to obtain natural resources in order to continue its war against China. For this reason, Japan attacked other countries (in Southeast Asia) and Japan declared war against the United States and Britain for the purpose of continuing its war against China.

### **Seeing through contradictions of capitalism**

*What made the three panelists wish to become politicians? The three gave different answers.*

*Fuwa said:*

I should first explain why I joined the Japanese Communist Party. As I said earlier, after the war, I was groping for something that would guide me in my life. I came to know that there was a party that had persistently opposed the war, and this came as a great surprise to me.

My encounter with the writings of Marx prompted me to join the JCP a few days before I turned seventeen.

At that time, I took it a matter of course for a student joining the Communist Party to undertake party work, which meant becoming a full-time activist. In that sense, from the outset I sought to become a politician, although I never thought of becoming a member of parliament.

When I completed the physics course at the University of Tokyo, my professor told me that there was only one previous graduate who had studied physics but got a job that had nothing to do with physics. He said that the graduate had become a professional *shogi* player and that I would be the second such graduate in the history of the physics department. My logic was that I merely wanted to study and that I did not intent to become a physicist.

*Asked to name the one person he respects the most, Nakasone said he respects the late LDP politician Matsumura Kenzo. Doi cited the late Ichikawa Fusae, an activist in the citizens' movement. Fuwa said, "I would say I respect Marx the most."*

*Referring to Karl Marx, the author of The Communist Manifesto and Capital, Tawara asked Fuwa what in Marx attracted him.*

*Fuwa said:*

Although Marx was not a politician, he was a revolutionary. He studied political economy in quest of changing society and wrote *Capital*, which took up much of his life.

The era in which Marx began his political activity, capitalism was still in the early stages, and Marx experienced two or three depressions before writing *Capital*.

That was the context in which Marx used the fundamental logic to discover that capitalism is driven by the profit-first principle, which marks the society which we live in. He then envisioned a society free from it and set out the direction of development toward socialism/communism. This thinking has relevance today. Capitalism is unable to liberate itself from the contradictory framework that Marx saw through.

### **‘The collapse of the Soviet Union invigorated the world’**

*Tawara asked Fuwa to comment on the view that “socialism, or communism, has failed,” saying that the fall of the Berlin Wall in 1989, and the collapse of the Soviet Union in 1991 opened an era in which the communist party was discredited as well as socialism itself. He asked Fuwa to comment on these developments.*

*Fuwa spoke about how the world has changed and gained vigor in the aftermath of the collapse of the Soviet Union.*

The news that the Communist Party of the Soviet Union (CPSU) dissolved itself did not come as a surprise to the JCP because we had seen various signs of a coming collapse. More than that, our struggle against Soviet great-power chauvinism and its arrogance, which lasted more than 30 years, convinced us that socialism could not be equated with that. So, when we heard the news of the dissolution of the CPSU, we welcomed it because it meant the end of an obstacle to the historical development of society. We saw that a country that had acted in contravention to socialism was gone. On that day, I gave a news conference to say that the JCP welcomed the event as the collapse of a historical colossal evil.

Remember what Marx said and you will find that what the Soviet Union did was exactly contrary to his theory.

*Nakasone said, “Japan has been influenced by the United States to apply market fundamentalism, and it has had adverse effects on education and other non-economic areas.”*

*Fuwa then stated his view of the changing world.*

In the present-day world, there are capitalist countries and countries aiming to establish socialism. Countries in Asia, Africa, and Latin America are between these two groups of countries. Twenty years after the end of the era of U.S.-Soviet confrontation, these countries are more energetic than ever. International political developments may have greatly contributed to this. These countries are making various exploratory efforts to establish national independence and new socio-economic institutions. Their quest is not limited to a choice between capitalism and socialism. Their moves are giving great hope and anticipation to the rest of the world.

*Asked by Tawara to give his view of what he describes as “liberalism” being practiced in Russia, China, and other countries, Fuwa said:*

The truth is that the Soviet Union was not structured along socialist lines at all. After the former Soviet Union collapsed, it became possible to think without constraint. In this context, China opted to aim for achieving socialism through a market economy. This way has been successful in China and Vietnam. These countries are taking necessary steps to solve contradictions they face on their way to making social progress. They are amazingly powerful in practicing it. The balance of forces in the economic field has been changing during the past 20 years.

