

# TIDL REPORT

# 1974

'74 TOKYO INTERCOLLEGIATE DEBATE LEAGUE

## PREFACE

Now we are closing our TIDL careers with this Report. It is difficult for me to believe that one year has already passed. TIDL, 12-year-old, has come a long way and it has still a long way to polish our art of debating.

In our everyday life, we engage in arguments which in essence form the core of debating. We argue with our friends or acquaintances. We argue with our seniors and equals. We like and sometimes insist on presenting to others our point of view. We want to win an argument by the display of superior reasoning and logical deductions. After all, debating is essentially a form of argument but not a quarrel. English Debating as practiced and understood by TIDL, however, is a formal debate, and it has been the desirable course to master English. In that sense TIDL has been worthy to have a place in promoting good debating among students.

TIDL stands for the Tokyo Intercollegiate Debate League, all activities of which are (1) Home-to-Home Debating, (2) Lecture and Model Debate, (3) Championship Debate Contest, (4) newly Exchange Debating Contest with Kansai Intercollegiate Debate League (KIDL), (5) TIDL Report, and other things. I'm sure that the Report is marking up all TIDL this year. And I do believe that every reader, including the next generation, will profit by it and 1974 TIDL.

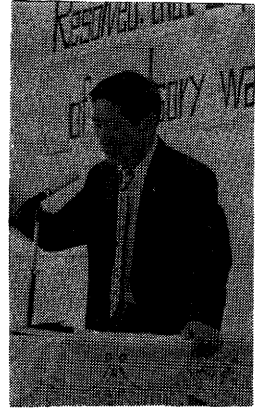
Let me take the very last statement, as your Chairman, to thank all committee members, our 27 circles and their representatives, other co-operators, and our Adviser, Brother Leonard Alves.

Thank you very much !

Yukinobu Onoda  
Chairman of 1974 TIDL

## GREETINGS

The activities of the TIDL for 1974 have now come to an end. It has been a year of hard work for all the universities concerned. Each member university of TIDL should reflect deeply on its successes and failures of this year.



There is perhaps need for greater enthusiasm and sense of responsibility all round.

Debating is no easy task; it demands hard work, much time and lots of patient research. In addition, team work, group discussion, and English practice are the indispensable factors in the make-up of a good debating circle.

We all make efforts, but some can make more efforts, perhaps. There is no doubt that the TIDL is going from strength to strength every year thanks to the energetic leadership given by the members of the Committee. I take this opportunity to thank Mr. Onoda, the President, and the members of his staff for putting so much hard work in the running of TIDL. Let's all give next year's committee our loyal and unstinted support. Once again, thanks Mr. Onoda and the staff of 1974 TIDL.

Brother Leonard Alves

Adviser of TIDL

## CONTENTS

Preface .....	by Yukinobu Onoda
Greeting .....	by Brother Alves
Final Match	
Sophia Univ. E.S.S. ....	Affirmative
Dokkyo Univ. E.S.S. ....	Negative
Comments on each speech .....	by Dr. Scott Howell
Comments on the Final .....	by Mr. Michihiro Matsumoto
General Comments .....	by Brother Alves
Appendix	
Wakayama Univ. E.S.S. ....	Affirmative
Meiji Univ. E.S.S. ....	Negative
Postscript .....	by Mitsuo Sekino
Proposition and Winners of Previous Years	

The Final of the 12th T.I.D.L.  
Championship Debate Tournament, 1974

Here is the final debate of this year's T.I.D.L. Debate under the proposition "Resolved; that Japan should adopt a program of compulsory wage and price controls."

First Affirmative Constructive Speech (Sophia) Miss Kikuchi

Today, no one denies that Japan's economy is aggravated by inflation and this inflation is putting a strain on the people's livelihood. The Government took a survey about the effect of the high prices of commodities. As the result of this, 95% of the housewives in 10 cities answered that living has become more difficult than a year ago because of runaway prices of commodities. Under such circumstances, we of the affirmative strongly assert that it is high time for the Japanese government to enact suitable measures to solve the problem. Based on this idea, we of the affirmative are firmly convinced that Japan should adopt a program of compulsory wage and price controls.

In my speech, I'll show you the need contention, and my colleague will show you our plan. Before getting into the main contention, let us define the terms of today's proposition. By "compulsory" we mean a legal binding power. By "a compulsory wage and price controls" we mean a policy to regulate wages and prices at the same time.

Now, we of the affirmative strongly assert that Japan should adopt a program of compulsory wage and price controls for following major reason. "Not having compulsory power over wages and prices is harmful to our livelihood."

Then first of all, I'd like to analyze the status-quo. At present, no one can deny the existence of inflation, and this inflation is a very serious one. According to OECD, Organization for Economic Cooperation and Development, more than 5% inflation is excessive. And OECD also reported that Japan recorded an inflation rate with 24%. Therefore, we can conclude that the present inflation in Japan is excessive. And actually, the prices of commodities are rising so sharply. Please look at this chart. .... As you can see in this chart, the prices of commodities are increasing sharply. As for bread, last year it cost 45 yen, but at present it costs 90 yen. Then, what is the cause of today's inflation. As you all know there are several factors in today's inflation. One is so called 'imported inflation' caused by high cost of imported materials. And the 2nd one is the so-called 'demand-pull' inflation which is caused by supply-demand imbalance. And government are now taking a policy towards these factors. But yet, people are suffering from the high prices of commodities at present. Then, what is the cause of inflation, I mean the price increase at present? Please take a look at this chart.

This is a wage-price spiral, meaning that the government haven't controled wages and prices at the same time. Then, let me explain what is the wage-price spiral ? Please take a look at this chart. When the wage hike is accepted, demand will increase because people spend more money, and cost will go up because enterprises have to cover the wage hikes. And these two will affect the consumer prices. And the consumer prices go up, people will demand more wages in order to get those goods. Then, there'll be wage hike again. This is the wage-price spiral. And it't skyrocketting today's inflation. I'd like to prove there exists a wage-price spiral at present. As for the fact that wage hikes afect demand increase, let me quote a piece of evidence in order to prove this point, (Evidence) according to Japan Times, issues on June 2nd

I quote "Central bank officials said that April pick up in the gross rate indicated that consumer expenditure has begun to increase again due to big wage hikes won by the workers this spring." Un quote.

Thus the wage hike affects the demand increase, and wage hikes affect the cost. In order to prove this point, let me quote several pieces of evidence.

(Evidence) Economic Planning Agency, May 16

I quote, "32% wage hike which was accepted in this year's spring labor offensive will push up by 9.5% the wholesale

price and by 9.9% the consumers price." Un quote, and  
(Evidence) Asahi Evening News: May 15,

I quote "Prime Minister Tanaka clarified that government was prepared to approve the fair increase requested by private railway companies. He admitted that big wage increases granted by the private railway companies would impose pressure on their finances." Un quote.

Thus, the wage hike affects the fares of private railways.

(Evidence) Japan Times: May 9,

"A majority of the nation's small enterprises intend to cover the substantial wage increase by boosts in the prices of their products. To cover substantial wage increases 54.4% of the enterprises covered in the survey considered raising the prices of their products."

Thus, a majority of the companies have to pass on the wage hikes to the prices. Thus, the wage hikes affect the consumer prices and also the fares of their private railways and also affect the demand increase. We of the affirmative have proved that there exists a wage-price spiral at present.

Then, next I'd like to show that the wage-price is the main cause of today's inflation. In order to prove this point, let me quote a piece of evidence.

Evidence: Economic Planning Agency

"Wage factors contribute 43% to the inflation in May".



Thus, the wage-push factor occupies more than 40% of the inflation rate. However, the Japanese government don't have any policy towards this wage-push factor. Moreover,

Evidence) Mainichi Daily News: May 22,

"The industrial circles cite the following reason for the price increases. 1. Wage hikes won by the workers, as the result of this year's spring labor offensive, exceeds 30%."

Thus, today's inflation is mainly caused by the wage-price spiral, and that indicates wage push factors. And people are suffering from high prices of commodities. It is the governments's central duty to insure the low cost of people's lives. And it is the way to get rid of this vicious circle. But now, the Japanese government haven't take any policy towards wage-push factors, but are following a policy influenced by another factor. Here, the problem exists. In order to ease today's inflation, we should adopt the affirmative's program.

First Affirmative Questioned by First Negative

Q: Thank you very much. Miss. Tamura, I'd like to ask several questions. You said because of wage hike, the companies have to push up the prices?

A: Yes.

Q: Why?

A: Because enterprises have to compensate for the wage hikes.

Q: You mean if they don't raise the prices, they will face a deficit?

A: What do you mean? At present, productivity is so low, so that enterprises have to cover.

Q: I'm asking you if the companies don't raise the prices, they will face great difficulty in their business, do you mean this?

A: I didn't use that words. Companies have to cover the wage hike.

Q: That means the companies can manage their business even if they don't push up the prices, do you mean that?

A: What is that?

Q: I'm asking if the companies don't push up the prices of their commodities, they will face difficulty in their business?

A: Maybe.

Q: Can you prove this?

A: Please look at this chart. Productivity is very low.

Q: Excuse me, would you directly answer my question?

A: So, at present, productivity is so low and enterprises have to compensate for the wage hikes.

Q: O. K. Can you prove that management or companies will face difficulty in their business if they don't push up the prices, can you prove this?

