

Chronology

Britain's six-year targeting of Japan

by Kathy Wolfe

The following chronology demonstrates that for the past six years, British intelligence and allied friends of George Bush have carried out a campaign to destroy Japan as a sovereign nation. The weapon has been a ridiculous number of petty financial scandals, which have brought down six Japanese elected governments in rapid succession.

These have been coupled with repeated calls from London and New York for wholesale financial and industrial deregulation of Japan's economy, while demanding that Tokyo's foreign policy confront North Korea, China, and Iraq.

This is not an American policy, but a British policy, as President Clinton's attempts to reverse it show. It was first announced by Bush administration Director of Central Intelligence William Webster on Sept. 20, 1989. The "end of the Cold War" he said, means that Japan and Germany, not Russia, are the threat; "the national security implications of a competitor's ability to create or control markets are very significant."

While much of Japan's strength is behind the curtain in its powerful unelected ministries, the chaos in the Diet (parliament) has been enough to cripple opposition to bank deregulation. It has also paralyzed Japan's development diplomacy. Japan's banking system is now bankrupt, its industries illiquid, and it has not created major export development projects in the "Third World." Japan thus remains hopelessly dependent on exports to crumbling America and Britain.

Today's financial crisis in Tokyo dates from the Hongkong and Shanghai Bank-sponsored "Nomura scandal," which destroyed Finance Minister Ryutaro Hashimoto. Hashimoto represented the ministry factions most opposed to Wall Street's "financial AIDS," as he dubbed it.

After the 1991 Nomura scandal, however, the Finance Ministry in June 1991 was forced into broad deregulation.

Most damaging was abolition of the Bank of Japan's "window guidance," under which Japan since the 1870s followed U.S. Treasury Secretary Alexander Hamilton's policy of issuing directed credit by government *lending*. Tokyo's shift to Federal Reserve-style "open market" issuance of money via government *borrowing* has bankrupted Japan.

Japan, however, as of 1995, has not been broken, but is working to form a new alliance with U.S. President Bill Clinton, focused on cooperation to rebuild North Korea's economy based on nuclear electricity. Japanese leaders trav-

eled to Pyongyang in March to aid Clinton talks, and Prime Minister Murayama goes to China on May 2 to ask Beijing to join the U.S. Korea Energy Development Corp. (KEDO).

Clinton is also committed to a policy of economic growth for China and other Asian nations.

The British could never tolerate either the United States or Japan having such a policy; they will stop at nothing to destroy any alliance of the United States and Japan to do this.

1988, Recruit scandal

June 1988: Recruit scandal against Prime Minister Noboru Takeshita. *New York Times* and Japan's liberal *Asahi News* reveal that shares of Recruit Cosmos Co. were sold to leading Japanese at bargain prices prior to being listed.

July 1988: Recruit Chairman Hiromasa Ezo and Nikkei (*Japan Economic Journal*) President Ko Morita resign.

November 1988: President Ronald Reagan and former Japanese Prime Minister Yasuhiro Nakasone agree to have Mitsubishi and General Dynamics develop new FSX fighter jet.

December 1988: Finance Minister Kiichi Miyazawa and Ambassador Plenipotentiary Yasuhiro Nakasone are forced to resign.

Dec. 14, 1988: NTT Co. chairman Hisashi Shinto resigns; Japan's telecommunications giant NTT's market is targeted by deregulators in Washington and London.

1989, Recruit scandal

March 28, 1989: Thirteen are arrested, including the vice ministers of labor and of education.

April 1, 1989: Prime Minister Takeshita confirms that Recruit donated \$150,000 to his 1987 campaign.

April 4, 1989: U.S. Bush administration Commerce Secretary Mosbacher declares that Bush will dump FSX deal.

April 12, 1989: *Bungei Shinju* magazine writes that Ronald Reagan and Nakasone got kickbacks after sale of a U.S. Cray computer to NTT, which Recruit used.

April 18, 1989: *New York Times* reports that NTT is major target, calls for it to be broken up. Bush and Henry Kissinger's friend Ichiro Ozawa, an LDP trade negotiator, are trying to bring Motorola into Japan to take NTT business.

