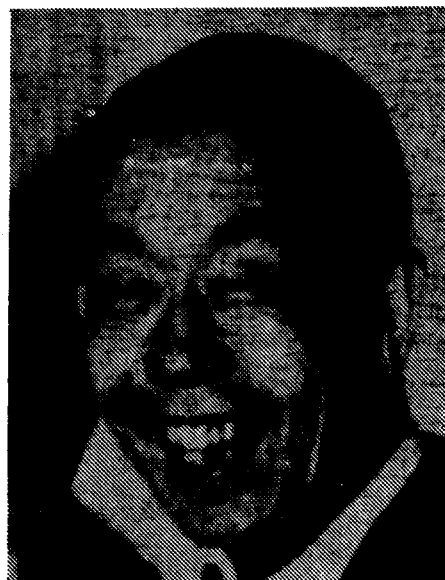


## ASIA REPORT

*Japan's No. 1 Traitor*

# The Black Heart Of Takeo Fukuda— Part I



EXCLUSIVE TO NSIPS

### Introduction

In this issue *New Solidarity International Press* is publishing Part 1 of a two-part series exposing once and for all Rockefeller's top agent in Japan — former Deputy Prime Minister Takeo Fukuda. Fukuda is now being promoted for the Japanese premiership by Wall Street to force Japan into a policy of military rearmament.

Part 1 reviews the vital role Fukuda played for the Rockefellers in sabotaging Japanese moves to work with Europe and the Third World in establishing a new international economic order, especially during the critical period of the Rambouillet summit meeting in Paris in November 1975. Also covered is Fukuda's attempt to split apart the ruling Liberal Democratic Party, in order to reshape the party under his direct control, through his manipulation of the Wall Street-created Lockheed Scandal.

Part 2 of the exposé will appear next week and will outline the actual Wall Street—CIA network which stands behind Fukuda. The history of this network, stretching from rightist U.S. thug Ryoichi Sasagawa to the top banking houses on Wall Street will bring the "dark side" of Japanese politics for the last 30 years to light. The planned Wall Street "watergating" of Kakuei Tanaka in 1974 through the Fukuda-Sasagawa-Wall Street operation was done by a top political intelligence network called Moral Rearmament set up in Japan in the 1930s by an American named Frank Buckman.

This network was headed in Japan by the wealthy Shibusawa family, key collaborators with the U.S. CIA in the 1950s, and LDP leaders like Kishi, Fukuda, Okinori Kaya, Saburo Chiba, in alliance with top U.S. business families headed by the Rockefellers. It is these same families, who through their newspapers like the *New York Times* and the *Washington Post*, are creating a phony "expose" over the Buckman network's "Unification Church International" in Korea — to pressure Japan into accepting expanded military production and open anti-communist policies. The connections of Washington-Wall Street law firms like Corcoran, Youngman and Row to the Fukuda-Sasagawa-Unification Church operations will also be investigated. All these agencies — the real Wall Street controllers of Japan — make up the real "black history" of Takeo Fukuda.

Today Japan faces its most dire threat since 1952 — the reoccupation of Japan by the Wall Street gang through their

puppet Fukuda. Just as the Rockefeller family used the "Watergate" scandal in the United States to illegally destroy the constitutionally elected Richard Nixon and to prepare the grounds for their own personal U.S. puppet peanut farmer and Trilateral Commission member Jimmy Carter, these same Wall Street forces have used the "Lockheed" scandal for one purpose — the illegal ascension of Takeo Fukuda into the premiership of Japan. Small wonder Fukuda himself is Jimmy Carter's leading supporter inside Japan's Liberal Democratic Party. They are but two puppets with the same master — David Rockefeller.

