

# Will Bush grasp the opportunity for a new era in U.S.-Japan relations?

by Paul Goldstein

President George Bush is scheduled to meet Japanese Prime Minister Naburo Takeshita on Feb. 2, the first foreign leader to meet President Bush, although this event breaks the precedent of a ritualistic meeting with the British Prime Minister as the first head of a foreign government to meet a new President. Bush is going to face a whole new set of challenges, unprecedented in U.S.-Japan relations. The President will no longer meet a docile, complying partner. Rather, he will meet a Japan which is now in a position to demand more nearly equal partnership.

Foreshadowing the consensus thinking of the Japanese about U.S.-Japan relations, and what the Prime Minister is likely to have to say to Bush, was a statement issued by former Japanese Foreign Minister Saburo Okita. At a press conference in Toyko in mid-January, Okita stated in unequivocal terms that if the United States wants Japan and other allies to "burden share" in military expenditures, then the United States will have to "power-share" with Japan. He added that at this time, he does not think that the "American psychology" will permit itself to see the fundamental need to reshape its thinking about U.S.-Japan relations or about the global financial and economic situation.

Okita's forthrightness comes at a dramatic moment in Japanese history: the death of Emperor Hirohito and the beginning of new era, which the Japanese call *Heisei*.

One must properly situate the remarks of Okita, and look beneath the superficial reports concerning the death of the Emperor, its impact upon the Japanese elite, and its relationship with the new Bush administration. Let us turn to the internal factional situation in Japan and how the world strategic crisis is shaping its development.

## Pro-American vs. anti-American factions

According to a top official within the corporate giant Mitsubishi, Japanese policy is dominated by a pro-American faction centered among the old Meiji combination of banking and trading companies. Led politically by Mitsubishi, along with the Sumitomo bank and the Daichi Kangyo, the world's largest bank, this combination will defend the remains of the U.S. economy over the next 18-24 months.

But Lyndon LaRouche, founding editor of the *Executive Intelligence Review*, has stated that the Japanese cannot bail out the U.S. economy, and whatever actions the Japanese

take can only defend the United States for the next six months, maybe slightly longer (see *Strategic Studies*).

With LaRouche's objections in mind, it can be expected that one of this group's first actions will be to keep Japanese interest rates relatively stable, which in turn may allow the U.S. to maintain interest rates at close to their present level. While defending the dollar, Japan will direct a flow of investment into the United States at a rate of \$5-8 billion on a monthly basis.

Part of this Japanese gameplan will be to increasingly shift their investments away from Treasury notes, government bonds, and real estate into direct investment in U.S. industry. According to a Japanese official at the Ministry of Industry, Trade, and Investment (MITI), the United States cannot improve its trade deficit without improving its productive capacities and productivity. The Japanese will try to convince a reluctant Bush administration to expand U.S. productive investment.

This policy does not affect the overall global debt crisis and the destruction of the Third World. The Japanese are simply attempting to maintain the United States as a military superpower, despite itself.

Japanese sources also point out that the Mitsubishi-Chrysler Corporation cooperation agreements are becoming a model for U.S.-Japan industrial ties, and military cooperation as well. Recently, a MITI delegation visited the United States and proposed sharing Japanese technology on the new Japanese fighter plane, the FSX, which is in some ways an advance over the U.S. F-16. The Japanese have offered the wing design and its ceramic composition, which makes the plane lighter and stronger, to the United States in exchange for more advanced forms of cooperation on the Strategic Defense Initiative (SDI).

These kinds of actions represent the predominant policy track in Japan at this time. However, there is a strong opposition to this policy view, which has been growing in recent years, and is centered on the Mitsui complex, which is aligned with the European oligarchy. Aligned with Mitsui is the Bank of Tokyo, and the organized crime networks of R. Sasagawa. This factional grouping is tied to the "Europe 1992" crowd of European Commission president Jacques Delors, and is extremely close to the British Royal Family.

Working with the London-Zurich banking circles, they

are looking to crush the U.S. economy, and place the United States under International Monetary Fund dictatorship. Part of their operational gameplan is to keep the dollar's value low, while keeping oil prices relatively high.

Mitsui controls, through its trading company affiliates, a significant portion of Japanese oil imports, and is working closely with London in securing a major foothold in Saudi Arabia against U.S. strategic interests in the Middle East.