April 23, 1989: Takeshita resigns as prime minister.

May 1989: Finance Ministry and Bank of Japan begin to deregulate interest rates, double the discount rate.

May 30, 1989: Nakasone resigns from LDP.

June 2, 1989: Sosuke Uno, Nakasone ally, is elected prime minister; is immediately accused in a geisha scandal.

June 28, 1989: Bush forces Japan to allow Motorola a major Japanese market share, to avoid U.S. punitive tariffs.

July 24, 1989: Uno resigns on escalating geisha-gate.

Aug. 9, 1989: Toshiki Kaifu becomes prime minister.

Sept. 20, 1989: CIA Director William Webster says "end of Cold War" makes Japan and Germany the main threat to the U.S., not Russia. He creates new CIA "fifth" directorate to coordinate actions against Japan.

1990, the Webster doctrine

Feb. 18, 1990: LDP wins Lower House election, Anglo-American media shocked. Kaifu is reelected to a second term.

April 30, 1990: Kaifu tours India, Pakistan, Bangladesh, and Sri Lanka to promote his "Asia doctrine," says Japan will speak for the development of the less-developed countries.

June 18, 1990: U. S. Attorney in Los Angeles charges Japanese firms with stealing U. S. Strategic Defense Initiative secrets.

July 5, 1990: MITI report proposes that Japan take independent place in the world and promote global development, using "new funding schemes of public-private cooperation which emulate the role the U. S. played after World War II."

Aug. 2, 1990: Iraq invades Kuwait.

Aug. 29, 1990: U.S. Ambassador to Tokyo Michael Armocost demands that Japan give U.N. troops and money; Japan gives \$1 billion.

Sept. 5, 1990: Kissinger in Tokyo attacks Japan for refusing to send troops; Japan gives \$13 billion after Kissinger's friend Ichiro Ozawa uses "tremendous muscle."

Sept. 10, 1990: MITI sends planning team to Moscow to aid in rebuilding Russian economy, attacks IMF shock therapy.

Sept. 25, 1990: Finance Minister Ryutaro Hashimoto calls for overhaul of world monetary system at Bangkok IMF meeting.

Sept. 26, 1990: Shin Kanemaru, Takeshita's lieutenant, heads Japanese delegation to North Korea. Kanemaru meets Kim Il-sung three times; air and satellite communications are set up from Pyongyang to Tokyo.

1991, Nomura scandal

April 1991: Finance Minister Ryutaro Hashimoto is front-runner for prime minister in fall election.

May 20, 1991: U. S. Treasury Secretary Nicholas Brady and Bank of England demand that Japan adopt "Hongkong-style" financial deregulation, opening Japan to London and N. Y. banks.

May 28, 1991: Council on Foreign Relations head Peter Peterson charges that Japan will soon treat U. S. as Eisenhower did Britain at Suez, when U.S. threatened to crash the pound sterling.

June 7, 1991: Nomura Scandal breaks. On tip from Hongkong and Shanghai Bank agent Robert Zielinski, Tokyo economist of Jardine Matheson, Kyodo News charges Nomura and Nikko Securities companies with creating false profits for gangster Susumu Ishii. Ishii is a business partner of George Bush's brother Prescott Bush, Jr.

June 15, 1991: London *Economist* denounces Finance Minister Hashimoto for collusion with Nomura, demands financial deregulation, advises dumping of Japanese bank stocks.

June 21, 1991: Nomura, Daiwa, and Yamaichi Securities confess at Tokyo press conference. Stock market crashes.

June 27, 1991: Japan's Finance Ministry is forced to announce drastic financial deregulation, including decontrols

on interest rates, bank lending, foreign exchange, restrictions separating banks and brokerages, and abolition of Bank of Japan "window guidance."

July 9, 1991: Finance Minister Hashimoto apologizes.