The "Fukuda scandal" is not a tired story of an apparently "clean" politician with "dirty money" ties which will be exposed. Fukuda's crimes are far more heinous. He is (and has been so for the last 28 years) a conscious agent of the most reactionary element of U.S. capitalism. He is a leading member of a conspiracy led by Wall Street to subjugate Japan to an economic policy of mass austerity and zero growth, while steering Japan into the arms of a policy of full-scale military production and an anti-Soviet alliance with the United States — the policy of men like Paul Nitze, Henry Fowler and C. Douglas Dillon of the "Committee on the Present Danger" and David Rockefeller protege Zbigniew Brzezinski — the men who are the "brains" behind Jimmy Carter.

### The "Necessity" Of Takeo Fukuda

To understand the importance of Fukuda for Wall Street it is necessary first to grasp the growing "panic" in high Japanese political and economic circles over the crisis in Japan's economy. Japan's economy is in a highly precarious state. The growth of protectionist measures against Japan both in the United States and the European Economic Community (EEC) — so graphically evident in the recent disastrous visit of Keidanren's Toshio Doko to Europe — spell the end of Japan's export-led recovery from the "oil shock" of October 1973. Even a usually sensible economic commentator, the Yomiuri Shimbun's Mitsuo Kono, gave way in a recent column to hysterical ravings about the return of the world's economy to the "law of the jungle" which dominated world trade in the 1930s. Kono's articles reflect the mood of confusion and panic that has swept major Zaikai (business leader) circles.

Faced with this danger, many Japanese businessmen like Industrial Bank of Japan senior advisor Sohei Nakayama, former Nippon Steel head Shigeo Nagano, Keidanren boss Toshio Doko, as well as Ministry of International Trade and

Industry head Toshio Komoto and Prime Minister Miki, realize that Japanese subordination to a Carter-Rockefeller bankrupt dollar empire can only lead to further global economic collapse. These business leaders met with leading Arab OPEC spokesmen in Tokyo last week to map out a joint policy of Japanese support for Arab political and economic demands, such as Japanese support for a general approach to Third World debt moratorium at the final North-South talks in Paris, in exchange for secure Japanese sources of oil. Such a Japanese move would be in keeping with the policy of "watergated" Japanese Premier Kakuei Tanaka who, in the wake of the October 1973 Mideast war, incurred U.S. Secretary of State Henry Kissinger's wrath by sending then MITI-head Yasuhiro Nakasone and Deputy Prime Minister Takeo Miki to the Middle East to improve Japan's oil links with the Arabs, instead of toeing the pro-Israel U.S. line.

Fukuda's aim is to crush any such move by business away from his bosses at Chase Manhattan Bank. Fukuda's first step has been to attempt to shatter the anti-Rockefeller forces inside Japan's LDP by engineering a split inside the party. Commenting on Fukuda's blatant anti-party moves in a campaign speech in Osaka on Nov. 17 Prime Minister Miki warned: "On the one hand anti-Miki leaders are calling for the elimination of LDP factions, but on the other hand they seem to be causing a split in the party."

If one tries to explain Fukuda's current "election campaign" attacks on Prime Minister Miki from the standpoint of LDP partisan politics, his attempt to weaken the party vote at a time when many inside the party feel the party is dangerously weak already (as it is after the "Lockheed" case) his motives would seem incomprehensible. However Fukuda's decision to split the party does not come from any concern for the future of Japan. Fukuda wants Prime Minister Miki out of the LDP and in the arms of the CIA-controlled "Association to Think About a New Japan" led by U.S. agent and right-wing Japanese Socialist Party (JSP) leader Saburo Eda. With Miki out of the way, Fukuda believes he can break the influence of Japanese nationalist Yasuhiro Nakasone over Japan's "New Right" group inside the LDP. Through such splitting maneuvers Fukuda hopes to convert the LDP from a party capable of politically voicing the demands of Japan's anti-Atlanticist businessmen to a "factionless" Fukuda-run fascist machine. Nor should Fukuda's current maneuvers come as any surprise. As early as 1960, after the Security Treaty crisis, Fukuda headed up a "party modernization committee" in the LDP to "build a 'peoples front' against 'Chinese and Soviet imperialism' by combatting factionalism which had made the LDP unable to cope with the growing threat of international communism." Fukuda's "Tofusashin renmei" committee (which later dissolved into the Fukuda faction) is the model for his current LDP wrecking operation, the Kyotokyo.

