

Japanese Businessmen Turn To Soviets And Europe

A major delegation of Japanese industrialists arrived in Washington Tuesday for meetings with U.S. business leaders and key Carter Administration officials including Energy Chief James Schlesinger and Treasury Secretary Blumenthal. The Japanese, led by Toshio Doko, head of Japan's big business federation, are using the meetings to deliver a firm warning to the U.S. — either the Carter government stops trying to sabotage Japan's independent development of atomic energy or Japan will look to other nations for help. The first nation on that list will be the Soviet Union.

Doko made his intentions clear by announcing that immediately after leaving America he would spend three days in Moscow beginning June 21. "Informed sources in Tokyo," reports the June 14 *Asahi*, said that Doko is expected to negotiate with the Russians on the conclusion of a private atomic energy agreement between Japan and the USSR. The proposed agreement is aimed at the exchange of technology, information, and specialists in connection with the peaceful use of atomic energy. An energy agreement would greatly promote the export of Japanese atomic power generating equipment to the USSR. Even more significant, the *Asahi* reports, "the Russians are said to be considering supplying Japan with enriched uranium as collateral for the Japanese equipment." Japan now depends solely on the United States for its enriched uranium — the threatened cutoff of which the Carter government has used as a gun at the head of the Japanese in the joint negotiations.

What is especially diabolical about Doko's Moscow trip is the Japanese emphasis that the energy agreements be kept on a private level, effectively blocking the strong pro-American elements in the Fukuda government from sabotaging the talks. Doko is attending the Moscow meetings officially as the vice-president of the private business group, the Japan Atomic Industrial Forum. Together with Kazuhisa Mori, secretary general of the Forum, Doko will confer with Russian leaders in the energy field including Chairman Andronik M. Petrovskyants of the Soviet State Committee for the Use of Atomic Energy. Doko will also attend an international congress on electric sciences — one of whose main topics will be the development of fusion power. Along with the energy issue June 10 *Asahi* reports, Doko will also discuss "economic cooperation centering around the development of Siberia" with Soviet leaders, including quite possibly Brezhnev who Doko met with last fall.

Doko's planned trip to Moscow will come on the heels of the current visit to the Soviet Union by Japanese Labor Minister Hirohide Ishida, who is also head of the Japan-Soviet Parliamentary Friendship Committee. Ishida, who is also in the Soviet Union on an "unofficial basis," was warmly received by Soviet Premier Alexei Kosygin

who met with Ishida for an hour and a half. Kosygin "who seldom jokes," according to the *Yomiuri's* Moscow correspondent, "often joked with a smile" when meeting Ishida.

During the meeting Ishida proposed the establishment of a joint Japan-Soviet ministerial conference which would discuss economic cooperation between the two nations, while the Soviet Premier reiterated the need for a peace treaty between Japan and the USSR.

Japanese political commentators, especially in the generally pro-detente *Yomiuri*, are now openly speculating that Ishida's trip could lay the basis for an actual peace treaty between Japan and the Soviet Union sometime very soon. Until now both sides have been deadlocked over a dispute concerning the ownership of four islands off the coast of northern Japan. Although the Soviet Union claimed during the recent heated fishing dispute with Japan that it would not discuss the reversion of some or all the islands to Japan, the Russians have made it unmistakably clear in the past that they are indeed willing to negotiate. The recent outcry in Japan's press over the issue has also convinced the Soviets that concern over the islands is not limited to only a few bitterly anti-Soviet rightists but that the problem has to be dealt with politically.

According to the *Yomiuri*, Ishida hopes to get an understanding with the Russians to return two of the four smaller islands close to Japan, while the other two islands would be governed under joint Japan-Soviet agreement. In return for a Soviet compromise on the issue, the Japanese would agree to a massive joint development of Siberia's vast economic resources. Not surprisingly, Ishida, before visiting Moscow, held a meeting with Doko.

Kosygin: "Thank You Mr. Brzezinski"

The Soviet Union's current interventionist policy toward Japan, which began immediately after the conclusion of the fishing agreement when Soviet Deputy Trade Minister Patolichev visited Tokyo, signals a major shift in Soviet thinking. The Soviets in the past have viewed the Japanese as virtual puppets of Washington. According to one U.S. Japan expert, "the Soviets see the U.S.'s relationship with Japan the same way we see Russia's relationship with Latvia."

