

How Japan's Nakasone should play his cards against Henry Kissinger

by Richard Katz

The attack has already begun. In virtually every newspaper headline, new Japanese Prime Minister Yasuhiro Nakasone is being labeled a creature of Kakuei Tanaka, the former Prime Minister who is the chief defendant in the Lockheed bribery case. "Tanakasone" they have begun to call the new Prime Minister.

"Nakasone Forms Cabinet Dominated by Tanaka Men" shouted the headline of the Nov. 27 *Japan Times*. Out of 20 cabinet posts announced by Nakasone, seven went to members of the Tanaka faction of the ruling Liberal-Democratic Party (LDP), far more than were distributed to any other faction leader, including Nakasone's own, which got only two posts. Nakasone has "paid off" Tanaka for using his powerful electoral machine to win the prime ministership for Nakasone.

The LDP is divided into six different personality-led factions which have engaged in extremely bitter factional blood-letting over the past ten years. This intraparty feud has prevented any Prime Minister since 1972 from serving more than two years, despite the stable majority of the LDP within Japan's Diet (parliament). It has also hindered the Japanese government in creating a national consensus around solutions to national and international economic and foreign policy problems. Although factions have existed since the LDP's founding, the fallout from the Lockheed scandal raised the bitterness of such fights beyond previous levels.

Tokyo insiders have already laid out the schedule on which Nakasone will be engulfed in the next outbreak of fratricide, which is being called the "February conjuncture."

In January 1983, Nakasone will visit the United States to meet President Reagan. He is expected to grant Washington at least symbolic concessions on trade and defense issues in order to try to return home as the man who patched up the U.S.-Japan frictions of the Suzuki era. However, the fundamental problems at the foot of these long-standing frictions are not subject to a "quick fix" that Nakasone can use to win political points at home.

Nakasone may even find that some people in Washington are not eager to give him a diplomatic victory. State Department officials, according to a Republican Party-associated

Japan expert, recall Nakasone's nationalist reputation and "are afraid he will 'do something dramatic.' They aren't sure how to handle him."

Threat of new Lockheed scandal

While the policy issues are problematic—including the domestic economic and budget crisis—the most dangerous problem for Nakasone in the period leading up to new Diet elections, is a scheduled rebirth of interest in the Lockheed scandal. In February, the prosecutor in the Lockheed case against Tanaka will sum up his case and make his demand that Tanaka be sent to jail. From that point on until the actual verdict sometime in the spring or summer, Lockheed will be in the headlines every day.

Nakasone will have to bear the onus of having been put into power by Tanaka as the LDP enters new Diet elections. The LDP is expected to do poorly. At that point, the anti-Tanaka factions in the LDP which brought down Suzuki because he was "Tanaka's man" will begin to demand the ouster of Nakasone. Nakasone could be out of office by summer.

Kissinger, Lockheed and resource diplomacy

Once again, Lockheed will shape Japanese politics, almost to the exclusion of debate over real policy issues, with Tanaka and Nakasone as the target.

However, recent developments in Italy around the Lockheed case have led some Tokyo insiders to suggest another possibility. Nakasone and Tanaka might try to survive by taking the Lockheed issue head on. In this case, Lockheed would dominate the headlines, but the target would not be Tanaka: it would be Henry Kissinger.

According to well-placed Japanese journalists, some Tanaka associates have taken note of the headline story in Italy that then-Secretary of State Henry Kissinger had tried to use the Lockheed scandal to destroy the political leadership of Aldo Moro, after having threatened him in 1974. These revelations were made by close Moro associate Corrado Guerzoni at the trial of the Red Brigades terrorists who murdered former Prime Minister Moro in 1978 (*EIR*, Nov. 23,

Nakasone on Kissinger and the great oil crisis of 1974

The following excerpts are taken from Nakasone's May 1982 autobiographical essay "My Life in Politics." This has not yet been published, but it has been given to President Reagan, and EIR has obtained a copy.

The Ministry of Foreign Affairs strongly opposed my [1973] plan to visit these Mideast states. Though fully 98 percent of Japan's crude oil imports came from these countries, almost all of it was purchased indirectly through the major oil companies. The ministry wanted to maintain close ties with the United States, host nation of the oil majors. It worried that the United States would view my visit as indicative of a willingness of Japan to strike out on its own, if not in defiance, at least in disregard of U.S. interests.