A: It is not enough that productivity is so low that enterprises cover the..

Q: So, can you prove that they can compensate for the wage hikes.. Whether or not the companies can cope with the wage hikes or not without raising the prices.

A: You mean to say that at present, productivity is so low that..

Q: I'm not asking you the productivity, the companies' capability.

A: So, I have proved that the majority of the nations have to cover the..

Q: Would you prove?

A: I quote "A majority of the nation's small enterprises intend to cover the substantial wage increase by a boost in the prices of the products to cover substantial wage increases 54.5% of the enterprises..

Q: O.K. It doesn't say that they will face the difficulties in managing their business, right?

A: But it's the fact that enterprises cover the wage hike on the prices...

Q: I'll change my question. You said that big wage hikes is the main cause of today's inflation.

A: Yes.

Q: The cause is this big wage hike?

A: Yes.

Q: Then, this wage like will push up the prices?

A: Yes.

Q: Then, if we remove the cause, the prices will never be pushed up, am I right?

A: Remove, what do you mean?

Q: Remove, the cause, then there is no need to control the prices, am I right?

A: Yes, if we adopt the program and get rid of this vicious circle.

Q: Why do you control pirce?

Chairman: Time us up.

## First Negative Construction Speech

Mr. Urasawa

As the 1st speaker of the Negative, I'd like to recall what the affirmative has mentioned in her constructive speech and I'd like to refute the whole of the argument of the Affirmative.

Firstly, their need for change is, if we don't take the measure to control wage and price, our living will be destroyed. Then, they assert that over 5% of price increase will equal inflation, and now Japan is suffering from serious inflation. They said that main cause of inflation is wage hikes which was won by labor union in this spring labor offensive. Then, according to their theory, the cause is wage hike. Then, if the cause is removed, then prices will never be pushed up, because is removed. Then, why must the affirmative control both wages and prices. Why? We don't understand. We can see the inconsistency of the argument in the affirmative constructive speech, we don't understand.

Nextly, consider whether or not there is a need to control wages? On this point, we believe there is no need to control wages because the Japanese workers are less paid compared with other workers. Please take a look at this chart. <sup>\*(1)</sup> As you can understand this is the factor which occupied the Added Value comparing the Japanese with the U.S. case. This blue line shows wage cost, and this red line shows the profit which was

won by the companies. Then, labor cost is very small compared with the U.S. On the contrary the profit which is got by the companies is very great compared with the U.S. That means Japanese people are paid less and Japanese companies get excessive profits than other countries'. You can understand that the Affirmative have not shown us if they don't push up the prices, they will face difficulty in their business. We couldn't here any evidence on this point.

As far as the Affirmative have not shown us this proof, we cannot admit and we believe it is very reasonable for Japanese labor to demand wage hikes. Then, they said because of wage hikes, the personal expenditure will increase. This will lead to demand-pull inflation, and the price hikes will result. However, we couldn't believe that if we get a lot of money, we are going to spend more. Then they said we surely spend more than before. However, we couldn't hear any sufficient reason that if we got 30% wage hike, the consumption of the people will increase. We couldn't hear any evidence. On the contrary, we have the evidence that Japanese people have changed their consumption type. In order to substantiate this, I'd like to quote Asahi Evening News.

(Evidence) The Asahi Evening News: June 7, 1974

"The Economic Planning Agency reported Tuesday that steep rise in prices, however, has generated consumer resistance and

economy in expenditure. While higher prices has resulted in a nominal increase at an annual rate of 3.1% in consumer spending during January-March, they also reduced the decline in real terms consumer expenditure is declining. This is a fact. They don't know, or they didn't analyze the real situation of the Japanese people. So, we don't understand or we don't accept the Affirmative argumentation.

Then, what is the real cause of today's inflation? We believe they are two. First imported inflation, second under the cloak of imported inflation, the firms got 'me-too' price hikes, or profiterring. Let me call your attention to this chart. <sup>(2)</sup> This chart indicates the price hike of imported goods in comparison with January 1973. Take crude oil for example, it rose 289.8 % a year. We believe this is the one of the main causes of inflation today. It is very serious. And under the cloak of this imported inflation, the firms got 'me-too' price hikes. In order to substantiate this point, I'd like to quote the Asahi Evening News again. January 12, (Evidence) "The Bank of Japan said that the main factor are the 'me-too' price hike by enterprices.

It says that various data show definitely that 'me-too' price hikes are more responsible than cost hike for the overall rise."

Now, you can understand that one of the main causes of today's

inflation is 'me-too' price hike by firms. Then, please take  
a look at this chart. <sup>\*(3)</sup> This chart indicates the 'me-too' price  
by firms. Due to imported price hike, this blue line shows the  
cost rose this much compared with last year. On the contrary,  
retail price rose this much. This was done by secret price  
cartels. The Fair Trade Commission has so many secret price  
cartels. But they don't have any power to order the price  
reduction. Then, in order to cope with this, the Chairman of  
the Fair Trade Commission, Toshihide Tadahashi is now preparing  
bill to revise the Anti-Monopoly Law. That is to give the  
power to order the price reduction to the Fair Trade Commission.  
With this measure, we can surely curb the today's inflation.  
With these reasoning so far, we of the Negative strongly oppose  
the Affirmative argumentation.



First Negative Questioned by Second Affirmative

Q: Thank you Mr. Chairman, Worthy opponents, honorable judges, and ladies and gentlemen. Now, I'd like to start my question period with this question. First of all, are you saying today's inflation is caused by the imported factor?

A: And 'me-too' price hike.

Q: Do you also admit that there is a wage price spiral?

Q: We don't think so.

Q: Why not? Please prove this point. Today the prices of commodities are raised because of the wage hikes.

A: That is what you say but you have not proved that they have pushed up the prices.

Q: How do you evaluate the fact that wage push occupies 43% according to the Economic Planning Agency survey?

A: We don't think so.

Q: What's wrong with this survey?

A: We believe it is very reasonable because the Affirmative have not shown us if companies don't push up the prices, they will face difficulty in their business. So, we don't understand why they have .....

Q: How do you evaluate this fact, according to Asahi Evening News, although business executives are trying to cover the

wage hikes by stream line operation, the fact is that they cannot do it?

A: Well, I don't understand your question.

A: Although they are considering improving their economic distribution courses or so on, the fact is that they can't cover because of unreasonable wage hikes.

A: We don't know the reason.

Q: You don't know the reason. You said something about the substantial wages have decreased? Japanese people are not getting enough wages. What do you think of the reason why Japanese people are not getting enough?

A: Because Japanese companies got excessive profits.

Q: Don't you think that people get less money substantially means that there exist serious inflation at present?

A: There is the inflation caused by imported and 'me-too' price hike.

Q: I'll change my question. How do you evaluate the fact that the fares of railways have been raised because of wage hike?

A: As far as you don't prove that reason of that, we don't admit.

Q: Because of the wage hikes, how do you evaluate the fact?

A: You are saying that is because of wage hikes, but we are insisting that we don't understand if companies do not push up the prices, they will face difficulty in their business

or a deficit. We don't think price hiles are reasonable.

Q: Thank you very much.

## Second Affirmative Constructive Speech

Thank you Mr. chairman, worthy opponents, honorable judges, and ladies and gentlemen. As the second speaker of the Affirmative side, first of all, I'd like to present you our plan and after that I'd like to refute the case which is presented by the Negative. It is a rebuttal.

Now, first of all, in order to carry out this program, we control wages and prices under a committee appointed by the government. Now, we set up a special committee under the government which consists of government officials, representatives of labor and companies, and also consumers. We have a consultation about the ceiling prices of daily necessities and maximum wage rates, increase of wages, taking account price rate and the state of economy. Now after the consultation, the Japanese government hand down this policy. Therefore, the decision won't be arbitrary, it is a universal decision. Now, theoretically, let me prove that our program offers a solution to the problem. Now, please pay attention to this chart. This is the theory of the wage-price spiral. Now, please bear in mind this chart once again. Wage hikes acts in two ways. First is that demand will be increased because of the wage hike. And at the same time, cost will go up because the companies cannot help but shift the prices to the commodities. Now,

these two factors causes increase in consumers price, and then consumers price go up, labor demands higher wages and this is a vicious circle, and it will accelerate inflation. Now, why can the companies cover the increase of the wage hikes by increasing productivity. I'd like to prove this point by showing you a chart. Please pay attention to this chart. This chart shows the rate of increase in productivity and wage. Now, in the case of 1974, this red line shows wage increase, and this blue line shows the increase in productivity. There is a great gap between wage increase and productivity increase. It means that this gap shows that companies cannot help but shift the prices on to commodities. On the contrary today's Negative said this is not because of the wage hikes, but because of the distribution process or some other factors. But on this point, today's Negative didn't prove and we cannot admit this assertion. Moreover, in order to prove our assertion, I'd like to quote from Asahi Evening News issued on May 21, 1974.

"Although business executives say higher wage burden will be absorbed by stream line operations, the fact is that many are admitting that they may have to depend on more price boosts."