July 22, 1991: Bush administration official complains to *Business Week* that Hashimoto is "pushing Japan's interests more forcefully than his predecessors. . . . Hashimoto has seen the strong rebirth of Japan, while older leaders knew Japan's dependence on the U.S. . . . For American bankers, the crackdown in Japan is welcome."

July 27, 1991: Hashimoto confirms that former aide was involved with questionable loans at Fuji Bank. There are now four such "totally unrelated" scandals implicating heads of all major Japanese banks and a dozen industrial giants.

Oct. 18, 1991: Hashimoto resigns as finance minister.

Oct. 27, 1991: Kiichi Miyazawa is elected prime minister, brings Nakasone and Takeshita back as advisers, to British howls.

Nov. 2, 1991: Petroleum bomb attack on house of Shin Kanemaru by rightists.

Nov. 11, 1991: U. S. Secretary of State James Baker in Tokyo denounces Japan for "checkbook diplomacy," demands that Japan join U.S. actions against North Korea, commit troops to U.N. policing operations, and deregulate its rice market.

Nov. 12, 1991: President Bush makes same demands.

1992, Sagawa Kyubin scandal

Jan. 2, 1992: Bush vomits on Miyazawa in Tokyo.

Feb. 3, 1992: Miyazawa criticizes Wall Street bankers; British media lie that he attacked U.S. workers.

March 1992: Shin Kanemaru is shot at by rightist gunman calling him a "traitor" for his North Korean diplomacy.

March 23, 1992: A Salomon Brothers undocumented report, charging that Japanese banks have world's weakest capital, collapses Tokyo stock market by 17% from March 23 to April 9.

April 5, 1992: Knife-wielding man threatens Miyazawa.

April 23, 1992: Shin Kanemaru receives five bullets in the mail with death threat letter from rightists.

May 18-19, 1992: London Royal Institute of International Affairs conference, "Financial Reform and Global Market Integration," demands that Japan deregulate.

July 3, 1992: Miyazawa demands that U. S. and Europe turn attention to economic development of Asia.

July 26, 1992: Miyazawa and LDP win election; Takeshita faction, now led by Shin Kanemaru, makes large gains.

July 28, 1992: Sagawa scandal breaks out. Head of Sagawa Kyubin trucking firm charges that Shin Kanemaru paid off Susumu Ishii, Prescott Bush's partner.

Sept. 9, 1992: Entire Miyazawa cabinet accused of graft.

Sept. 25, 1992: Shin Kanemaru admits taking \$4.2 million from Inagawa mob. Former Prime Minister Takeshita is also charged.

Oct. 14, 1992: Shin Kanemaru resigns from Diet.

Oct. 23, 1992: LDP Secretary General Ozawa, Kissinger's ally, starts brawl over his demand to head Kanemaru faction; Miyazawa government paralyzed. Keizo Obuchi, ally of Hashimoto, close to imperial family, is named instead. Ozawa threatens to break up LDP.

Oct. 26, 1992: "Japan is not a democracy," charges Chalmers Johnson, dean of Japan-bashers; the LDP must be destroyed for making Japan an "autocratic corporatist state run by gangsters." He praises Ozawa's plan to break up not only the LDP, but the powerful ministries, too.

Nov. 23, 1992: Ozawa masterminded breakup of LDP by knifing his mentor and in-law Shin Kanemaru in the back, Tokyo sources say. Ozawa conned the elderly Kanemaru into a public confession, then moved to take over himself.

Dec. 10, 1992: Kissinger visits Tokyo, meets Ozawa.

Dec. 18, 1992: Ozawa and Finance Minister Tsutomu Hata resign from LDP's Takeshita faction, splitting it.

Dec. 29, 1992: "Ozawa and Hata are very close to the American establishment," Tokyo source says. "They are trying to reform the Japanese political system to make their friends in Washington such as Kissinger happy. Ozawa wants to break up the LDP. Like Watergate, this is a way for the Anglo-American establishment to force their ideas on Japan. You should remember the Tanaka case [Lockheed scandal]; the Takeshita case [Recruit scandal] is the same. Now the Sagawa scandal is like Watergate."