I argued forcefully that Japan should work to develop closer relations with the oil-producing nations even as it continued to act in concert with the other oil-consuming nations on oil matters. . . .

In the end, I prevailed in my views, and set off for the Mideast *before* the oil shock. . . .

I am told my actions at this time were not well-received in the United States. At home, some criticized me for having been too bold, given the complications of the international oil situation. It is also true that I had a number of sharp exchanges with U.S. Secretary of State Kissinger. . . .

I was convinced that resource-poor Japan . . . had to do everything in its power to protect its economy from collapse. This judgment stemmed from my own convictions about the course of history. Looking at the new wave of resource nationalism sweeping through the Middle East, I saw how fruitless it would be to oppose this vast historical current. . . .

Japan had to act on its own behalf. It could not rely solely on the goodwill of other states. . . .

Japan will no doubt continue to be a member of the Western alliance, sharing their belief in freedom and democracy. But at the same time we must revitalize that alliance. We must sweep away the old mindsets and ways of doing business of the colonial age. We strive to create a new international order based on equality and mutual benefit.

30, 1982).

The Japanese journalists commented, "It was widely believed in Japan that Kissinger helped set up the Lockheed affair to 'get' Tanaka. But we can't say that because we could never prove that. Now that this story has come out in Italy, some people in Tokyo are thinking of re-opening the investigation."

The story of Kissinger's involvement in the Lockheed scandal is the story of the attempt to stop the "resource diplomacy" being carried out by then-Prime Minister Kakuei Tanaka and the man who was Tanaka's Minister for International Trade and Industry (MITI), Yasuhiro Nakasone.

Tanaka came to power in 1972 as the candidate of the "Shingeha," the "resource faction" of Japanese industrialists who believed that Japan could not be assured of unstifled economic development and foreign policy independence as long as it was dependent upon others for access to energy and other natural resources.

Earlier Prime Ministers, notably Ichiro Hatoyama and Hayato Ikeda, had carried out a "Shingeha" policy to some extent, but Tanaka was like no other Prime Minister. Tanaka was a rough-and-tumble Mayor Daley-style politician who built his power on a self-made construction business and a well-greased electoral machine that repeatedly astounded the Japanese "establishment."

As Prime Minister, Tanaka traveled the world in support of his resource diplomacy. He made huge oil and natural gas deals with the Soviet Union during a visit with Brezhnev—and became the only Japanese Prime Minister to secure a Soviet promise (since revoked) to negotiate at some point a return of the "northern Islands" taken by the U.S.S.R. after World War II. In visits to Europe, Tanaka and his aides made efforts to form consortia with European state-owned oil firms to break the monopoly of the Seven Sisters. Tanaka made oil-for-technology deals with Arab countries and resource-for-technology deals with other developing countries. He built up Japan's nuclear energy and secured deals for independent access to uranium. Finally, he initiated Japan's ties to mainland China.

MITI Minister Nakasone played a major role in this "Shingeha" diplomacy. Nakasone had first made his name as a Diet member in the mid-1950s as a major proponent of nuclear power and as the first Chairman of Japan's Atomic Energy Commission.

Nakasone spoke of his view of resource diplomacy in a forthright June 1973 interview with the Japanese *Economist* in which he rejected Kissinger's anti-OPEC consumer bloc idea:

[The OPEC countries have adopted the] principle of not selling oil to any country which does not cooperate in their industrial construction, or not allowing such a country to mine oil. In fact, the phenomenon of selling "direct deal" [not through the international majors] to a country which cooperates in their industrial devel-

Nakasone on defense and the need for nuclear power

On nuclear energy: [During a 1953 trip to America], I made a study of United States research into the peaceful use of atomic energy. All research relating to atomic power had been prohibited in Japan but I had long been keenly aware of the importance of this work. . . .

If we did not begin such work in Japan as quickly as possible, our country soon would be left behind by the coming energy revolution.