Therefore, actually, companies can compensate by shifting the loss on the prices of the commodities because of the wage hikes. So, on this point, we fully proved that. Now, let's go on to

the reason why we have to have a compulsory power with a legal binding power. We can carry out our program more effectively. Now, on the contrary, today's Negative and Affirmative side also said there are several factors in today's inflation. And on this point, today's Affirmative also admit there are several factors. But as for this wage-price spiral, Japanese Government is not taking any policy at present. Now, we of the Affirmative also proved that at present the wage push factor is a very serious one, by quoting from the Nihon Keizai Newspaper. It is the Economic Planning Agency's report "43% of the inflation is caused by wage hike, consumers price is due to wage push factors and cost push factor." Therefore it proves that how serious it is. As for the Need Contention, today's Affirmative admitted that there is a serious inflation at present. And my colleague proved that people are suffering from this serious inflation. And we showed you a piece of evidence which shows 32% of the wage hike pushed up the consumers prices by 10, 9.5%. As for this calculation, today's Negative side couldn't refute it. Now, I'd like to pay attention to present situation especially, in the case of May. In the case of May, wholesale prices went up. And if the government policy is adequate to cope with it, why are prices going up at present? And in the newspaper, issued on June 1, according to the Japan Times, it says "Even if Japanese

government is promoting controls, there exist 1.9% of the increase of the wholesale prices. Why does it happen? If the Japanese government is promoting control policy to cope with inflation why are the prices going up? This is the crucial point. Now as for the workability, since we get rid of wage-price spiral which occupies a great part in today's inflation, we are sure to ease today's inflation. In order to prove this point, I'd like to quote Nihon Keizai Newspaper, issued on May 17.

"The rate of wholesale prices will be 8 to 9% after adopting wage control as a tight measure."

Now, moreover, it brings us merits.

(Evidence) Asahi Newspaper: May 23,

"The rate of increase in productivity will go up if the wage is controlled at the rate of 15 to 20%."

So, by adopting our policy, productivity will be increased.

It is good for the companies are sure to be stabilized. So, for these reasons, we of the Affirmative strongly assert that this our proposal should be adopted.

It is essential for Japan.

Thank you very much.

Second Affirmative Questioned by Second Negative

Q: I'd like ask Mr. Azuma several questions. You said this gap will push prices?

A: Right.

Q: Then are you going to control wages this much, that means decrease to this much? (chart)

A: No, I don't say so.

Q: Then how are you going to control wages?

A: We control wages by taking account of prices rates and state of economy.

Q: You said this gap will push up the prices. Then according to your theory, we have to reduce the wages by this much. Do you mean to say that?

A: No, we didn't say so.

Q: Then can you solve your problem?

A: Because I'm not a member of commission, I can't tell you in detail.

Q: You don't know about your plan?

A: Since we have to consider everything...

Q: You presented us a plan, would you show us?

A: As I proved that if we control wages within a 16 to 20% margin.

Q: How are you going to control wages?



A: We decide the maximum rate of wage increase.

Q: How much percentage?

A: I cannot tell you in detail.

Q: When are you going to adopt your plan?

A: I think the sooner the better.

Q: How much percentage of increase of wage we can expect if we adopt your plan?

A: If we control wages between 16 to 20%.

Q: But you said this gap will cause price hike? Isn't this inconsistency? You can't solve your problem by adopting you plan, don't you think?

A: No, we of the Affirmative are sure there is some other factor.

Q: Other factor? That's right.

A: We are not saying we are going to get rid of this factor since it is another problem.

Q: What is another factor?

A: Mark up.

Q: Mark up means profiteering by firms?

A: Yes.

Q: You said that Economic Planning Agency said because of 32% wage hike, Consumer price index goes up by 9.5%?

A: Yes.

Q: Would you show us the basis for their estimate?

A: Because decision was made considering productivity, and nominal labor share, and so forth.

Q: How much percentage of labor productivity?

A: Since we have serious inflation...

Q: The Economic Planning Agency made this estimation, on what percentage of increase of productivity.

A: Productivity is very low as far as I know, but I don't know.

Q: You don't know?

A: A few percent.

Q: How are you going to control prices?

A: We set up the ceiling price taking account of prices.

Q: Then, how much percentage of increase of price can we expect?

A: As I said since I'm not an expert of economics.

Q: You don't know about the effectiveness of your plan?

A: But I'm not sure that by controlling wages, if we control by for example 5%.

Q: Do you know or not?

A: I'm not sure.

Q: You can't tell us. Thank you.

Second Negative Constructive Speech Mr. Tayama

As the second speaker of the Negative side, first of all, I'd like to attack the Affirmative argument and next, I'd like to attack to the Affirmative program. And we'd like to proceed with this debate standing by the people, not standing by the government or company like the Affirmative.

So far, we couldn't hear any necessity to control wages. The Affirmative said by using this chart, wage hikes will push up the prices. And the cause is demand increase. But have they shown substantial proof that this year because of wage hikes, demand was increased or not? They didn't show us any proof. On the contrary, we proved that demand is not increasing and in real term, declined 5.5%. As for cost up and it cause the price hikes. But the Affirmative have not shown us any scientific proof. The Affirmative only showed us opinions of the companies, the opinion of the government something like that, and estimation. As for estimation, they didn't know the base of the estimation. How can the Affirmative believe that estimation? That is not fact, only an estimation of the government. Affirmative mentioned that this gap is the price hike, or this percentage will push up the prices. Is it true? Do you think so? On this point, we'd like again to disprove that. Please take a look at this chart. Red line shows wage

\*(4)

hike and blue line shows productivity and this line shows consumer price hike. By theory of the Affirmative, if there is no gap, prices will never go up. But last year, there is no gap between productivity and wage hike, but actually prices rose this much. Then, what is the cause of this. We said imported inflation and 'me-too' price hike. On this point, the Affirmative already admitted. So, Affirmative assertion that wage push is the main cause of inflation is quite unreasonable and we cannot believe it.

Next, I'd like to attack to the Affirmative program. The Affirmative mentioned this gap will push up the prices. Then, according to the Affirmative theory, we have to cut this gap, that means we have to control or decrease wage hike by this much this year. Then what does this mean? In April, real income of Japanese people declined even though we had 30% wage hike. In order to prove this, I'd like to quote one evidence. (Evidence) Mainichi Daily News : June 1, 1974

"Real wages of Japanese workers declined by the average of 0.3% in April below the level of the same month last year, according to the Ministry Labor preliminary report."

By this evidence, you can clearly understand the situation we are now facing. Then if we adopt today's Affirmative program, what will happen? The situation will be better? Surely not. It will worsen, only for companies not for us. We should never

adopt such a program. On this point, the same thing happened in the U.S. In order to prove this, I'd like to quote one evidence.

(Evidence) Newsweek. March 25, 1974.

"A number of nations have experimented with the variety of wage and price controls. But most of their efforts have produced few results. In the case of both U.S. and Britain, critics maintain that the controls were applied so inequitable that they invariably ended up controlling workers' wages far more effectively than consumer prices. And since most people felt that they were unfair, the controls, these critics charge, lacked the popular support that was essential to success."

By this evidence, you can clearly understand if we adopt today's Affirmative proposal situation will surely be worsen. Furthermore, what is worse, as a result of my question period, they don't know from when the Affirmative are going to control, or how control wages and prices. They don't know about their plan. And the Affirmative said this program has merits. How can we believe it. No benefits but repurcussion. And also, the Japanese people are against this proposal. In order to prove this, I'd like to quote one evidence.

(Evidence) Nihon Keizai Shimbun: May 7, 1974

"National consensus which is indispensable for an

introduction of wage and price controls is extremely difficult to achieve. Even as the soft guideline control, Secretary General Ohki, the General Councner of Japan Trade Union, declared his stand that we are against any form of Incomes Policy."

By this evidence, you can clearly understand we can never have people's support to the Affirmative program.

With these reasoning and evidence and refutation to the Affirmative, we of the Negative today strongly oppose the adoption of the program of compulsory wage and price controls. Thank you very much.

Second Negative Questioned by First Affirmative

Q: Do you admit that 32% wage hike accepted in this year's spring labor offensive?

A: Yes.

Q: Then this wage hike affected consumer prices, do you admit?

A: We said since you don't prove that this wage hike will surely push up the prices, we can't answer. You didn't prove this.

Q: Then, how do you evaluate this fact that the postal fee will be raised because of the wage hike, according to Asahi Evening News?

A: Is it the opinion of the newspaper?

Q: We said the newspaper based on the fact, right?

A: Is that so? It's the opinion of the person who writes the newspaper.

Q: Would you show us the chart that the companies get the enough profit? What's the source?

A: Diamond Weekly, March 16, 1974.

Q: Is it reliable?

A: Yes.

Q: Then, why it is reliable and the newspaper is not reliable?

A: I said this is the fact but your evidence is the opinion of some people.

Q: That's the Diamond Weekly's opinion, right?

A: It is not the opinion, but fact. We can believe fact.

Q: Oh, you can believe, I can believe facts. You said Japan gets enough profit compared with other countries?

A: Yes.

Q: Are you aware of the fact the system of enterprices is quite different from U.S.?

A: Unless you show us, would you clarify your question how?

Q: Are you aware of this fact that the steel companies will raise of the cost of the steel because of the wage hike?

A: No, it's not true, according to yesterday's newspaper, it says Nippon Steel Co. recorded top 220 billion yen operating profit and 130 billion yen current profit fiscal 1973 and rank top among the Japanese enterprices.

Q: You mean to say that company get enough profit to cover the wage hikes?

A: Yes.

Q: You mean to say that company get enough profit to cover the wage hikes?