The destruction of the potentially anti-Atlanticist LDP party machine has been a long-term goal of Wall Street, especially after the LDP itself put Kakuei Tanaka — Japan's first premier to defy Wall Street in a long, long time and a bitter Fukuda rival — into power in 1972.

A few weeks ago Fukuda resigned his post as head of Japan's Economic Planning Agency in the second Miki cabinet — a clear signal of his desire to overthrow the premier. Until then Fukuda had played a crucial "inside" role in league with his opportunist factional crony, Japan's Minister of Finance Masayoshi Ohira, in sabotaging the Miki government's attempts especially at the Rambouillet meeting to shift Japan to a more independent political and economic stance in favor of the developing countries and against the New York banks. A brief review of the period preceding and following the November Rambouillet meeting clearly shows Fukuda's sabotage at work.

On Aug. 26, 1975 the Kohjin company collapsed — one of the most spectacular bankruptcies in post-war Japan. Business fears accelerated when August export figures showed a downturn for the fourth month in a row to 18 per cent below levels for August 1974, the largest decrease in Japanese exports in 22 years. Japan's export decline, which had begun in April 1975, had been principally to Third World countries, and if that market was ever able to receive Japan's capital intensive exports of technology the Japanese government would have to take the lead at the upcoming talks between the advanced nations in France in lobbying for worldwide economic growth. Sensing that Japan must move Miki and his top economic aide Saburo Okita appointed Kakuei Tanaka's former Foreign Minister and Third World supporter Toshio Kimura, Japan's representative to the special session of the UN in September 1975 called to discuss "the new world economic order." To concretely back up their moves towards the "South" nations, Okita, head of Japan's Overseas Economic Cooperation Fund (OECF) proposed to the Association of Southeast Asian Nations that the ASEAN nations work with Japan on a program of doubling the region's rice production in 15 years through use of modern agricultural methods. Miki's moves towards the Third World stemmed from big business understanding that growth of the world economy, especially of the lesser developed nations, was crucial for the prosperity of Japan, Europe and the United States.

This same understanding of the importance of economic growth determined the Miki government's attitude toward the socialist nations. Miki's historically pro-China sentiments are well known, as are his dependence for many years on the advice of pro-China LDP Dietman Tokuma Utsonomiya on foreign policy questions. However, as with his policy toward the Third World, the key to Miki's attitude toward the Soviet Union lies with big business. In early September Japan's economic press was filled with banner headlines announcing a Soviet decision to conclude a \$1 billion shipping contract with Mitsubishi Heavy Industries, IHI, and Nippon Kokan to assist the USSR's new five-year plan. Two months later the Ministry of International Trade and Industry announced it would ignore the U.S. created COCOM restrictions against the Soviet Union and help the Soviets with the development of new nuclear power generation facilities. MITI's decision was strongly supported by then LDP secretary-general Yasuhiro Nakasone, a consistent advocate of expanded Japanese-Soviet energy cooperation deals. It was in this atmosphere that Miki advisor Kazushige Hirasawa dropped his bombshell article in the October issue of Foreign Affairs, proposing a "deal" between Japan and the Soviet Union which would put a "freeze" on the issue of the northern islands dispute between the two nations in exchange for a Japan-Soviet Peace and Friendship Treaty to be backed up by large scale Japanese economic investment in Siberia.

