

Is Fukuda Next?

Dec. 17 (NSIPS) — Japanese Prime Minister Takeo Miki submitted his resignation today to the Liberal Democratic Party's (LDP) executive council amid growing rumors in Tokyo that Japan's next premier will be former Deputy Prime Minister Takeo Fukuda — Miki's arch-rival inside the party and an associate of the Rockefeller family. Miki will remain as a caretaker president until a meeting of LDP parliamentarians elect a new premier and party president Dec. 23. Miki also denounced the "money and faction politics" inside the party as being responsible for the party's sharp decline in Japan's recent parliamentary lower house elections.

Miki's formal resignation has freed the premier to now maneuver more openly for a "dark horse" candidate to unite the party's large but disparate elements into an anti-Fukuda bloc. In his letter of resignation to LDP secretary general Uchida, Miki stressed that the LDP's upcoming convention must be "open" to other nominees and not just a "rubber stamp" for Fukuda. Miki's campaign is being supported by a significant number of younger members from a variety of the party's factions. A group of such Dietmen, led by Takao Fujinami, of the Nakasone faction, Bunsei Sato, of the Mizuta faction and Kazuo Shioya of the Miki faction have organized a petition against Fukuda which they expect at least 100 Dietmen to sign. Their efforts have won strong support from many of the LDP's grass roots organizations, such as the Hokkaido chapter (Hokkaido is one of Japan's major islands) which recently notified Tokyo that "somebody other than Fukuda or (Fukuda-ally) Finance Minister Ohira must be elected the party chief to succeed Miki."

The Tanaka Question

Fukuda's premiership depends on whether the powerful factions associated with former Prime Minister Kakuei Tanaka and former party secretary-general Yasuhiro Nakasone decide to actively join the anti-Fukuda movement. If both men make such a decision there is no way that Fukuda can come to power and a "dark horse" nominee would be almost a certainty. In the past the Tanaka faction, bitter over Premier Miki's failures to prevent Tanaka's jailing on "Lockheed Scandal" charges has come out publicly supporting their rival Fukuda for the premiership, against Miki. With Miki now officially out of power the Tanaka-Fukuda "alliance of convenience" may fall apart. If either Tanaka or Nakasone personally were to give serious support to Miki and the young "dissidents" and their "dark horse" (believed to be Foreign Minister Zentaro Kosaka, a long-time party elder) Fukuda's dreams of power could vanish. Whether Tanaka and Nakasone will decide to block Fukuda also depends on the pressures being mounted on them from outside the party, in particular from business circles and Japan's powerful press.

Another danger Tanaka, Nakasone and other crucial leaders inside the party have to face is the real danger that certain elements of the Miki faction, including possibly even Miki himself, would leave the party should Fukuda be put in power. Many younger members of the

faction have openly announced that they would walk out if Fukuda is chosen.

The New Liberal Club

The party's woes have been heightened by the announcement from the New Liberal Club (NLC) — a newly emerged party of young ex-LDP dissidents which did well at the polls — that although Miki must bear responsibility for the problems of the LDP "the government would become far worse under Fukuda." According to the NLC's secretary general a Fukuda government would force the NLC "to deal more severely with the LDP." If Miki decides to quit the LDP he would undoubtedly join ranks with the NLC. Such a defection would destroy the LDP's now razor-thin majority in Japan's crucial lower house of parliament. Both Miki and the NLC's strength politically stems from the increasing popular support both have from Japan's voters — a large portion of whom are fed up with the LDP's political maneuvering and corrupt "money politics." Much voter dismay stemmed from the widely held belief that an LDP vote for Miki in the recent elections would be "wasted" since no matter how many seats the party won the prime minister would be unable to withstand Fukuda's insurrectionary attack. Voter fears were confirmed by Fukuda's arrogant pre-election campaign when he spent as much time denouncing Miki as he did in attacking Japan's "opposition" parties. Many of the LDP's younger Dietmen, under pressure from their constituencies, have had to ally themselves to some degree with the popular premier and his "reform" campaign. Now it depends on the "elders" of the various party factions to unite openly behind an anti-Fukuda choice.

Such a move could only occur with the strong backing of key leaders of Japan's business community. Many businessmen deeply fear that Fukuda, an open zero-growth advocate, would mean disaster for Japan's high growth, export-based economy. Fukuda's commitment to "austerity politics" was made clear at a Dec. 11 rally of the LDP when he boasted: "We are entering a period of limited resources and it will become very difficult (for politicians) to steer Japan's course. I, Takeo Fukuda, will assume responsibility for steering the course."

Reflecting the real sentiment of business this week the Miki government informed the Soviet Union that Soviet Trade Minister Nikolai Patolichev would be welcome to visit Japan either late this month or early next year. Patolichev will offer Japan new development deals in Siberia based on the use of the transferable ruble to fund the projects. The Patolichev visit will follow the recent visit of German Democratic Republic Trade Minister Gerhard Beil to Tokyo.

