

# The Trials And Tribulations Of Japan's Fukuda

Japanese Premier Takeo Fukuda has been having a very rough time lately trying to steer the course of "Nippon Maru" ("the ship of Japan"). Fukuda is running aground over two key issues: first, his inability so far to successfully get the government's budget bill through the Lower House Budget Committee of Japan's Diet (Parliament); and second, the question of Korea. There is growing dissatisfaction in Japan over Fukuda's policy stand on the issue of U.S. troop withdrawals from Korea, and there are now widespread allegations in Japan's boisterous press that some of the Prime Minister's supporters in the ruling Liberal Democratic Party (LDP) — including Fukuda's political mentor, ex-premier Nobusuke Kishi — may have taken bribe money from South Korean sources.

Behind both these issues is the growing sense in politics as well as big business ("zakai") circles that Takeo Fukuda is not the right man for the job. The fears of the business community in particular have fed already strong anti-Fukuda sentiments in both the Liberal Democratic Party and Japan's coalition of opposition parties, making the water very hot indeed for the new premier.

## *The Diet Debate*

Fukuda's major problem right now is in Japan's Diet. After the defeat of the LDP in December's elections, Japan's opposition parties now have effective control of the Lower House budget committee, the most important in the Diet. Led by Japanese Socialist Party secretary general Masashi Ishibashi, the opposition is insisting that the new budget include a ¥1 Trillion (\$3 billion) tax cut. Not only has Fukuda refused to even consider a tax cut, but in testimony in the morning session of the Feb. 8 committee meeting, he said that the committee had only "a restricted right" to revise the budget, according to his interpretation of Japan's Constitution. The Committee disagreed. After a government spokesman reiterated Fukuda's position in the afternoon, the Committee went into recess only seven minutes after the session opened.

## *No Mere Squabble*

The budget fight is no mere parliamentary squabble. Fukuda's political credibility with businessmen depends on his ability to manage legislation in the Diet — particularly economic bills. It was former Premier Takeo Miki's lack of concern for economic matters that most enraged LDP hardliners like Etsuaburo Shiina, the LDP vice-president under Miki and a vocal spokesman for business interests. Fukuda, a long-time Finance Ministry bureaucrat, has pledged that he will somehow "get along" with the opposition in the Diet but his first major

attempt has been a disaster.

The broader implications of Fukuda's Diet troubles are quite intriguing. Should the Liberal Democratic Party lose majority control of Japan's Upper House in the summer elections Fukuda would be more than inclined to make a deal with opposition right wing Democratic Socialist and Komei parties to maintain LDP rule. Any bitter Diet spat between Fukuda and the Opposition makes such an alliance increasingly likely.

Even more fascinating is the role businessmen are playing in the Diet debate. According to Yomiuri writer Mitsuo Kono's February 9 column, the Diet budget fight has led to a "phenomenon unprecedented in the political history of postwar Japan," namely, "a joint struggle by industrialist circles, the opposition parties and trade unions" for the \$3 billion tax cut. The major difference between them is how to finance such a move — whether by increased business taxes (the JSP proposal) or through more government deficit bonds.

The mood in business circles for increased consumer spending runs counter to Fukuda's more austere posture, and only mirrors larger splits between the zaikai and the prime minister on economic questions. Indeed, big business opposition to Fukuda has become a popular topic in Japan's press. The most significant statement of business discontent was a February 5 Asahi article entitled "Big Business Diplomacy Hampered By A Low-Profile Fukuda" which begins by observing that "the biggest stumbling block in the way of business efforts at economic diplomacy is the Japanese government's negative stance on various questions at issue." According to the Asahi, these issues are expanded trade and economic deals with the Peoples Republic of China, the Soviet Union and Vietnam, and the failure of the government to endorse a strong Mideast peace stance, in particular, Fukuda's vacillation over business attempts to establish new oil sites in Saudi Arabia free of ARAMCO control. Such sites would prepare for the establishment of a new Japanese oil company by the Ministry of International Trade and Industry (MITI) along lines modelled on the Italian ENI.

## *Korea*

Fukuda has an even bigger timebomb on his hands in Korea. At issue is the question of Japan's role regarding U.S. troop withdrawals from Korea, and Japan-Korea bribery cases. Either issue exposes a major Fukuda sore spot — his overly close ties with the current Trilateral government now occupying the U.S. White House.

