

Japan's new PM pledges reform, seeks opposition help
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TOKYO, Sept 13 — Japanese Prime Minister Yoshihiko Noda reaffirmed his commitment today to fiscal reforms and warned that taxes will have to rise, while reaching out to the opposition for help in tackling the multitude of problems the country faces.

Noda, who became the nation's sixth premier in five years early this month, broke no new ground in his first policy speech in parliament.

But he said the government and the central bank needed to do all they could to tame the yen's strength that has threatened to drive Japanese manufacturers abroad.

"Let me ask from the bottom of my heart for the participation of each party in policy debate on social security and tax reforms, so that we can form a consensus necessary for the bills' passage," Noda said.

The 54-year-old former finance minister takes over six months after the deadly March 11 earthquake and tsunami ravaged the country's northeast, leaving 20,000 dead or missing and triggering the world's worst nuclear accident in 25 years.

The government has yet to bring the crippled Fukushima nuclear plant under control while Noda needs opposition help in a divided parliament to secure funding for Japan's biggest rebuilding effort since the end of World War Two.

The government is expected to submit the main reconstruction funding bill, which is likely to exceed ¥10 trillion (RM390 billion), to parliament next month.

Noda stressed that reining in of the public debt twice the size of the US\$5 trillion economy could not wait and economic growth was necessary to salvage public finances creaking under the strain of a growing army of retirees.

"We cannot carry on forever with a kind of fiscal management where debt keeps piling up," Noda told parliament.

Noda, who as finance minister led three yen-selling currency market interventions in the past 12 months, again voiced alarm over the yen's persistent strength.

"(A firmer yen) is making exporters, who have been a driving force behind Japanese industry, and mid-sized and small companies, scream. If that doesn't change, chances are domestic industry will wither and jobs will be lost," Noda said.

"In order to stop industry 'hollowing out' and keep domestic employment, we need to collaborate with the Bank of Japan ... and take all policy steps available." — Reuters

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