A: Yes.

Q: That's the newspaper's opinion, right?

A: It's a fact. They got 220 billion yen, not opinion.

Q: Then, how about the postal fee raises because of the wage hikes. How do you evaluate the fact?



A: You have to prove this point.

Q: The Post and Telephone Ministry has enough profit to cover the wage hikes, would you say so?

A: We didn't think so.

Q: How do you evaluate this fact that private railway companies will raise their fares of..

A: I think it's also the company is going to keep or increase the profits, it's the system of Japanese economy, free competition.

Q: Because of wage hikes?

A: They want to raise the profit, increase the profit.

Q: Are you aware of the fact the majority of the small enterprise.

Chairman: Time is up.

Thank you very much. As the very last speaker of the Negative, I'd like to summarize how the Affirmative could not establish the argument and how we refuted all their arguments.

First of all, they picked up the cause of inflation as wage hikes. Then, they are going to control both wage and prices. As I said in my constructive speech, if the cause of inflation is wage hike, why don't they control only wage? Why do they control prices? If we follow the Affirmative argumentation, if the wages are controlled, prices will never be pushed up. Now, we see the inconsistency of Affirmative argument. This is the vital failure of the Affirmative.

Then firstly, wage hikes will lead the individual expenditure. Then this point, the Affirmative mentioned this will lead to demand increase. However, we couldn't hear any support of this. They have not shown us if the labor got 30% wage hike, they will spend more. On the contrary, recently the Japanese people have changed their consumption type. Even though the nominal expenditure is increasing, the real increases is declined by 5.5%. What's this? The Affirmative completely neglected the reality. They ignored the status-quo. We can't believe at such a statement done by the Affirmative. Then, if consumption increases, demand will increase. However, the

Affirmative have not shown us this will lead to excess demand. How can we say this is demand pull inflation. This is also the vital failure of the Affirmative. They said they are going to control wages in comparison with productivity. However, they are not reducing the wages. Then we can't understand this is the cause, why don't they get rid of it? They are not going to. Then, what are they going to do? We don't understand, there is no me sure. As we said, my colleague mentioned, in April, 30% wage hike was realized. On the contrary, the real wage declined by 9.3% even if we get 32% wage hike, the situation is worsen than before. Then if their argument is right, 30% wage hike will push up the prices, if they don't get rid of it, the situation will become worse and worse, because the real wage hike is already below 0. How can we adopt that very dangerous plan. So, the labor unions are strongly against this incomes policy, labor union are saying that we against all kinds of incomes policy. This is the reason. Then they are ignoring labors' opinion. They said they are representatives of the labor, but they are ignoring labor. Then we believe since the cause of inflation is me-too price, we believe the real solution is strengthening the Anti-Monopoly Law.

As the very last speaker from the Affirmative side, I'd like to summarize the whole debate.

First of all, I'd like to examine whether we offer sufficient need to change the status-quo or not. And next, whether our proposal offers the solution to the problem or not and thirdly, I'd like to present you workability and practicability of our plan, and lastly I'd like to tell you the merits of our proposal.

Firstly, today's Negative side admit there is inflation. According to our analysis, more than 5 % of inflation is excessive and at present, there exist more than 24 % of inflation. Because of inflation, 95 % of housewives are suffering, it shows that inflation is serious. Now as for the first, it is concerned with wage price spiral, today's Negative side said our proposal doesn't offer the solution to change status-quo because they can't understand our theory of our plan, explanation of wage price spiral. As for the demand increase, they misunderstand what we said. We mean the reason why we asserted to promote this policy with other policy is that since demand is increasing at present, by having this proposal, it can meet with other policies, it can help the other policies. Now, in order to prove this point, I'd like to quote once more that

demand is increasing because of the wage hike.

"Japan Times, June 2, 1974' Central Bank official" says the April pick up in the growth rise indicating that consumer expenditures have begun to increase again due to the big wage raises won by the workers this spring.

Actually because of the wage hike, the demand is increasing. As for the second one, companies can't help but shifting the price commodities. Now, today's Affirmative side and Negative side also admitted that there was a great gap between wage increase and productivity increase. How can the companies compensate in other ways. How can they cover? Today's Negative side said commodities. How can they cover? Today's Negative side said just strengthening Anti-Monopoly Law but it does not meet with the difference. With the difference between the wage increase and productivity increase. As for this point, our need contention still stands. Now, they said substantial wage has decreased. The answer is very clear. It is because of serious inflation. So that we have to control wages. Now, as for the workability of our plan, Negative side asserted how to control wage, to what percentage do we have to control prices. But as I said in the constructive speech, we have to consider the state of the economy. It includes many important means, we can't decide without having the commission, so that I can't decide. But I'd like to prove once more by controlling wages

and prices at the same time, it can surely ease inflation.

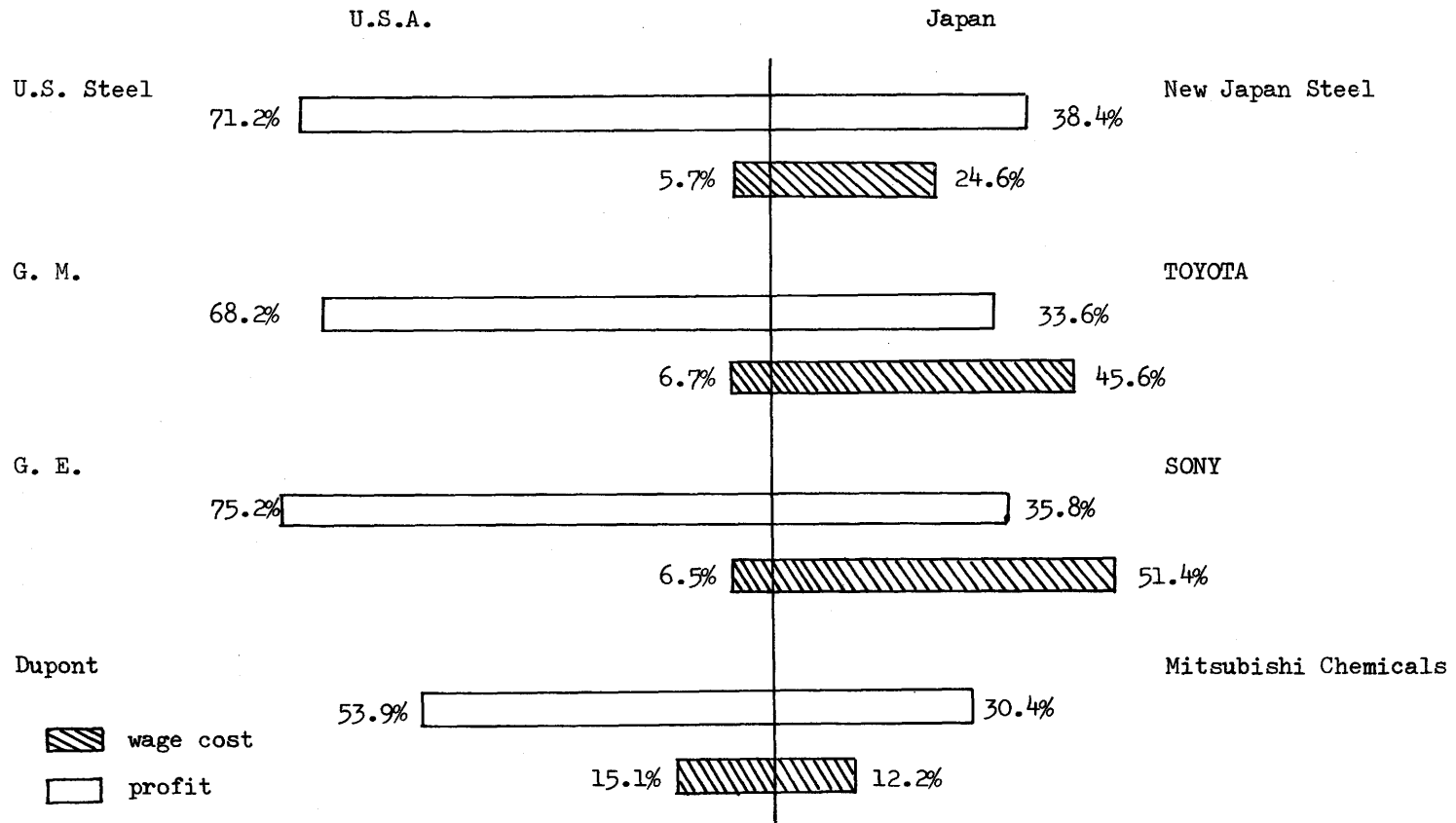
(Evidence) Nihon Keizai Shimbun, May 17, 1974

The rate if wholesale price will be 8 to 9 % after adopting wage control by tight measures."

Therefore, it shows inflation rate will be decreased by adopting this proposal. Now this proposal is very essential both for consumers and companies because companies will be bankrupt. Also people's lives will be stabilized by adopting this proposal. Therefore, people who can understand our proposal can surely agree with the proposal.

Therefore, we of the Affirmative assert this proposal should be adopted.

Thank you very much.