Another point to note is that Asia, Africa, and Latin America have gained vigor. Efforts to establish a new socio-economic system that would break the capitalist framework are beginning even in the region that used to be seen as the doorstep of the United States

Unlike in the past, developed capitalist countries no longer take orders from the United States. They do not see any reason in why they have to take orders from the United States when the Soviet Union no longer exists. That is how the world has gained vigor.

*Asked by Tawara if the day will come when the JCP will come to power in Japan, Fuwa said:*

Yes, I am sure of that. We have more than 90 years to go to the 22nd century. Marx might have wished to see socialism established in the century he lived in. I think that the 21st century is the century in which socialism will become global in the true sense of the word.

*Tawara said, “As Mr. Fuwa said, at a time when major changes are underway, Japanese politics has neither interest in such an issue nor a sense of crisis in the face of those changes. Why?”*

*Nakasone said: “First, the world has become pluralistic. In the past, Japan was able to manage to run the country by depending on the United States. At present, however, the United States as Japan’s model is in turmoil as was pointed out. At the same time, many other countries have been invigorated and are acting as they like under pluralism. Under these circumstances, Japan has to work out the way it wants to follow. It is time for Japan to think on its own.”*

*He also said he believes there is no one within the LDP who “is concerned about such an issue as in the past.” After the commentator pointed out the practice of hereditary succession in LDP politicians, Fuwa commented as follows:*

Hereditary politicians may be a problem as well as politicians’ lack of global vision. The underlying problem is that politics is dominated by inertia, which makes politicians accept the existing social and political framework taking it for granted. They do not have any idea of how to change or restructure it. A JCP team recently toured Europe to study about how they are dealing with the issue of global warming and found that capitalist countries in Europe are moving away from the existing framework and that their efforts are motivated by a deep sense of crisis over the issue.

The main issue involved is not about choosing market fundamentalism or regulations. Everywhere in Europe, you can feel their enthusiasm to make every effort to find a social system they can effectively use to challenge to what might be the limits of capitalism.

The present-day world needs a new system, whether it is within capitalism or beyond it. This is why the world is searching for answers. Japan is stagnating.

### **Constitutional issue: Japanese Constitution is amazingly far-reaching**

*The discussion moved on to the question of the Constitution. Asked whether the Constitution should be revised or not, the young audience in the studio was equally divided. A majority of the audience expressed opposition to revising Article 9.*

*Tawara referred to the Yomiuri Shimbun’s recent opinion poll showing opposition to constitutional revision outnumbered the pro-revision respondents. Nakasone said, “It shows that the present stage of development is not very welcome.”*

*The Constitution’s Article 25 stating, “All people have the right to maintain the minimum standards of wholesome and cultured living” was also discussed.*

*Fuwa said as follows:*

Article 9 must be defended. As regards Article 25 (the right to live), very few countries constitutionally guarantee the basic rights concerning economic and social life. Italy is one such country. Germany’s constitution also contains similar provisions.

So, the Japanese Constitution’s provisions are rather progressive as compared to other countries.

Years ago, I wrote an article on my close study about the extent to which we might be able to change society or the nature of politics under the present Constitution. I found that there are many things that we can do. The present Constitution was adopted in 1946. As I studied this theme, I acutely felt that the authors of the Constitution had the foresight to define future society in a useful manner.

*Later, Naksona spoke about amending Article 9 of the Constitution. The idea was that Article 9's first paragraph should remain unchanged, and paragraph two should be changed to provide that Japan should have "self-defense forces." Fuwa said:*

In the 20th century, paragraph 2 of Article 9 was described as something distant from the actual international situation being overly idealistic. However, I see the 21st century coming closer to agreeing with Article 9 paragraph 2.

*After this, Fuwa said that his message for young people is: "I want them to see the present era as a time of opportunity of laying the groundwork to make their dreams and wishes come true."*

*- Akahata, May 12, 2008*

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