For a country as poor in natural resources and energy as Japan is, the creation of new wealth through scientific and technological progress is essential for national survival. Particularly in areas of study requiring a comprehensive approach and long-term planning—like the peaceful use of nuclear energy—the government must take responsibility for setting national policies, providing the appropriate stimulus and taking the lead in development. . . .

That was the time when U.S. President Dwight Eisenhower was making his famous “Atoms for Peace” speech before the United Nations General Assembly, in which he set forth his policy of international cooperation in the peaceful use of atomic energy. . . .

In March 1954, I succeeded in persuading the cabinet to earmark 230 million yen for a basic study on the construction of nuclear experimental plants. . . .

Today there are 38 operational nuclear reactors in Japan . . . [providing] 16 percent of Japan’s total electric power output. These plants proved their value during the oil crises.

I firmly believe that scientific and technological growth and improved productivity through cooperative industrial relations were indispensable if Japan was to make its way in the world as an independent nation devoted to peace.

I attached conditions to my support for the Nuclear Non-Proliferation Treaty. I wanted to know how the nuclear powers intended to limit nuclear arms. . . . guarantees that the nuclear powers would not use nuclear weapons to threaten or attack non-nuclear powers . . . assurance that the industrial secrets of each country’s nuclear power industry would be protected. My criticism of the treaty was a criticism of the whole idea of nuclear chauvinism.

On defense policy: I next met [in 1951] with U.S. special envoy John Foster Dulles, who was in Japan to

negotiate the peace treaty that would end the occupation. I spelled out the provisions I thought should be included in the treaty, and discussed the need for and possible contents of a mutual defense agreement. In this document I made a special point of asking that Japan be given complete freedom to conduct scientific studies, including the right to study the peaceful use of atomic energy.

I did not disagree with the basic policy of cooperation with the Western world, especially the United States. Nonetheless, I was convinced that complete independence would only come when Japan was capable of administering and defending itself and of contributing in some measure to the security and well-being of other states. . . .

However, it led many Americans to regard me as a dangerous individual, steeped in rabid nationalism. . . .

As I saw it at the time, this [just-signed] Japan-U.S. Security Treaty was altogether too one-sided. We relinquished jurisdiction over members of the U.S. Forces stationed in Japan; we permitted U.S. Forces to act against domestic unrest. The treaty lacked an expiration date. The agreement might have been better termed a treaty of protection. . . .

A people that have become used to the protection of another country soon lose the will to defend themselves. They degenerate into weak and selfish materialists who put the pursuit of economic prosperity above all else. This was the outcome I most feared when the security treaty was signed. . . .

[Nakasone noted that the 1960 treaty revisions remedied many problems, and commented “Today we have a good treaty.”—ed.]

I was appointed head of the Defense Agency in the Sato cabinet in 1970. The following was my first public statement on taking office as Defense Agency Director General: Japan will defend itself by itself. This is our foremost and fundamental principle. When we cannot do everything by ourselves we will join with others. In the past we have often given the mistaken impression that Japan’s defense plans exist only as a part of American strategy in the Far East. I believe we must dispel this misunderstanding. We must strive to establish our own basic policy on defense. . . .

Japan should content itself with a non-nuclear defense of its territories, air and sea. By no means should it seek to become a major military power. . . .

As an industrial nation with sophisticated science and technology at its disposal, the greatest contributions Japan can make to world peace are through cooperation in the economic and cultural spheres.

opment has appeared . . . This led Japan to offer positive cooperation . . . The majors side, taking this Japanese bid as a threat, advanced that consumer country bloc idea . . . European countries do not agree . . . The consumer bloc idea is Dulles diplomacy in oil . . . We have no intention to follow servily any idea that is not reasonable globally . . .

The 1973 clash

For Henry Kissinger, Japan's "resource diplomacy" and the foreign policy independence it presaged, was a direct challenge. This became particularly true after the Aug. 15, 1971 dollar crisis and the issuance of the Club of Rome's "Limits to Growth" report. Under the pretext of "limited resources," the Club of Rome rehashed the classical British colonial view that the rapid industrial growth of heavily populated non-white Third World countries was a political threat to the existing industrialized nations.

For this "low growth" faction—represented in the Nixon administration by Kissinger, Undersecretary of the Treasury Paul Volcker, and Labor Secretary George Shultz, but not including Nixon himself—Japan's cooperation with such nations through "resource diplomacy" was a threat.

