

a couple of facts. Number one, we may have a large trade deficit with Japan, but we export more to Japan than any other country in the world, on the order of \$20 billion worth a year, and that's a lot of American jobs and benefit to Americans. Moreover, these imports, although we might like to see the balance a little different, those imports, of course, are purchased by very willing and very pleased American consumers. And in the end, if we were to succeed in removing all the structural barriers and have completely free trade both ways, there would still be a very large trade deficit. That's because Japan has to import virtually all of its raw materials. It, therefore, has to—it will always show a large deficit in its account on those terms."

"The peoples of the Pacific understand hard work. . . . They are not afraid of technology and innovation. They have the Yankee spirit we once called our own. We are in the midst of recapturing that spirit," Reagan had said in a stopover in Alaska on his way to Japan and South Korea. Speaking from the White House right before he left, Reagan declared that "Japan, Korea, and America are nations of the future; we are

builders of tomorrow."

What could well emerge from the Reagan visit is a new potential for a Pacific Rim development plan. On Nov. 9 it was announced that a Japan-Panama Association, headed by Shigeo Nagano of the Japan Chamber of Commerce and Industry, has been created, timed with a joint Japan, Panama, and U.S. feasibility study for the construction of a second Panama Canal.

### Japanese moves against North Korea

In parting statements as he left for his Asia trip on Nov. 8, President Reagan noted, "Nancy and I know that your prayers are with us"—a not-so-veiled reference to the immense security threat facing the President personally on his trip.

The intense security atmosphere has already swept Tokyo. The Tokyo police started a massive mobilization of some 90,000 policemen on Nov. 7 to patrol Tokyo during Reagan's stay. Already on Nov. 4, Kyodo police uncovered a plot by a radical "leftist" group to stage guerrilla attacks on

## Defense issue, Tanaka affair help Nakasone

Prime Minister Nakasone's political fortunes may well be helped not only by the intense U.S.-Japan deliberation on security concerns but by the Oct. 12 ruling against former Prime Minister Kakuei Tanaka, a principal factional supporter of Nakasone, for accepting \$2.2 million in bribes from Lockheed Aircraft in 1974.

In Japan, a close identification with defense issues is normally considered bad politics; add to this the ruling against Tanaka, and Nakasone's political career would seem to be coming to an end. But in the current strategic situation, that is not the case.

Tanaka is now nominally an independent Dietman no longer holding his seat as a member of the dominant Liberal Democratic Party (LDP) although still controlling by far the largest number (estimated at 115) of Lower House members. Shortly after he was judged guilty, Tanaka defied the opposition parties and most of the LDP by refusing to yield his Lower House seat; at that point all opposition parties called for his ouster, and LDP factions associated with former Prime Minister Takeo Miki and Takeo Fukuda joined the noise. Following the surfacing of the Lockheed scandal and the eventual fall of Tanaka from power in 1975, Miki became the compromise prime minister because of his perceived "clean image."

The opposition parties threatened to introduce a bill into the Lower House requiring Tanaka's resignation. Normally, a clear LDP majority would have voted it down,

but the Miki, Fukuda, and Komoto factions threatened absence when the vote came up. Komoto, former director of MITI, the Ministry of International Trade and Industry, controls approximately 39 LDP votes; Fukuda controls 70.

Japanese sources in Tokyo report that both the Fukuda and Komoto factions decided to back down because Tanaka was considered still "too strong."

Fukuda, former prime minister following Miki, was forced from his position in 1978 when the combined forces of Tanaka, Nakasone, and the late former prime minister Mayoshi Ohira conspired to topple him. The Tanaka-Fukuda feud, however, goes back to 1972, when the then-dominant Fukuda faction was thwarted from seizing the prime ministership by the combined forces of Ohira and Tanaka with Tanaka becoming prime minister. Ironically, Fukuda's political profile is somewhat like that of Nakasone. Fukuda's conservative image finds him with extremely close ties to South Korea, Taiwan, and several key ASEAN countries, and, in the early 1960s, with initial backing from the staunchly nationalist Kiichi faction.