## The U.S. Counterattack

A few days after the Kohjin collapse, U.S. nuclear war maniac and then Defense Secretary James Rodney Schlesinger came to Japan on a scheduled visit. A few weeks earlier Schlesinger had created a scandal by publicly launching his "nuclear retaliation" talk against North Korea. Schlesinger's purpose in Japan was to push Japan's military forces into increasing integration with the U.S. military — the "NATOization" of the U.S.-Japan Security Treaty. Schlesinger was met by the cowardly head of Japan's Defense Agency Michita Sakata, who "proposed" to Schlesinger an old U.S. scheme to set a joint body to integrate the two military establishments further in the event of an "emergency." The real purpose of Schlesinger's visit to Japan was clear. Japan's Self Defense Forces are a military

joke in the event of a nuclear conflict with the Soviet Union. All the integration of Japan into the U.S. military means is that — until there is a massive expansion of Japanese military production — Japan's capitulation to the U.S. only **weakened** the Miki government's attempt to improve relations with the Soviets. This split inside the Miki administration itself, with its "two premiers," Miki and Fukuda, would become obvious by the time of the Rambouillet summit. Schlesinger's anti-Soviet organizing was followed up a few days later by "Readers Digest" editor and top Rockefeller goon former U.S. Defense Secretary Melvin Laird, who made a speech to Japan's Foreign Correspondents Club warning the government not to be "lulled" by detente and economic deals with the Soviet Union.

### The Takeo and David Show

At the time of the Kohjin collapse, Takeo Fukuda was on an ostensible tour of Latin America, and in particular Brazil. However on Sept. 22 NSIPS was informed by a usually reliable source inside the Gaimusho that Fukuda made a special secret one day stopover in New York City (Aug. 29) to meet with David Rockefeller at Chase Manhattan Bank's head offices. This was to be the first of two secret meetings between the servant and master during the stormy pre-Rambouillet period.

The results of Fukuda's first visit with Rockefeller became obvious during the second week of September, when Fukuda announced that "fiscal stimulus" was the way to economic recovery in Japan. Fukuda ruled out any attempt to stimulate consumer spending as "inflationary," and warned that new capital investment was useless due to already low existing capacity utilization, while export increases would also fail because of the world slump.

The absurdity of the Fukuda-Rockefeller policy of "fiscal stimulus" at the expense of the expansion of real production through growing trade is now showing up in a total breakdown in world trade. The "international upswing" that supposedly occurred beginning in the fall of 1975 has itself been the cause of accelerated collapse of real production. To fuel this "boom," Europe and Japan ran up budget deficits of over \$50 billion of which 90 per cent went to maintain government and industry debt payments, while the remainder financed a short-term shot in the arm to consumer goods. Behind the purely cosmetic "upswing," the capital goods capacity of the advanced sector — the guts of any industrial economy — has deteriorated exponentially. For the Third World the "upswing" was nothing but political hype meant to keep the governments of the underdeveloped sector from declaring debt moratoria against the dollar.

The Rockefeller "wait until the U.S. upswing" line, so clearly mouthed by Fukuda as "his" economic policy, had a darker side as well. In order to terrify Japan's business community into line, the U.S. banks began a massive arm-twisting job on the Japanese yen. By late October it had become known that Japan had spent \$6 billion in reserves (of which \$5 billion was from hidden reserves) to keep the yen stable since August. Not unlike the time of the Herstatt collapse in West Germany, when Japan and Italy were being classified as equal "risks" by the New York banks, Wall Street seized on the Kohjin collapse and subsequent downturn in Japan's exports to spread "black propaganda" rumors that Japan, normally their most valued customer, was a sudden "credit risk." This operation was aimed at further terrifying the Finance Ministry bureaucrats like Ohira and the "respectable" old zaibatsu bankers into sabotaging Japan's industrial community's endorsement of a high growth policy. The first fruits of the U.S. success came at the UN Special Session in September, when Takeo Kimura was

forced to denounce his own Foreign Ministry written speech as "disgraceful" — indeed more conservative than the speech that Kissinger gave! It was also at this time that Wall Street began its final preparations for the launching of the Lockheed Scandal against **both** Kakuei Tanaka and Takeo Miki — for reasons which will become apparent later.