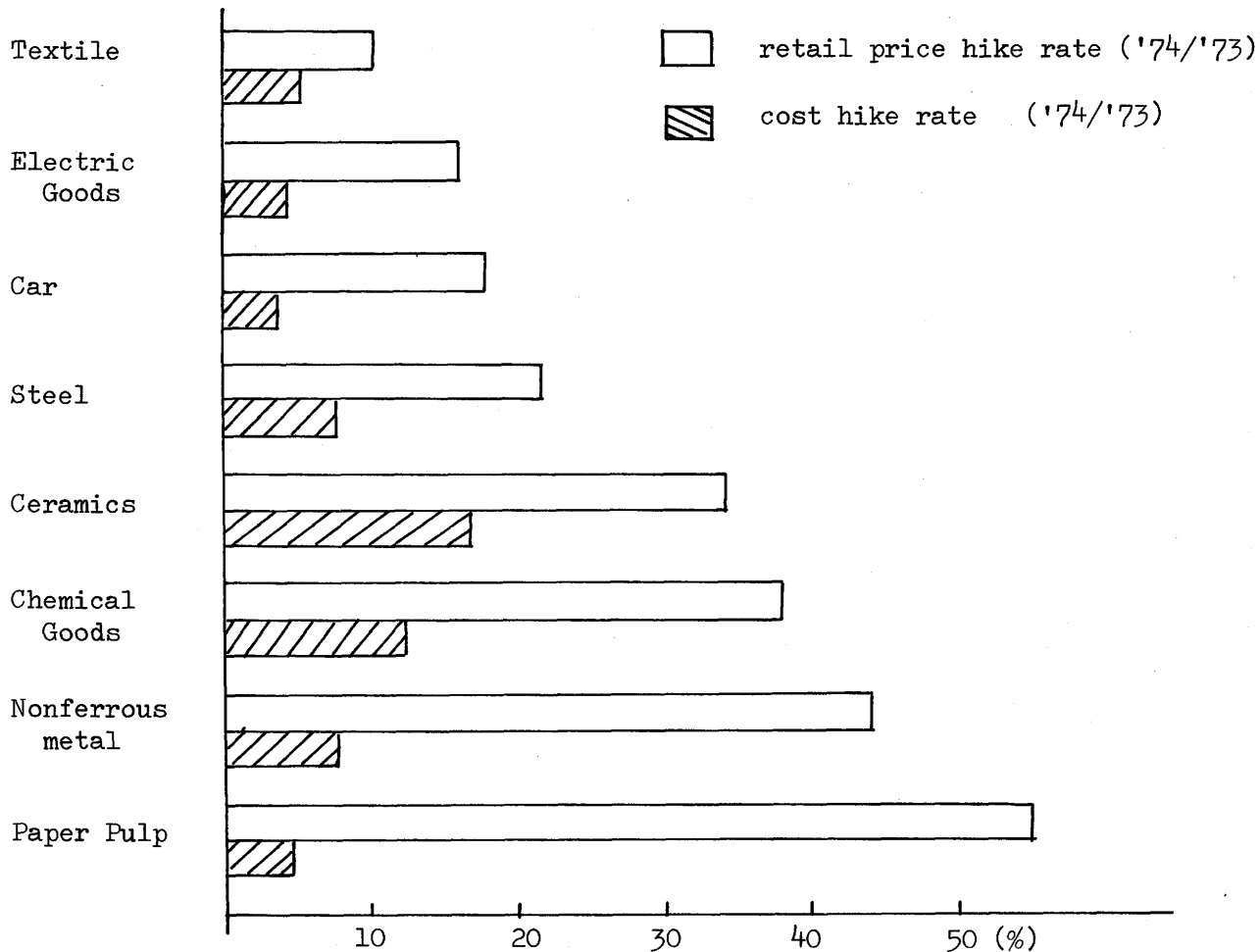
\* (1) Factors which occupy the Added Value : Diamond weekly March 16, 1974

Cooper Ore .....	373.6 %
Meat .....	296.1 %
Crude Oil .....	289.8 %
Heavy Oil .....	243.1 %
Paper Pulp .....	218.8 %
Sugar .....	147.6 %
Zinc Ore .....	151.7 %

\* (2) Price Hike of Imported Goods in Comparison  
with Jan. 1973

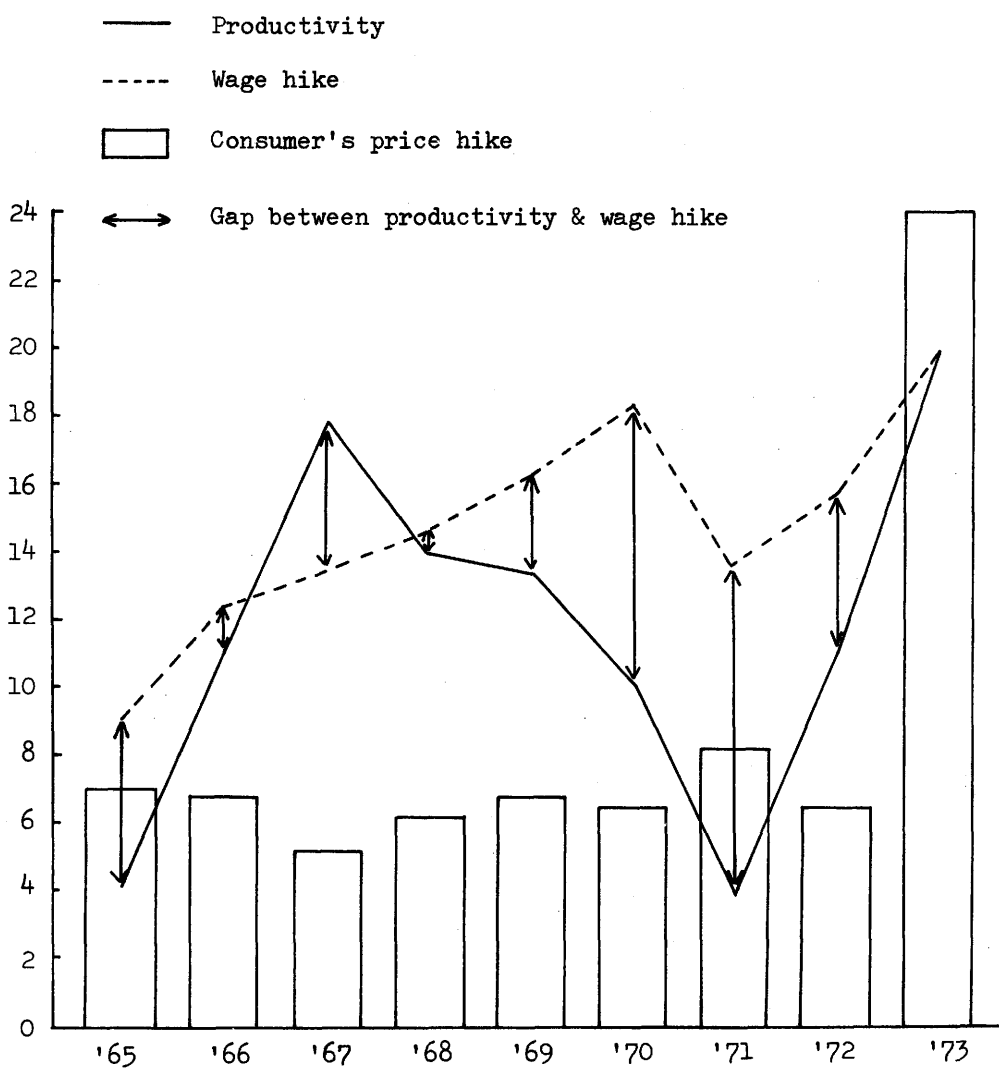
Source: M.I.T.I.  
Mainichi Daily News Feb. 9, 1974





\* (3) 'Me Too' Price Hike by Firms

Source: "Economist" April 2, 1974



\* (4)

Source: White Paper on Economics, 1973

## COMMENTS ON THE FINALS OF THE 1974 TIDL CHAMPIONSHIP

This year's resolution, that Japan should adopt a program of compulsory wage and price controls, was one that taxed the abilities and resourcefulness of the debating teams to their capacity. Many teams found the resolution a hard nut to crack and they floundered accordingly in the preliminary rounds.

The 'Home-to-Home' debates which served as preparation for the Championship played havoc with those teams who did not take the debates seriously and hence were badly or ill-prepared. They failed to make the proper and necessary investigations, they analysed the proposition superficially or they miserably misunderstood the true implications of the terms of reference.

The final match between Sophia University E.S.S. (Affirmative) and Dokkyo University E.S.S. (Negative) was interesting and exciting for two reasons:-

(A) Both teams had evidently prepared well for the debate - Dokkyo showed greater ability and skill in the use of their charts which were clearly and strikingly effective. Their treatment of charts was not done in the haphazard and thoughtless fashion which so often characterizes college debates. The use of supporting evidence was clearly a case of each side employing shrewdly the arguments which will seem to give greater strength and verisimilitude to their assertions.

On this point a judge has to distinguish between valid, plausible and relevant evidence and its opposite. It seems to me that statistics can be juggled in such a way that they may, at one turn, help the affirmative in building up its case, and, at the other, assist the negative in demolishing the affirmative's position. How carefully and honestly such statistical evidence have been used is part of the judge's task to assess.

