

The 'Armacost factor' in U.S.-Japanese ties

by Our Special Correspondent

An uproar is taking place in Japan following the publication of Edward Lincoln's article in the May/June 1998 issue of *Foreign Affairs*, the official journal of the New York Council on Foreign Relations (CFR). In "Japan's Financial Mess," Lincoln calls upon the United States government to break off consultative channels with Japan, because of Japan's evasiveness and indecisiveness over the direction of its economy. In every major Japanese newspaper, Lincoln's inane proposals have been given significant coverage. Why?

Fundamentally, the Japanese institutions believe that when the CFR speaks, the U.S. government simply follows its utterances.

In last week's *EIR*, we reported that the CFR is seeking a rupture in the U.S.-Japanese relationship. Lincoln's article is a signal piece for that policy outlook. Fortunately, the Clinton administration is not following these provocative ideas, because it is not an extension of the traditional Anglo-American establishment.

From the Japanese point of view, the idea that Clinton represents a break with past administrations is difficult to grasp. The Japanese sometimes find themselves riveted on the array of "blame Japan" statements emanating from the United States, which they view as one operation. The Japanese tendency to think in an undifferentiated manner stems, in part, from the legacy of the post-World War II occupation and the development of the "Cold War."

Historically, from the occupation onward, Japanese political and security institutions relied upon the United States for strategic policy guidance in the fight against the Soviet Union and the spread of Asian communism. With the ouster of Gen. Douglas MacArthur as Supreme Commander of Allied forces in Japan, the "imperial" Anglo-American apparatus ensclosed in the Truman and Eisenhower administrations promoted a political-psychological dependency on U.S. Cold War institutions.

This dependency also created a belief within the U.S. policymaking apparatus, that Japan should "simply follow orders." There was little sensitivity to what the Japanese thought, or whether those decisions represented Japanese interests. Lincoln's article is reflective of the "old imperial" ways, and is an intense reaction of this faction's current impotence in controlling Japanese thinking.

To further explain how this dynamic between Japan and the United States functioned, it is necessary to identify the role

of the Bush administration's ambassador to Japan, Michael Armacost. Armacost, a career foreign service officer, according to one high-level Japanese source who knows Armacost personally, is the main figure behind Lincoln's article. According to this source, Lincoln is overrated as a Japanese expert. "He's simply Armacost's mouthpiece," the source said. Moreover, he added, "Lincoln is firmly connected to Rep. Nancy Pelosi [D-Calif.] and U.S. Trade Representative Charlene Barshevsky."

The Bush legacy

During the four years he was posted in Japan (1988-92), Armacost played the role of the imperial faction's pro-counsel, and not only sought to transform Japan into an asset of the Bush administration's "new world order," but also constantly intruded into internal Japanese politics. His impact was significant, because he found an ally in the person of Ichiro Ozawa, the "shadow shogun" of that era.

During the Persian Gulf War, Ozawa brought Japan into the Bush-Thatcher global arrangements. Ozawa rammed a \$9 billion allocation through the Diet (Parliament), to help pay for the war. In exchange, Armacost arranged for Ozawa to become the "change-agent" in Japan, and bring Japan into conformity with the British "liberalization" model.

Most Japanese institutions were opposed to this shift, so Armacost orchestrated a series of political scandals designed to strengthen Ozawa. Ozawa broke with the ruling Liberal Democratic Party (LDP) and formed an opposition party aimed at promoting the liberalization model. Armacost met regularly with Ozawa, providing guidance on a variety of subjects.

Ultimately, Ozawa failed, and his parliamentary opposition party fell apart. The U.S. imperial faction no longer had a horse to ride, and, according to a well-informed U.S. source, "they are now out to topple the Hashimoto government." However, the Clinton administration does not want to engineer Prime Minister Ryutaro Hashimoto's ouster, and would prefer that Hashimoto carry out his fiscal stimulus and tax-cut reform package now. President Clinton plans to confer with Prime Minister Hashimoto at the G-7 meeting in Birmingham, England.

In contrast, Armacost is desperately trying to get his factional allies in Congress, and in the administration, to force a break with Japan. This State Department/CFR/Republican foreign policy establishment is hell-bent on getting its liberalization schemes implemented.

In the meantime, confusion reigns supreme within the LDP leadership. Koichi Kato, LDP secretary general, on his recent trip to the United States, met with former Secretary of State Henry Kissinger. According to one Japanese source, Kato is an old friend of David Rockefeller, and wants to get Kissinger and Rockefeller's support for Hashimoto's policies. Unwittingly, Kato is strengthening the very forces he despises.