Fukuda's official policy on U.S. troop withdrawals from South Korea is that the matter is a bilateral issue

between the two nations which does not concern Japan. But Fukuda knows that the whole Korea issue is an extremely emotional issue with the opposition parties and any overt pro-S. Korean move to keep U.S. troops on his part would enrage the "left," and bolster charges that he is involved in Japan-Korean dirty-money scandals. Fukuda's dilemma is that he must also propitiate Washington, which so far is continuing its anti-Park maneuvers and threatening to pull out its troops.

As a result of his maneuvers, Fukuda has succeeded in enraging large sections of both the Liberal Democratic Party and the South Korean government. The LDP's own conservative Foreign Policy Council was forced to vigorously attack Fukuda's "hands off Korea" policy as being contrary to stated LDP understandings with the United States government — in particular, the 1969 "Nixon-SATO" agreement, in which LDP premier called the security position of the South Korean peninsula "vital" to the security interests of Japan. Fukuda's kowtowing posture on Korea with Walter Mondale last month further angered these circles.

Fukuda's desperation over the Korea issue was revealed in a letter to last week's Wall Street Journal by former National Security Council staff member Morton Kaplan, now a professor at the University of Chicago. Kaplan revealed that on his visit to Japan only a few days before Mondale's arrival he was "whisked" from the airport by limousine to a dinner meeting with Fukuda and seven members of his cabinet. At the meeting Fukuda begged Kaplan to make sure that the U.S. government understood Fukuda's real opposition to hasty U.S. troop withdrawals, despite his government's public indifference.

#### *The Double Cross Game*

Fukuda's desperation is understandable. By refusing to fight Carter on the troop withdrawal issue, Fukuda has

annoyed South Korean President Park Chung Hee, who fears that behind all of Washington's talk is a plot to depose him. Fukuda, in Park's eyes, is therefore an accomplice in a plot which may include murder of the fiery, emotionally high-strung leader of that troubled nation. No Diem, Park has begun to fight back, and could act to depose Fukuda.

#### *The Moon Connection*

Park is now in the midst of cracking down on Reverend Moon's operations in South Korea, a mere appendage of men like former premier Kishi and Fukuda in Japan, and certain U.S. Wall Street families linked to the Rockefeller's Dillon Read banking house. Park's KCIA has all the dirt it could ever want on Fukuda's Kishi-Moon connections, which it could leak at any time. Fukuda himself is already so jittery about the entire affair that he ordered seven of his cabinet ministers with special Korean ties to publicly deny that they had received Korean bribes.

But the scandal will not go away so easily, and already the opposition parties are having a delightful time at Fukuda's expense. One such tormentor is JSP secretary general Masahi Ishibashi. Ishibashi, according to the Feb. 8 Yomiuri, "took up the problem" of Reverend Moon with Fukuda in front of the Lower Houses Budget Committee. Ishibashi "said that the prime minister must have received complaints from parents" of children caught in the religion. "But the prime minister said that he had received no such complaints. He said he would order an investigation." Then "Ishibashi reminded Fukuda that he had eulogized Mun Son Myong (Rev. Moon) when he was finance minister in Sato's cabinet. Ishibashi claimed Fukuda had said that a great leader named Mun Son Myong had appeared in South Korea. Fukuda replied that he had only praised the "love for humanity taught by Christianity."

## Korea's Park Counters U.S. Scandals With Some Crackdowns Of His Own

South Korean President Park Chung Hee is beginning to take a tougher stance toward the United States, primarily because of the Carter administration's private encouragement of scandal-exposures involving South Korean influence peddling on Capitol Hill. The London Economist reported Feb. 5 that one of Park's aides recently warned that if there are any more "revelations" from Washington, the Koreans might disclose "positive evidence" that the U.S. Central Intelligence Agency has been channelling money to Korean dissidents for some item.

For the same reasons, the Korean government has begun to crack down on the domestic activities of "Reverend" Sun Myong Moon and his Unification Church. Recently, the executives of two South Korean business firms with close connections to Moon, the Il Hwa Phar-

maceutical company and the Ginseng Tea Exporting company, were arrested on charges of tax evasion.

President Park has been a consistent supporter of U.S. policy in Asia since his seizure of power in a 1961 military coup, but has been threatening to adopt a more independent stance because of clear messages from the Carter administration that it would like to see him replaced. Park's threats are undoubtedly a sort of diplomatic "chicken game" with Carter, in which Park hopes the administration will back down and maintain a policy favorable to his regime. There are indications, however, that the flow of "KCIA revelation" in the U.S., rather than abating, is on the rise. This could force the reluctant Park to follow through on his threats and make public his considerable knowledge of illicit connections between Washington, Tokyo, and Seoul, connections that dwarf