(B) The Negative (Dokkyo) was impressive because of their clever and well-thought out attack on the Affirmative position viz., that wages as well as prices should be controlled. Their credibility lay in the stress they placed on the fact supported by clear and striking evidence, that wages in Japan should not be controlled since the wage structure in this country is far inferior to that of the U.S. in similar employments. The fact that Japanese labour is notoriously underpaid was a strong argument for the Negative position. Again, the Negative proved successfully that price mark-ups always included a handsome margin of profits - even if the cost of imported materials has gone up. They also proved convincingly that ultimately the consumer is the loser - hence the unreasonableness of controlling wages. If there is one way of bringing down inflation, they suggest, it is by a general tightening of belts - the overall demand should be lessened: we the people should be satisfied with smaller profits, and imported inflation must be

fought on a global basis.

The final decision of the seven judges present at the debate was overwhelmingly in favour of the Negative. I want to personally congratulate Dokkyo on their excellent organization, team work and strategy (this is all-important in a debate).

The level of spoken English was better than I expected, but I hope more efforts will be made by all the university teams to improve their English.

A caution about deportment. It is customary in college debates to be neatly and suitably dressed for the occasion. This external courtesy to the judges and the audience is a further testimony that gentlemanliness in speech is more than skin deep.

Brother Leonard Alves F.S.C.

Adviser of TIDL

EXCHANGE DEBATE

WAKAYAMA UNIV. THE AFFIR.  
SOPHIA UNIV. THE NEG.

THE FIRST AFFIRMATIVE CONSTRUCTIVE SPEECH

Thank you chairman, honorable judges, friends from Sophia University, ladies and gentlemen in this hall. My colleague Mr. Miyazaki and I are very happy to stand on the affirmative side and debate the proposition; resolved that Japan should adopt a program of compulsory wage and price controls.

First of all, let me define the key term "compulsory wage and price controls". By this we mean, "direct fixing of prices and wages by the government and the imposing of punishment for their violation".

Today, on a global scale, prices have soared out of control. Newsweek said,

A prime case in point is provided by our nation, Japan, Price shot more than 20% in past year. Under such circumstances people cannot make their living or plan for the future. Because their income is devaluated day by day.

Thus we, the affirmative side, will examine the question from the standpoint of curbing the severe price hikes in order to increase the security of daily living. Runaway price hikes have occurred basically due to the upward rise in wages and a

commitment by the Government to full employment.

Today's economic policies are based on the principle of avoiding widespread employment, poverty, and political instability such as that of the great depression in the 1930. Shaken by that experience, the Government began a policy of stimulating economic expansion which has resulted in a rise in wages and prices.

Japan has developed a high economy so remarkably that she is called the land of economic miracle. But the upward progress has serious consequences in the often repeated price hikes.

Prices began to increase rapidly in 1972 in Japan. The price hikes were caused by the overwhelming economic expansion policy of the Tanaka Cabinet after the Yen Revaluation. Pushing this policy has created two vital evils.

First; Because the Government pursued a profit oriented policy, it aroused enterprises to decide the prices of their goods at will.

Second; The Government has never imposed any direct control on wages.

Now, first, let me explain how the profit-seeking enterprises have pushed prices to an excessive degree. The Oil Crisis occurred last autumn. As a result this April the Economic Planning Agency reported; 'The whole sale prices upped 35.7%, consumer prices 23.9% during the past year. At

that time, by creating a commodity shortage many enterprises brought about economic chaos by cornering goods, they increased their profit mainly by taking advantage of the Oil Crisis as a chance for raising prices.'

According to the 'Nihon Keizai Shinbun' on May 16th this year, I quote; "The Labor Ministry reported that whole sale prices rose 23.6% between that October and February. But beyond the increase due to cost a 13.6% price hike was added, that is, 13.6% of raise in prices was actually clear profit for the enterprises." unquote.

If the Government has previously restricted such unreasonable price hikes, can you imagine that present prices would have gone up so high?

Under today's situation, there is no guarantee that such undue price hikes by enterprises will not occur again. There is an urgent necessity to impose compulsory price controlling measures to restrict the profit seeking enterprises.

Next, let me explain how prices have soared because the Government has not controlled wages.

Price increases cause wage increases, and inevitably wage increases are used as a reason for further price increases. That's a vicious circle it is setting in motion. On one hand wage increases push up production costs, on the other hand they also raise consumer demand for commodities. Increased



production costs and rising consumer demand drive prices higher and higher. In order to pay the higher prices workers feel they have to get still more money. This process means that wage raises go on forever. According to the Asahi newspaper on May 24 this year; I quote, 'The rate of wage and price hikes have shown parallel curve since 1967; unquote. It means in a year the wage increase rate is smaller than that of the preceding year. The rate of price hikes is also smaller. But in a year when wage hikes are larger than preceding year, price hikes are also larger. This evidence clearly shows us that wage increases have influenced in great part in the price hikes. But without controlling wage hikes, wage increases will accelerate price hikes and eventually threaten the nation's economy and people's life. This year's Spring Labor Offensive resulted in 32% wage increase. The Economic Planning Agency reported on May 15th and I quote, 'These wage hikes will push up the whole sale prices 9.5% and consumer prices 9.9%, unquote. So we see that the vicious circle of wages and prices pushing each other up has been aggravated year after year, and will continue to accelerate the present and future price hikes.

Now, ladies and gentlemen, it should be clear to anyone that wages and prices must wholly be controlled to break the vicious circle.

First, Profit seeking activities of enterprises should be restricted by compulsory governmental controls, in so doing undue price hikes should be prohibited.

Second, The vicious circle of alternating wage and price hikes should be eliminated by direct governmental controls.

These two contentions leads to the conclusion that the affirmative resolution should be adopted. Thank you very much.

## THE SECOND AFFIRMATIVE CONSTRUCTIVE SPEECH

Thank you Mr. Chairman. The previous speaker tried very hard to refute our contentions. But I am afraid he was not so successful in today's debate.

From now on, I'd like to prove why our assertion is reasonable in today's situation. One by one, I'd like it prove, and one by one I'd like to examine negative case. First of all, I'd like to touch upon our need contentions.

We, the affirmative presented you two evils in the status quo, and we presented two urgent reasons for dispelling evils of status quo.

First, profit seeking activities of enterprises should be restricted by compulsory governmental controls. The undue price hikes of big enterprises should be restricted. Second, the vicious circle of alternating wage and price hikes should be eliminated.

So far as, the first contention is concerned, the negative side was so kind as to admit our assertion, because they admitted during the oil crisis, big enterprises raise prices unduely, as I asked in the first negative speaker. Then, may I understand that the impact of oil crisis is not felt here? His answer is there is no evil in the status quo. But you see, the impact of the oil crisis itself is over. But the impact

is the problem. What we have to do is to eliminate its impacts of the status quo. This is our argumentation. So we contended that undue price hikes of big enterprises should be restricted. In order to protect my assertion, let me pick up a piece of evidence.

According to 'Mainichi Daily News', May 13th 1974, "Officials of oil promise several meetings to decide uniform price and production, thus oil finally enlightened for price cartel". This evidence means that even at present undue price hikes of big enterprises exist. This is the actual evil of the status quo. But the negative side said we the affirmative never presented the actual evil of the status quo, only that there is no evil in the status quo, again and again mentioned.

So, next, I'd like to move into our next contention No. 2. That is the vicious circle of wage and prices. As you know well, my colleague Mr. Morikawa mentioned in his constructive speech, this year's spring offensive ended with 30 percent wage hikes. And as a result, the Economic Planning Agency reported this large wage hikes will push prices more than 9 percent. And I gave the affirmative speaker much evidence concerning this point. I'd like to present you.

According to weekly magazine TOYO KEIZAI June 8th 1974, page 35 'The economic planning agency reported, in the latter half of 1974, 81 percent of price hikes is caused by wage cost.'

What's more, according to Economic White Paper, 'The rate of wage hike has been decided by adding certain percent to that year, these two or three years. This trend has been intensified year after year.

What's more, according to 'Nihon Keizai Shinbun June 7th 1974,' In the panel discussion concerning Japan's economy sponsored by 'Nihon Keizai Shinbun. All the participants reached the conclusion that the present price hikes is caused by wage push factors."

In these ways, there are many actual evils of the status quo, and what we have to do is to eliminate them at present. This is the actual evil we can pick up in the status quo, and what's more, as I said before, there is much possibility even in next year's spring offensive perhaps 30 percent increase will be made. At that time, what kind of situation will happen here in Japan. The vicious circle of wage and price will be aggravated day by day, year after year. So now, it is high time to eliminate these evils. This is an urgent necessity that we presented to you. Now the burden of the affirmative is to present you practical and reasonable plans in order to put compulsory wage and price controls into practice. I'd like to show you our plans. There are three.

First, the Government should have legalized right to set a ceiling on wages and prices.

Second, an organization to administer controls on wage and prices should be established.

Third, enterprises must have the approval of the Government concerning price hikes before they raise the prices of their goods.

After adaption of our resolution, I am now of the firm conviction that our new policy will meet the two need contentions, and by adoption of our resolution our desired goal that's security of living will be better guaranteed.

I'd like to move to a refutation to the negative side. The negative mentioned there are no evils in the status quo, and what's worse, inflation is one of the sources to develop our economy. How can they such a kind of thing. I hope the next speaker will please prove this point, how can you say inflation is the source of economic growth. This is the first point.

The second point is, though they mentioned there are no evils in the status quo, they mentioned the curbing national demand exists and anti-inflationary policy is very reasonable. How contradictory it is! So long as there is no evil in the status quo, concerning the proposition, why does the Government take an anti-inflationary policy. They have misunderstood the status quo. This is vital failure of the negative side. I firmly convinced of this second point.