This week the Miki government also granted Indonesia an 18-month moratorium on \$80 million debt due at year's end. In return for deferral of the loan, which was part of a \$400 million oil for development deal between Japan and Indonesia in 1973-74, the Indonesians have agreed to supply Japan with crude oil "over a long period", according to reports in the Yomiuri newspaper. The "oil

for debt moratorium" deal both safeguards Japanese oil supplies against the U.S. cartels' manipulation and represents a continuation of Japan's efforts to steadily improve relations with OPEC, of which Indonesia is a member.

The government has also come out recently in support

of the Soviet efforts to ban the first-strike use of nuclear weapons, a proposal NATO officially denounced. The government announced on Dec. 10 that Takuya Kubo, a major opponent of the pro-Schlesinger head of the nation's Defense Agency, would be appointed the director of the Cabinets National Defense Council, Japan's supreme policymaking body for defense affairs.

Confounded, Western "China Watchers" Become Blind, Deaf, Dumb

Dec. 15 — A series of NSIPS interviews has confirmed the impression given by the commentaries and analytical articles printed since the anti-Maoist purge began on Oct. 7 of this year — events are changing much faster in China than the minds of China watchers can keep up with.

Very few analysts have discerned the unmistakable evidence of a raging faction fight at the central level in Peking, or the clear emergence of a new ruling group from the Army largely based on long-time personal ties going back to the 1920s and 30s. In fact, this Army-centered grouping, with support from most of the Party, and grouped around remaining old marshals, Long March generals, and their immediate subordinates, is the driving force behind the purge of the Maoists, and is currently extending the purge to chastise, remove, and punish thousands of lower-level Maoist followers throughout the country. This purge is designed to undercut any possible base for the remaining former Maoists still in the leadership, in preparation for completing the top-level purge only begun by the arrest of Mao's widow and her three closest collaborators.

Meanwhile, a "Great Debate" is raging among China watchers over Sino-Soviet "remarriage" prospects. The debate runs the gamut from A to B: will the divorcées remarry, merely resume speaking terms, or heighten their mutual hostility, and where does the silent member of the "triangle," the United States, fit in? No one has yet guessed that there is almost certainly a faction fight over this issue, with the hegemonic army grouping having no more use for Mao's foreign than for his domestic policies. It has not occurred to any member of the China club that developments in the Third World, Japan, and Europe, for example, might totally alter the terms of discussion on the Sino-Soviet question and extend the options beyond simple "rapprochement" or the status quo.

A new right-wing "China lobby" has emerged in defense of Taiwan and opposed to U.S. diplomatic ties with Peking that require breaking with Taiwan. C. Martin Wilbur, a retired Columbia professor of Chinese studies, avoided altogether the touchy issue of whether American stonewalling on dumping Taiwan in order to normalize relations with Peking might not impel China more strongly toward the Soviet Union, and pushed for a

"two Germanys"-type formula *even if* Peking totally opposes it. John Husband, Washington-based coordinator of the large pro-Taiwan conference at the Mayflower Hotel, Washington, D.C. on Dec. 1, gave a more sophisticated "analysis." He told NSIPS that "there are some very good reasons why Peking needs the U.S." He cited Chinese "fear of the Soviets, especially after Czechoslovakia," "a desire (by China) to break out of isolation," and their need for trade and technology. So, he concluded, there is no danger of encouraging a rapprochement with Moscow by refusing to dump Taiwan. A minority position among those attending the Mayflower Conference was expressed by Franz Michael, who reiterated to NSIPS his long-held view that, in essence, "a communist is a communist" and that without Mao, China will soon reestablish close relations with the Soviet Union. He said the border issue is a trivial one to solve and he expects it to be solved very shortly. Therefore, he believes, there is nothing to gain by dumping Taiwan to recognize Peking.

An obsolete profiling of the Soviet Union by former Rand analyst Donald Zagoria yielded the novel interpretation that the *Soviets* are the main roadblock to improved relations: "I don't think the Russians are prepared to pull troops back from the border...they are not really capable of making the concessions necessary. They muffed it with China, they muffed it with Japan. They've got a fixation on the territorial status quo. They are the last remaining empire...The Russians see the Chinese as a long-range threat...The China threat is useful for all sorts of people in Moscow; to the military types to jack up the defense budget; to the conservatives in the apparat who want to prevent any real reforms and need to have enemies on both fronts; and the liberals and intellectuals want to go toward the West." Zagoria foresaw the likelihood of eventual war between the two countries and said the Soviet Union sees China, not the United States, as the greater ultimate enemy.

Another very well-known analyst who asked not to be identified agreed that the Chinese military, especially the Army, was the most anti-Soviet: "If anything, the Army is more pro-American; the Navy is more anti-American." Chen Hsi-lien, the former commander of Manchuria, which borders on the Soviet Union, "has not