1993, fall of the LDP

March 6, 1993: Shin Kanemaru is arrested and indicted.

March 10, 1993: U.S.-South Korean war games provoke North Korea to announce intent to withdraw from Nuclear Non-Proliferation Treaty (NPT).

March 30, 1993: Twenty Japanese construction firms have been raided on charges that they bribed Kanemaru. U.S. Special Trade Rep. Mickey Kantor demands that Japan's \$100 billion annual construction bids be opened up to foreign companies.

May 12, 1993: U.N. passes resolution against North Korea.

June 4, 1993: Ozawa quits LDP, forms Japan Renewal Party, with Finance Minister Tsutomu Hata. "I am the actor and Ozawa is the scriptwriter," Hata says.

June 15, 1993: President Clinton calms Korean crisis by agreeing to negotiate North Korea's proposal for reconstruction of Pyongyang's nuclear industry.

June 18, 1993: Ozawa wins no-confidence vote against Miyazawa government; general elections are called.

July 9, 1993: U.S. Treasury Secretary Lloyd Bentsen in Tokyo demands that Japan open more to foreign derivatives, charging Tokyo is "trying to exclude foreign firms."

July 18, 1993: General election. Prime Minister Miyazawa and LDP lose majority for first time in 38 years. Only 4 seats are lost by LDP in election; the other 47 seats are lost by Ozawa, who induces 47 other MPs to quit the LDP.

July 30, 1993: Morihiro Hosokawa named prime minis-

ter as puppet of Ozawa's anti-LDP coalition of new mini-parties and Socialists. LDP out of power for first time.

Nov. 16, 1993: MITI "Agenda 21" report to U.N. calls for saving environment by export of nuclear power plants to LDCs and development of nuclear fusion power.

1994, Korea crisis

Jan. 30, 1994: "Japan to Go Nuclear in Asian Arms Race," says London *Sunday Times*, leaking secret British Defense Ministry report charging that Japan is building the bomb.

March 21, 1994: British Defense Ministry adviser Paul Beaver says Korean crisis needed to make Japan and China "stay in the box" of the U.N.-IMF system.

March 22, 1994: Japan tells Asian finance ministers that Asia must resist U.S. calls for financial deregulation, so as not to "disrupt economic growth."

April 8, 1994: Prime Minister Morihiro Hosokawa is forced out, after revelation that he received loans from Sagawa Kyubin.

April 21, 1994: Ozawa puppet Tsutomu Hata is named prime minister, will support sanctions against North Korea.

April 24, 1994: *New York Times* reports Ozawa in campaign to change Japan's constitution to join offensive U.S. naval blockade against North Korea.

May 23, 1994: LDP former Defense Minister Taku Yamasaki attacks unlimited extension of NPT.

June 17, 1994: Jimmy Carter in Pyongyang.

June 25, 1994: Prime Minister Tsutomu Hata is forced out as Socialists refuse to back Ozawa attack on North Korea.

June 30, 1994: Socialist Party Chairman Tomiichi Murayama is elected prime minister in coalition with LDP. LDP Secretary General Yohei Kono is foreign minister, Hashimoto is MITI minister. British bankers complain about ditching of Ozawa's bank regulation plans.

July 6, 1994: The Socialist-LDP government is "a sea change," a Tokyo source says. "President Clinton will find Murayama very useful in dealing with North Korea."

1995, terror explodes

March 20, 1995: Sarin nerve gas released on Tokyo subways targets headquarters of major ministries.

March 21, 1995: Kissinger in a Bombay speech says that India, China, and Japan must fight each other, "similar to the competing nations of Europe in the last century."

March 27, 1995: Prime Minister Murayama announces trip to China to urge Beijing to join Clinton's Korea nuclear pact.

March 28, 1995: Michio Watanabe of LDP's Nakasone wing leads delegation to Pyongyang to normalize relations.

March 30, 1995: Japan Police Director Takaji Kunimatsu is seriously wounded by professional gunman. Death threats to Japan intelligence chief Yoshio Omori.

April 1, 1995: Death threat to Prime Minister Murayama.