The third point is, they mentioned 90 percent of price hike is caused by import factors, but you see this means there is actual evil in the status quo. But they mentioned there is no evil caused by the negative side. So we of the affirmative can not support their assetion, so now Mr. Morikawa and I are firmly convinced that adoption of our resolution is far more effective than the rejection of this proposition. I am firmly convinced that Japan should adopt a program of compulsory wage and price controls.

Thank you very much.

## POSTSCRIPT

Since the establishment of T.I.D.L., 12 years has already passed. At present, T.I.D.L. consists of 27 circles and has grown one of the largest English leagues in Japan. During those years, T.I.D.L. have made efforts to spread and promote "debate".

This year, T.I.D.L. had some activities--- Home-to-Home Debate, Model Debate-Lecture, Championship Debate Contest, and Exchange Debate. Through these activities, many students experienced debate, some joyed, and some had to withstand the severity of debate. It may be just a great spectacle for members who study debate.

Now, as a book, everything of this year is condensed into "T.I.D.L. Report". This report is not only one report, but also a good friend for students studying debate, I wish.

Here, I'd like to declare the close of T.I.D.L. in 1974, although it may only add one page to the history of T.I.D.L. and I expect next page consists of more abundant contents.

Lastly, thank you very much for kind cooperations.

VICE CHAIRMAN

Mitsuo Sekino



SEMI FINAL

Dokkyo Univ. E.S.S. (Aff)

Meiji Univ. E.S.S. (Neg)

FIRST NEGATIVE CONSTRUCTIVE SPEECH

(Meiji Univ.)

As the first speaker of the Negative, I think it is my responsibility to make clear their need contention. Namely the opposing side presented us one jamor reason for adopting today's proposed measure, and so check inflation. They mentioned one important issue, namely the vicious circle of wages and prices. Then against this argumentation, we of the Negative ask three important questions, namely, whether or not there is direct cause and effect relationship between today's proposition and inflation, whether today's proposed measure can check today's inflation or not. Secondly, whether or not enterprises will be able to shift wage cost hike on prices from now on. Then thirdly, whether or not the present policy is effective. Based on these three important questions, I'd like to examine the case presented by our opponents.

Our opponents analyzed the causes as follows; namely, since 1973, consumer prices have been skyrocketting. And last year the factor of inflation was demand pull inflation and imported inflation. And this year, the vicious spiral of wages and prices will surely aggravate today's inflation, so

that by adopting today's proposed measure, we can check inflation. Then I'd like first of all to examine whether or not there is direct cause and effect relationship between today's inflation and regarding proposition namely, the vicious circle of wages and prices. May I have your attention this chart? The opponents said that this wage increase occurs and enterprises can absorb increase of productivity. As you know, last year, the gap between increase of productivity and increase of wage didn't increase. On the other hand, consumer prices have been skyrocketing. If their assertion is connect the gap between nominal wage and productivity will spread and consumer prices must increase. But in 1973, as you know quite well from this chart, we can't find any direct cause and effect relationship between wage increase and today's inflation. So that we of the Negative, safely conclude that there is no need to worry about the increase. Then why we cannot find any direct cause and effect relationship between price hike and wage increase? What is the reason? Please pay attention to this chart. This is price formation. Source the Bank of Japan, 1970. Price consists of profits and raw materials cost and etc. and wage cost. Wage cost occupies only 30.9% in prices. This means even if wage increase 30%, it does not contribute so much to price hike. That is why cannot find any direct cause and effect relationship between today's proposition, today's inflation and wage

increase. There is no need to worry about the high level of wage increase. I'd like to prove this point. According to Nihon Keizai Newspaper Feb. 18, 1974. WE QUOTE---'Mr. Yoshio Kaneko who is a chief manager of Japanese wage Research Center forecast that even if wages increased 30%, the wage hike will contribute a price rise of only 2 or 3%. Because wage cost occupies about only 10%. '---WE UNQUOTE. In this way we of the Negative safely conclude wage increases will never aggravate today's inflation.

I'd like to step into the second question, namely whether or not enterprises will be able to shift wage increase on to price. I'd like to examine this point. Please look at this chart. This is case No.1, in this case, enterprises can shift wage cost increase on prices. This is a case of demand, i.e. demand exceeds supply, even if enterprises raise the prices of goods, the goods will surely be sold. But in case No.2 demand is poor compared with supply, if enterprises raise price of goods, what will happen? Such expensive goods will not be sold. And the situation in the near future is nothing but case No. 2. So that there is no need to worry about the wage increase. To support this I have evidence; according to Tokyo Keizai June 8, 1974. WE QUOTE---'Mr. Ichio Takenaka, who is a chairman of National Economic Research Association, says as follows, under today's economic situation, enterprises cannot shift cost

increase on price, because excess demand has come down.'---WE  
UNQUOTE. The enterprises will never be able to shift wage  
increase onto prices in the near future. As we are so limited,  
the three question will be fully answered by my colleague. In  
a debating match, the burden of the Affirmative is to make  
clear any doubt, any questions asked by the Negative. So these  
three important questions go to the second speaker of the  
Affirmative.

SECOND NEGATIVE CONSTRUCTIVE SPEECH

(Meiji Univ.)

As the second speaker of the Negative, I'd like to examine the case presented by the Affirmative. You may recall today the Affirmative side presented us one big reason to adopt today's proposition, namely by adopting today's proposition, we should check a vicious circle of wages and prices. And against this argumentation, we asked three important questions. Namely, whether or not there is a direct cause and effect relationship between today's proposition and today's inflation. Secondly, whether or not, enterprises will be able to shift wage cost hike on prices. And thirdly, whether or not today's policy is effective. And as to the first question, today's affirmative side also admitted that today's inflation since 1973 is basically demand-pull inflation and imported inflation. So, wage push hike is a small factor in this inflation, which is demand-pull inflation, and imported inflation. So, if we didn't have a 32% wage increase, the life of workers should be more aggravated. So, we cannot help but accept 32% wage hike. This is nothing but a defensive measure against imported inflation and demand-pull inflation. In order to further develop this point, I'd like to quote. According to Weekly Magazine, March 26, 1974; WE QUOTE---'Mr. Yuichi Chioya, who is the

Prof. at Hitotsubashi Univ., says as follows, today's severe inflation was caused by imported oil crisis demand. And recent wage hike is nothing but the defensive measure against demand-pull inflation and imported inflation. Thus the root causes of today's inflation are demand-pull inflation and imported inflation.'--- WE UNQUOTE. So, the analysis done by the Affirmative side is nearly similar to our point of view.

Wage hike is the offensive measure against demand-pull inflation and imported inflation. So, the best measure to check inflation is to cut these two causes, namely, imported inflation and demand-pull inflation. So, even if we adopt today's proposition, we can't check inflation. They said 30% wage hike will aggravate the situation. But they showed us the case of wholesale prices. This is nothing but an estimation, not a fact. If maintain over all demand policy, enterprises will not be able to shift wage cost on prices. So, there is no need to worry about wage-push inflation. As my colleague explain earlier, wage occupies only 10%, so even if wage increase 30%, the effect of wage hikes is very little. Furthermore, thanks to overall demand control policy, enterprises will never able to shift wage cost on to prices. Therefore, there is no need to worry about wage push inflation from now on.

As to the third question, whether or not today's policy is effective. Please look at this chart. This chart indicates

the increase rate has been decreased thanks to overall demand policy. If we maintain overall demand control policy, we can surely get the good results of this policy. In order to prove this point, I'd like to show one evidence. According to Weekly Magazine, Tokyo Keizai; April 27, 1974. WE QUOTE---'Mr. Isamu Miyazaki, who is the chief of investigation section, at Economic Planning Agency, says as follows, we say excess demand has been coming down thanks to overall demand control policy, wholesale prices and consumer prices will surely come down in September.' ---WE UNQUOTE.

So, these three important questions are still unanswered by the Affirmative side, so unless they fully answer these three important questions, we cannot accept today's proposition. They showed us a plan, but we couldn't hear any criteria to decide wage increase rate or prices. So, we cannot understand whether or not this plan is workable. So unless they show us a concrete plan, on what criteria wage should be decided, on what criteria price should be decided, unless they show us a concrete plan, we cannot say whether this plan is workable or not. And under such situation, if we adopt today's proposition, what will happen do you think? Today's inflation is basically demand-pull inflation and imported inflation, as I showed you. And this effect of imported inflation and demand-pull still remains.

They showed us the case of May, and they mentioned imported inflation has little impact on wholesale price hike. I'd like to refute this point According to Yomiuri Newspaper June 20, 1974. WE QUOTE---'The Bank of Japan announced as follows, overseas factors which are occupied in the rising rate of wholesale prices in May, shows the contributing rate of 63%.'---WE UNQUOTE. So they said the inflation of imported inflation is very small. But this figure shows us that imported inflation has a great influence on price hike. If we adopt today's proposition, wages will be limited and lower than the status-quo. On the contrary, prices will go up because of the imported inflation and demand-pull inflation. So, if we adopt today's proposition, the life of the workers will be surely aggravated. Ladies and gentlemen, the problem of inflation is very difficult so we cannot say whether any policy is the best, but we can say this policy is better.