The Soviet Union's sudden shift in its understanding of Japan is a direct result of the blundering of U.S. policy, particularly over the energy question. Japan's absolute refusal to back down in the face of U.S. attempts to stop Japan from developing independent nuclear reprocessing facilities has broken Russian myths about Japan's malleability. Equally significant, Japan's pro-U.S. pre-

mier Takeo Fukuda has been virtually stopped by big business from carrying out an anti-Soviet peace treaty with the Chinese this summer. Business opposition to the treaty means that the Japanese have rejected pressure from U.S. Secretary of Defense Brown, NSC strategists Zbigniew Brzezinski and James Schlesinger to use Japan's technology to develop the Chinese military capability. Small wonder Kosygin is now smiling.

Other Options

Besides the Russians, Japan is also making significant overtures to the Middle East and Europe. Under the leadership of Japan's strong pro-industrialist Ministry of International Trade and Industry (MITI) a consortium of Japanese firms from the Mitsubishi group and Saudi companies will build a \$1.7 billion petrochemical complex in Saudi Arabia. The Japanese government will supply one quarter of the funds for the project.

Japan's growing relationship with Europe was reflected in an interview in the June 11 *Mainichi* with Geoffery Owen, deputy director of the British banking-linked *Financial Times* of London. Owen, abandoning standard British hysteria over Japanese exports to Europe, stressed that Japan's success is not based on cheap dumping tactics but the highly capital intensive nature of Japanese industry, which Britain should try to match. After praising the role of MITI, the bureaucratic center of resistance to Rockefeller in Japan, Owen suggests that "if Japan imports some quite significant items such as airplanes and machinery from the United Kingdom or France instead of the U.S.," Europe would receive an enormous "psychological boost."

The European attempted "wooing" of Japan away from the U.S., combined with Japan's own initiatives with the Soviet Union and Saudi Arabia, has given Japan's big business leaders room to "outflank" the U.S. over the energy issue at the Washington talks. The head of the Japanese sub-committee on energy for the Washington talks is Sohei Nakayama, a senior advisor to the industrialist-linked Industrial Bank of Japan and the leader of every major business effort to develop independent Japanese oil consortiums and supply agreements free from any Rockefeller control. Nakayama is the major behind-the-scenes business leader in all of Japan's overtures to the Middle East and Saudi Arabia in particular.

The Fukuda Question

Japanese business's international moves are also reflected in the internal political situation in Japan — in particular in the way business is now viewing Japan's current pro-Rockefeller premier, Takeo Fukuda. In the

past two weeks Fukuda has been put on a tight leash, most evident in his virtual dropping of any talk about Japan concluding an anti-Soviet peace treaty with China. (Most business leaders badly want a Japanese peace treaty with both the Chinese and the Soviets, but until the Chinese modify anti-Soviet demands which they continue to want incorporated in a peace treaty, the talks will remain deadlocked.)

The results of the Upper House elections, now scheduled for July 10, are crucial for Fukuda and the big-business backed ruling Liberal Democratic Party. Should the LDP lose the elections badly, Fukuda could well be replaced. However if the LDP manages to maintain its majority or lose only a few seats, as is now thought likely, business, rather than risking a prolonged and chaotic struggle for a replacement for Fukuda, would prefer to keep Fukuda as premier but with a completely reorganized cabinet.

The key figure in such a reorganized cabinet would be LDP leader Yasuhiro Nakasone who has strong MITI support. Nakasone, a leader in Japan's effort to expand economic cooperation with the Soviet Union, especially in the energy field, is now sending signals to Fukuda that he may be willing to participate in a reorganized Fukuda cabinet.

Nakasone is also known to have extensive ties to Sohei Nakayama through their mutual ties to the Japan Line-Industrial Bank of Japan group, which has been at the center of the fight to create an independent Japanese oil multinational to pump and ship oil from the Mideast. Japan Line, a shipping firm, would deliver the oil to Japanese ports. It is believed that Nakasone, as MITI head during the Rockefeller-multi provoked "oil crisis" of 1974, used his influence with the U.S. multitis to stop them from interfering in the Japanese attempts to acquire access to oil sites in Abu Dhabi. It is speculated that Nakasone canceled a plan by MITI to regulate the price of all oil coming into Japan during the crisis — a move which would have cut off some big speculative profits the majors were then making — in exchange for an easing up of the majors' pressure over Japan's Abu Dhabi adventure.

Now, in a classic Rockefeller intelligence operation, the staff of the U.S. House Ethics Committee is using the cover of an investigation into the economic activities of alleged Korean influence peddler Tongsum Park to launch an investigative fishing expedition against the Japan Line and the Industrial Bank of Japan. Reportedly, the Ethics Committee will summon the two companies to surrender documents which it claims are necessary for the Tongsum Park investigation, according to the June 16 *New York Times*.