### Fukuda Meets the Emperor

Fukuda's second meeting with the Rockefellers (this time he met all three) came when he escorted Japanese Emperor Hirohito to the United States. While Hirohito was enjoying the sights at Pocantico Hills Fukuda made sure his own visit was not devoted to sightseeing. In Washington Fukuda held a meeting with Ford economic officials Greenspan, Simon, Dunlop, Dent and Burns. Fukuda also renewed acquaintances with Pepsico head Douglas Kendall, "old friend" George Schultz, new head of the Bechtel Combine, and Robert Murphy, the former U.S. ambassador to Japan, Kishi's mentor and guide to the U.S. CIA circles and a top Rockefeller operative in the huge ex-Nazi network taken over by the CIA after the end of World War II.

But despite the best laid plans of mice and rats, the Rockefellers' ability to police the world was dealt a serious blow by President Gerald Ford's shakeup of Rockefeller agents in his cabinet — the so-called "Halloween Massacre." Ford's decision to fire "limited nuclear war" nut Schlesinger and to dismiss CIA director William Colby triggered Nelson Rockefeller's announcement that he would not be vice-president in a new Ford government. Ford's shakeup, done with the support of major Midwest industrial interests like the Ingersoll family and other proponents of expanded U.S.-Soviet trade, led to Schlesinger's replacement at Defense by former banker and midwest Congressman Donald Rumsfeld.

The show of force by Ford against Rockefeller had an enormous impact in Japan. The changed U.S. political climate led Miki to propose that Japan's position at Rambouillet be centered openly around Third World economic development, expanded trade with the Soviet Union, vastly increased world food production, a global program to develop fusion power and political endorsement of a recent UNCTAD resolution which itself called for general debt moratorium.

Equally terrifying to Fukuda, Miki and Kakuei Tanaka begin their first talks together since July 1974 through their aides, Ichitaro Ida and Toshiki Kaifu for Miki, and Nonoru Takeshita and Susumu Nikkaido for Tanaka. Miki's reported topics included a cabinet reshuffle.

### Rambouillet

Right before Rambouillet the Japanese government virtually split in two. Despite the publication of Miki's proposals for the conference in the Yomiuri and Mainichi, every pro-U.S. agent in Japan, led by Takeo Fukuda and his simple-minded sidekick Masayoshi Ohira, raised such an outcry over Miki's moves that the premier was forced not to give his printed speech at the conference! Meanwhile, Finance Minister Ohira stormed out of the meeting early in protest against Miki's moves while Foreign Minister Keiichi Miyazawa also downplayed the significance of Miki's ideas. Significantly, only Toshio Komoto's MITI openly backed the premier. In the wake of Rambouillet Secretary of State Kissinger himself stopped off in Japan Dec. 7-8 after meetings in China, to further attempt to pressure the Miki government into supporting a political alliance between Japan, the U.S. and Peking against the Soviet Union. Not surprisingly also at this time there was talk of a new Fukuda-Ohira alliance inside the LDP.

## The Bribe

The pressure ploys of Ohira and Fukuda on Miki notwithstanding, the Rockefellers regained their control over Japan through a simple trick — a promise of an “export boom” to the United States. And Japan’s major business leaders fell for it lock, stock, and yen. Despite Fukuda’s talk of fiscal stimulus, Japan’s exports by November 1975 had fallen 17 per cent from November 1974 while bankruptcies had hit an all time high, and industrial production in November declined 1.7 per cent.

In essence Japan’s business leaders sold their souls to Fukuda and Rockefeller in return for the short-term right to dump, especially inside the United States. The political and economic consequences of this sad blunder have come home to roost in Japan today. By buying Fukuda’s story of the “U.S. upswing,” Japanese businessmen have been for the past year supporting the United States in every disgusting U.S. action against the Third World, including the recent hideous CIA-aided coup in Thailand. In exchange for the right to stockpile hoards of cars and color TV’s in the United States and Europe, Japan’s own credibility with both Europe and the Third World has plunged, resulting in the current bitter calls of European businessmen for protectionist measures against Japan. In order to play the role (in Henry Kissinger’s words) of “the little Sony salesman,” Japan has castrated itself politically. This is where Fukuda’s “economic brilliance” has left Japan — alone and isolated.