## Proposition and Winners of Previous Years

### The First Tournament in 1963

Resolved; that legalized abortion should be abolished.

1. Meiji Gakuin University
2. Keio University

### The Second Tournament in 1964

Resolved; that the Prime Minister of Japan should be elected by a direct vote of the people.

1. Aoyama Gakuin University
2. Tokyo University

### The Third Tournament in 1965

Resolved; that Communist China should be admitted to the United Nations.

1. Sophia University
2. Waseda University E.S.S.

### The Fourth Tournament in 1966

Resolved; that United Nations should be reorganized into World Federation.

1. Meiji Gakuin University
2. Sophia University

### The Fifth Tournament in 1967

Resolved; that the Self Defence Forces should be

reorganized into National Armed Forces.

1. Waseda University E.S.S.
2. Sophis Univeristy

#### The Sixth Tournament in 1968

Resolved; that Okinawa should be restored to Japan with military bases under the same conditions now existing in Japan proper.

1. Waseda University E.S.S.
2. Waseda University E.S.A.

#### The Seventh Tournament in 1969

Resolved; that Textbook Authorization System should be abolished.

1. St. Paul's University
2. Hosei University

#### The Eighth Tournament in 1970

Resolved; that Japan should establish diplomatic relations with Communist China.

1. Meiji University
2. Keio University

#### The Nineth Tournament in 1971

Resolved; that the Yen should be revaluated upward.

1. Keio University
2. Waseda University E.S.A.

The Tenth Tournament in 1972

Resolved; that the Veto Power in the Security Council of  
the United Nations should be abolished.

1. Keio University
2. Aoyama Gakuin University

The 12 Tournament in 1974

Resolved; that Japan should adopt a program of compulsory  
wage and price controls.

1. Dokkyo University
2. Sophia University

Comment on the 1974 TIDL Final debate

(First Affirmative Constructive Speech ) Miss Tamura

Her speech covered the ordinary material for the first affirmative in this debate, introducing the wage-price spiral and good pieces of evidence indicating that people were suffering from inflation, which another piece of evidence from the Economic Planning Agency said was 43% of the May inflation rate. Her evidence about small enterprises and private railway fare increases would be important in her questions to "2 negative", but were not picked up and emphasized sufficiently by 2A, Azuma  
(1N questions to 1A)

First set of questions about companies' need to increase prices to cover wage hikes; second set of questions about need to control prices if wage problem solved.

Very strong questions, because they led into First Negative constructive speech; I thought they were blocked rather well by First Affirmative. I think she could have used for productivity information better in answering the first set of questions; the point is that the money for the wage hikes must come from somewhere (The First Negative constructive speech will try and get it from the profits of big enterprises). It seems to me that the second set of questions about the need to control prices deserved more time and perhaps should have been asked

first.

[First Negative Constructive Speech] Mr. Urasawa

Very powerful speech; he focuses the debate on the need to control wages. He argues that J. companies get too much profit and the labor wages are too low here compared with other countries. He also has a good quotation about the consumption patterns of J. consumers changing. The evidence from AEN, 1/12/74 is weak because it does not say 'main factor' or what. Secret cartel assertion and stronger fair trade bill were good arguments (If I had been on affirmative, I would have accepted this suggestion and all the excess profit argumentation, but said that it did not apply to small enterprises, private railways, etc. which need both wage and price regulation. I would have amended my affirmative plan to incorporate negative suggestions about excess profit; then both productivity and profit would be considered when determining wages and prices. (negative should think about their wages vs profits change; how much of these 'profits' go into expanding the company and how much are paid to the stockholders?)

[2A questions to 1N]

1st question about wage push factor in survey very important

2nd questions not so helpful, about why J. people do not get enough wages.

3rd question about private railways also important; if possible to examine secret cartel at this point it would have been useful.

As I said in my comments on the LN constructive speech, if I had been Azuma. I would have focused the debate on the need for wage controls and accepted as part of the affirmative plan affirmative plan all the second half of the LN speech.

But I would have said that the wage push factor in inflation is too large to ignore and that the unethical me-too price hikes required the very plan the affirmative was presenting. I would also have said that the exact influence of imported/oil price inflation varied so much from one industry to the next that a government wage/price control was even more needed.

[Second Affirmative Constructive Speech ] Mr. Azuma

Starting with plan weak; should have talked about First Negative attack first and accepted much of the LN as part of the affirmative plan. His speech seemed too pre-prepared and the end had too many statistics. His chart about wage increases vs productivity increases was strong, but he did not make the right connection with the profits argument of the negative. He talked about distribution process, which was never mentioned

by the negative and also made an unnecessary false start about the compulsory question, which never came up. He spread the debate out into too many statistics, whereas I think nailing it to the need for wage controls was where the affirmative had the best chance.

(2N questions to 2A)

Good questions about details. Answers were rather weak; instead of saying, I'm not an expert, I think it would be better to say, for instance if productivity is 5 % and imported inflation is such and such, then a pay increase of such and such would be allowed. If he had had one possible case on a chart, with factors in the wage decision clearly outlined, according to the affirmative plan, it would have been very powerful.

[ Second Negative Constructive Speech ] Mr. Tayawa

A good attacking speech; he returns to the key question of why we need to control wages. I think the comparison with the US economy is a very weak argument, because the factors in the two economies are so different. The quote about national consensus is good.

(1A questions to 2N)

2N's opinion about the reliability of newspaper data is just stupid. If Azuma had done a better job in his speech, these questions would have cost the negative the debate.

Tamura's questions about private railways, postal rates, and small enterprises are good questions. It would have been even better to try to make the negative explain how a stronger anti-monopoly law will solve these price hikes.

(Summary speeches )

Both were very good. The negative summary was better, because the various attacks and unanswered arguments could be reviewed. The affirmative summary repeated the affirmative case very well, but did not treat the attack by the negative so clearly.

Mr. Scott Howell

- ( 1A First Affirmative )
- ( 1N First Negative )



## COMMENTS ON THE FINAL

I must admit I'm not a professional debater, but this doesn't mean I must clarify to be one of the judges because let me tell you something. I know something about money. Because I happened to be in money making business, in the banking business. To be more specific, the business of the banker is to make money, to make the money grow. Now, to know something about money means to know something about economics. So, this clarifies me as one of the judges.

Now, I'm not bragging about myself. I'm just saying to you that this is the way you should present yourself. I've heard someone saying "I'm sorry I'm not an economist." I think or I will, I believe, why don't you say instead "I have knowledge something about economics." "I'm very possitive about some of the economic principles." or you might even say that "My logic tells me" or "experience tells me" that this will work instead "I'm sure it will work." If you are not possitive, how could you persuade all the judges that are the part of the audience. You've got to have a real assurance as what you are going to present.

Now, what I want to say is this if you want to learn something about this, some of these problems, related to money, you have to take a large picture of Japan because you are debating.

On the assumption, we will explore the possible means for the Japan's economy, though. We have to focus on Japan, the situation. Because we have to analyze the present situation of Japan. If you try to discuss incomes policy, or wage and price controls problem, why don't you put it on the more situated basis, or if you are more Japanese fashioned, analyze the inherent weakness of the part of the Affirmative, the Negative side will win the debate. Why? Because there is a basic principle, because the "compulsory" is the word you have to pay attention to. "Compulsory" means by introducing some of the legally binding power which I'm sure run contrary to the spirit of the free competition based on the actual working forces of the market forces, demand and supply which is against the spirit of the free competition. This is the focus point.

As one of the judges, if you put too many things in one basket, you might end up losing them all. I'd like to hear one clear specific point. You've got to have a punching way in presentation. The judges are people. They didn't come here with the vocabulary, or economic principle. So that you try to be more specific about the point.

Now, one more thing is about the fact about Japan. You have to present some pieces of evidence showing that Japanese methods under the administered guidance has been working well.

If it is not, you have to prove it. So that if the inflation is not serious, this can be managed by the Japanese wisdom. Of course Japan's economy has experienced a lots of up-said-down trend. But you have other punches not only in Japan. So you've got to have an evidence showing this is serious enough analyzing Japanese system and can't solve it as long as you put additional thing, or legal binding power or extra-legal measure such as 'Gyosei shido'. So what I want to say is this if you take a large picture of situation in Japan, I think the economic principles can be summarized or signified, so that all members understand as well as all the judges can better understand and better enjoy your debate.

I just want to give you a piece of evidence that I wasn't totally convinced by the debaters as to which way to follow. This is the fact.

By Mr. Michihiro Matsumoto

The Executive Committee of T.I.D.L.



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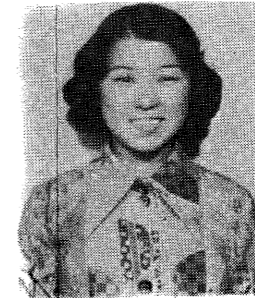
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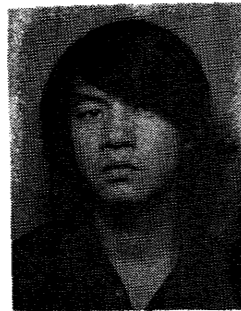
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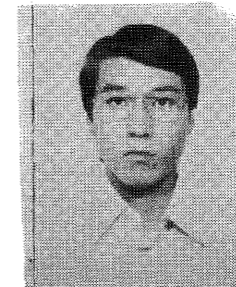
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