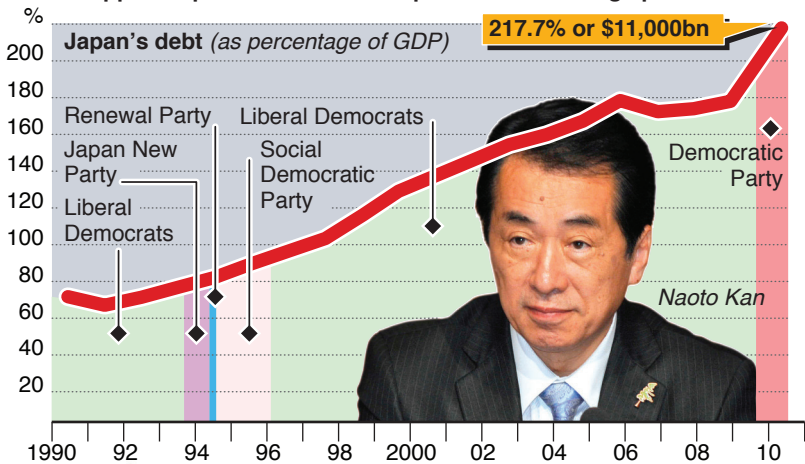


# Key issues in Japan's upper house election

Prime Minister Naoto Kan and his ruling Democratic Party face a tough fight to win an outright majority in the 242-seat upper house of Parliament as support slips in reaction to his plans to rein in huge public debt



## Consumption tax:

Overshadows all other issues. Kan is expected to hike sales tax from **5% to 10% or more**



## Corporation tax:

Plans to review tax system and lower corporate tax rate for small and medium-sized companies from **18% to 11%**

**Electoral reform:** Kan wants to cut up to 120 **Diet** seats as quickly as possible, affecting 80 seats in House of Representatives and 40 in upper house. Plan opposed by Japanese **Communist Party, People's New Party** and **Social Democratic Party**

## Postal reform bill:

Kan plans to resubmit controversial bill which will keep **30% of Japan Post** in government hands. Japan Post is world's largest bank with assets of over **294 trillion yen**

**(\$3.2 trillion)** and is massive buyer of Japanese government bonds

**Okinawa:** Kan's government has basically agreed to implement 2006 plan to shift U.S. Marine Corps' **Futenma air base** in Okinawa to less crowded part of island

**Climate policy:** Kan supports previous administration's plan to cut Japan's greenhouse gas emissions by **25%** from 1990 levels by 2020. Will submit bill to parliament after election