## The Hoax

Even more pathetic, the entire export fraud itself was rather shortlived. Exports grew at a 40 per cent annual rate from December 1975 through March 1976 and then essentially stagnated until July, when they began falling again (with the exception of the September flip). Now exports for October are about 10 per cent below that of March 1976!

As should be obvious to every Japanese businessman who now sees the U.S. International Trade Commission breathing down his neck, the United States itself had never any intention of allowing Japan’s exports to the United States for any reasonable length of time, despite banker homilies on the principles of “free trade” and “international competition.” As the Brookings Institution resident hippy and top Carter advisor C. Fred Bergsten has demonstrated, the United States is more than willing to use the threat of protectionism to force Japan into a more “malleable” position on, for example, Japanese support of the dollar.

## “Political Economy”

The majority of Japanese businessmen today are still acting like frightened children whose childhood fantasies of grabbing more and still more candy bars have been cruelly interrupted. This is because most businessmen are afraid to grasp the meaning of the words “political economy” which the New York banks understand so well. What was the purpose of the “export boom?” Lockheed!!

The “big bad Japanese businessmen” and “toughguys” like Tanaka have been played for suckers by David Rockefeller and

his little friend Takeo Fukuda. It was Rockefeller, with Fukuda’s support, who ordered Frank Church to create the Lockheed Scandal. As has already been partially documented by Seichiro Tahara in his famous “Kakuei Tanaka” series in the Japanese magazine Chuo Koron, and to a lesser degree in the Bungei Shunju, the Rockefeller family set up the Lockheed scandal.

The reasons for the Rockefellers’ moves are also obvious. After first lulling the majority of Japanese businessmen asleep, the Rockefellers and their agents went after Japan’s three main anti-Atlanticist political leaders, Tanaka, Miki and Yasuhiro Nakasone in a massive operation aimed at insuring that Fukuda seize power. This plan today is very close to becoming a success. And all by a pathetic exposé of a bankrupt company which a Rockefeller-controlled consortium of U.S. banking interests headed by Lazard Freres took over in 1973 as their own personal toy!

## The Real Payoff

Japan’s reward for being so cowardly about exposing Rockefeller’s and Fukuda’s manipulation of Japan’s fragile democratic system will be nuclear war under a Fukuda administration. The first step to such a war will involve a massive push by Fukuda for a policy of massive war production to fuel a general U.S. led escalation under a Schlesinger-Brzezinski-Rockefeller-Carter administration.

Ironically, instead of being enraged at Fukuda for duping them into such a disastrous plight, many Japanese businessmen find themselves debating whether Japan will indeed now have to expand war production under a Fukuda administration, since “exports” won’t prevent bankruptcy any more. It is precisely this state of psychological panic that Fukuda hopes to use against businessmen in his hopes to get into office. To sweeten the deal, Fukuda is now promising businessmen that a Fukuda administration will “insure” the insane Nikkeiren proposal of a 0.00 per cent wage hike next spring! Fukuda is right now telling his cohorts that if the trade unions expect to get more than nothing in the light of the “terrible” protectionist attack on Japan, they too must accept expanded war production. Fukuda’s push has been aided by U.S. crony Michita Sakata who has used his phoney “dove” cover to inform Japan’s parliament recently that defense spending should be “around” 1 per cent of GNP and not below it.

## The Korea Hoax

A classic U.S.-created psychological warfare game is being used to further aid Fukuda around talk of U.S. troop withdrawals from South Korea. The Carter gang is attempting to terrorize Japan into believing that the U.S. would completely pull out of South Korea as part of a blackmail threat. In “return” for a U.S. promise to stay in South Korea (which has been the U.S. policy all along despite the absurd scare stories) Japan will **increase** its own defense expenditures. And new premier Takeo Fukuda, “under U.S. pressure and in support of his old friend President Park” will “reluctantly” agree with his U.S. masters.