Fukuda, Komoto, and others believe the high-risk effort to undo Tanaka, whose faction controls six cabinet positions in the present government and therefore Nakasone, may hurt their chances to topple Nakasone in the 1984 LDP party primary. Fukuda factioneer Foreign Minister Shintaro Abe is believed by Tokyo sources to be the strongest candidate. Other contenders include Kiichi Miyazawa, a former foreign minister and member of the Suzuki (Ohira) faction. A close associate of Henry Kissinger, Miyazawa nonetheless has limited chances, due to

the U.S. embassy and a U.S. naval base at Yokosuka. The police claimed they had seized 450 documents with attack plans and survey maps. Even before the Kyodo raid, police in Chiba, east of Tokyo, seized another 450 documents during an Oct. 21 raid at the hideout of a "leftist" group identified as the "Middle Core Faction." Police refused to reveal their contents.

Since the Oct. 9 terror bombing in Rangoon, Burma, launched by Kim Il Sung with Soviet backing, an outraged South Korea had urged Japan to crack down on elements of the Korean community in Japan suspected of being linked to Kim. On Nov. 7, two days before President Reagan's arrival in Tokyo, Japan's chief cabinet secretary, Masaharu Gotoda, taking aim at North Korea, announced the imposition of restrictions which forbid Japanese government officials from visiting North Korea and North Korean officials from coming to Japan. Contacts between North Korean and Japanese officials in third countries will be curtailed, no aircraft will be allowed to fly between the two countries, and controls will be tightened on the entry of other North Koreans into Japan.

Tanaka's intense opposition to him.

Following his LDP opponents' decision to pull back, Nakasone moved to outflank them, leaking on Nov. 2 that he is prepared to hold early Lower House elections, perhaps by December. Nakasone's backers believe the visits of Reagan, Kohl, and Hu will boost his popularity. They also think that financially powerful Tanaka faction forces will throw everything they have into the campaign since Tanaka has no alternative. Finally, if the LDP is able to limit its losses to 15 seats in the Lower House, the results will be considered a personal victory for Nakasone. With this victory and the backing of the Tanaka faction, Nakasone will hold strong cards going into the 1984 party primary.

Even before Nakasone's election ploy, it was obvious to Reagan administration experts that the Tanaka ruling could mean instability for the LDP. Both Pentagon and National Security Council (NSC) officials had made clear to the President that any visible pressure behind the U.S. effort to break open the Japanese domestic market on beef and citrus produce could be disastrous. The most powerful segments of the LDP are located in agricultural districts, and American pressure could reduce LDP vote totals in those areas.

Now, with the likelihood of early Lower House elections, the pressure on the White House to soften protectionist issues has intensified. White House sources say the "Tanaka affair" will force the U.S. entourage to "walk on eggshells" while in Japan. If these issues of subsidence in significance during Reagan's visit, Nakasone will be strengthened domestically.

## Italy's Craxi and the Third Rome 'Concordat'

by Umberto Pascali

Italians have been bombarded in recent days by photos and newsreel clips of U.S. President Ronald Reagan smiling and talking with Bettino Craxi, while in the background they glimpse the ambiguous, satisfied smile of Foreign Minister Giulio Andreotti. Then came the announcement that Craxi will go to Hungary to mediate between East and West with the approval of Washington and, as anyone who knows how to read between the lines can conclude, with the benediction of powerful forces in the leadership of the Vatican.

At the same time, the "peace movement" is invading Rome from all over the world and, in an unprecedented development, has received the total and unconditional support of almost all the mass Catholic organizations, unceremoniously pushing aside the Christian Democratic Party, the mass-based party which has until now nominally been the Catholic political arm in Italy. An attentive observer immediately grasps that the repeated declarations of Craxi in favor of the installation of the Euromissiles and his sly polemics against the "pacifists" do not touch the substance of things as far as U.S.-U.S.S.R. relations go. The level at which Craxi and Andreotti are moving is much more complex: It corresponds to Henry Kissinger's plan of abandoning Western Europe to Moscow's expansionist aims.

To understand this situation, it is necessary to concentrate attention on certain factors of fundamental importance beyond the banality and superficiality of the mass media and the various propaganda fanfares. Above all it is clear that the formation of the Craxi-Andreotti government responds to diplomatic and strategic needs of the group inside the Vatican headed by Secretary of State Cardinal Agostino Casaroli, architect of the Vatican's *Ostpolitik*, or "opening to the East." Very probably this is what is making a government indestructible which, in "normal" conditions, would be weak and