Kissinger's indignation was communicated to Tokyo in a heated 1973 cabinet meeting by Foreign Minister Masayoshi Ohira. Ohira warned that Nakasone's planned trip to the Middle East was a direct challenge to Kissinger's Middle East policy. According to MITI sources, Ohira said that Kissinger had gone so far as to threaten that the Seven Sisters would reduce their oil supplies to Japan, if Japan defied his anti-OPEC consumer bloc—all of this occurring *before* the October 1973 oil shock.

Kissinger's threat simply underscored the need for independent access to resources. Nakasone traveled to the Middle East in 1973 and again in January 1974.

Kissinger personally contacted Nakasone and, in a heated shouting match, warned Nakasone that he'd better drop the oil-for-technology policy. "What benefit is there for Japan in what you say?" Nakasone demanded of Kissinger, according to Nakasone associates. "Unity with us," was Kissinger's reply.

Kissinger and the Draper Fund retaliate

Kissinger's revenge came a few months later. The Japanese magazine *Bungei Shunju*, charged Tanaka with corrupt funding of his construction firm and his LDP faction. Nothing much came of this story until Tanaka appeared before the Foreign Press Club. There, reporters from the *New York Times* and the *Washington Post*—the same papers that "Watergated" Nixon—created a furor over the issue and chastised the Japanese reporters for not going after Tanaka. After that, the scandal grew inside Japan; by November 1974, Tanaka was forced to resign.

What was the source of *Bungei Shunju*'s information? The original material was not in Japanese, but in English! Indeed, large portions of the piece had appeared months earlier in a Chicago paper called *Rising Tide*, published by the Unification Church of Rev. Sun Myung Moon. The major Japanese backer of Moon's "church" is a very powerful Dope, Inc. gangster and former Class A war criminal named Ry-oichi Sasagawa. Sasagawa is no ordinary mafiosi. Aside from his high-level connections in the LDP, Sasagawa is the honorary chairman and financier of the Washington, D.C. Draper Fund/Population Crisis Council—the main U.S. co-thinker of the Club of Rome. On the Draper Fund board along with Sasagawa sit Robert McNamara, George Ball, Maxwell Taylor, Henry Fowler, C. Douglas Dillon, Holland's Prince Bernhard, and Club of Rome chieftain Aurelio Peccei. Among its supporters was Kissinger National Security Council staffer Robert Hormatz.

In September 1975—four months before Lockheed broke—Sasagawa visited the United States to meet with McNamara, Dillon and officials of Lehman Brothers and Bache & Co. Just as in the Italian case, Kissinger had not hesitated to use gangsters and terrorists for his purposes.

The *Bungei Shunju* scandal removed Tanaka from the prime ministership, but by no means was his power destroyed. No indictment was handed down. Tanaka retained his parliamentary seat and there was wide speculation he would one day return to power.

Then, in January 1976 a Special U.S. Senate Committee heard testimony from two officers of a corporation under virtual receivership to the U.S. government and to the investment banks that had hosted Sasagawa, the Lockheed Corporation. The officials told the Church Committee that their firm had bribed officials in a number of countries, notably Italy and Japan.

From that point on, Tanaka was indicted, and subject to possible imprisonment. Though he could put other men in power, he was blocked from ever returning to the prime ministership himself. An added benefit for Kissinger is that Tanaka's successor, Prime Minister Takeo Miki, who had followed a "Shigenha" policy in his own way, was deposed from office due to the bitter LDP infighting catalyzed by the Lockheed scandal.

In September 1976, Journalist Seichiro Tahara charged in a *Chuo Koron* article, "Kakeui Tanaka, Who Stepped on American Tiger's Tail" that networks run by Kissinger and Kissinger-backed David Rockefeller had engineered the Lockheed scandal in order to end Tanaka and Nakasone's resource diplomacy, particularly in oil and nuclear energy. At the time, "Shigenha" businessmen told *EIR* they agreed with Tahara's article.

This spring, Nakasone is slated to be the next victim of Lockheed, and Tanaka is scheduled to be finally "finished off" by a court conviction—unless they "go Italian" and name Kissinger.