### **The Anglo-Japanese Treaty**

This latter grouping is attempting to fashion an updated version of the 1902 Anglo-Japanese Treaty, a treaty which broke the emerging alliance of Meiji Japan and the United States. Playing upon Japanese imperial interest in Asia, the British were able to capture the majority of the Japanese elite to a policy standpoint which made Japan an Asian power to contain Imperial Russia and divide China into British and Japanese spheres of influence. So, Japan defeated Russia in the 1904 Russo-Japanese War, and went on to colonize Korea and Taiwan. In this process, the anti-war, ostensibly pro-American faction within the Japanese elite was decimated through assassination and terror by the mid-1930s, leading Japan into the attack on the United States.

During this period, the Showa Emperor Hirohito became a captive of this faction, which essentially dictated most of the policy decisions endorsed by the Emperor.

It is ironic, but nonetheless instructive, that the same factional forces around Mitsui and the British Royal Household are now trying to capture the new Emperor Akihito. Despite much internal wrangling within the British establishment, a decision was reached to send both Prince Philip and Foreign Secretary Sir Geoffrey Howe to Emperor Hirohito's funeral, scheduled for Feb. 24. The British want to maneuver Prince Philip into becoming the Emperor's foreign confidant, a position Philip is well-situated to assume, since Akihito spent a great deal of time in Great Britain during his university days.

Part of the British intelligence design to psychologically soften up the new Emperor is the campaign against his father launched by a British Broadcasting Corporation documentary, which called Hirohito a "war criminal." Utilizing British and American sources, the BBC production portrays Hirohito as integral to Japan's war effort and the surprise attack on Pearl Harbor.

For the British to succeed in their efforts to secure Akihito's trust and shift the present internal situation in Japan, Bush and the "secret team" running U.S. policy must completely misread Japanese intentions and the meaning of the *Heisei* period of Emperor Akihito.

### **'Peace with Honor'**

The proper meaning of *Heisei* is not the popular translation, "Achieving Peace or Consolidating Peace." Its actual meaning, according to a Japanese scholar, is "Peace with

Honor." What this *Heisei* period actually represents in the mind of the Japanese elite, is that World War II and U.S. domination are at an end. The United States can no longer dictate to the Japanese terms by which the Japanese simply fill in the gaps caused by U.S. policy failures, including financial and economic policies.

If Bush fails to understand the lessons of Gen. Douglas MacArthur's dealing with the Japanese in terms of his recognition of the importance of the Emperor in shaping the cultural tone and direction of the country, then a surprise attack worse than Pearl Harbor will occur. Japan will make its own deals with the Russians, the Chinese, and the rest of Asia.

Japan's pro-American policy, even under the present "Peace with Honor" orientation centered upon the Mitsubishi combination, is limited. The Japanese cannot fulfill a historic shift in global economic relations without supplanting the International Monetary Fund and its allies in the insurance and banking cartels. So as long as Japanese policy is keyed off U.S. policy concerning the IMF, Japan's room for initiative and action is limited. But so far, Japan has done nothing to challenge IMF policies, except to bypass the IMF in certain areas of Asia based upon bilateral relations.

### **The Bear, the Dragon, and the Emperor**

As for Russian initiatives in the area, mainly reflected in President Mikhail Gorbachov's Vladivostok speech and his United Nations statement, the Japanese see no fundamental change in historic Russian imperial interests in Asia. Specifically, the Kurile Islands dispute assures the Japanese that the Russians have not and will not change. The occupation of the Kuriles by the Russians represents a direct military threat to Japan through the "Northern Route."

Russian dealings with the mainland Chinese in this regard are viewed by the Japanese in the context of Manchurian, Outer Mongolian, and Korean development. The Japanese want to contain Chinese influence in the region, while at the same time providing some means to aid in China's economic development—however, with great caution. There remains a tremendous potential for industrial development in this region, with the Japanese taking a leading role. But given the policy failures in Washington, which has no view to the economic development of Asia, the Japanese foresee the Russians filling the vacuum. Eventually, given this framework, the Japanese would have to cut a deal with the Russians.

Unless President Bush goes beyond the old arrangements with the Japanese, seeks to forge an alliance for the development of the Third World and break the cycle of "Jap-bashing," and signals the Japanese that the United States will not abandon its peace-keeping role in Asia, then the pro-American forces in Japan will lose face. The British-Mitsui alliance will again come to the fore, portending a greater calamity than Pearl Harbor.