

British fan trade war against Japan, Clinton

by Kathy Wolfe

When an agreement was reached in Washington on June 28 to avert trade war between the United States and Japan, it set back a British plot against both nations which is being flaunted in the British media. British spokesmen openly predicted that Japan's financial system faces a 1927-style crash, and that U.S. President Bill Clinton would be destroyed by this. This was all supposed to come as a result of the May 16 threat of \$6 billion in U.S. sanctions against Japanese auto imports into the United States.

The London *Economist* on June 17 in a lead editorial wrote: "The depth of Japan's financial troubles is the worst in the world. . . . The scariest forecasts" are about to "come true. . . . Consider the scale of Japan's financial mess. Even the upwardly mobile official figures which understate the problem look terrifying. Last week, the government put bad debts in the banking system at Y 40 trillion (\$475 billion). That is equivalent to 10% of GDP. . . . The toll of bad debt mounts." The Tokyo stock market will crash and bring down Japan's major banks; "the abyss looms."

Of course, it is London which is the world's worst financial mess, given the public collapse of Barings and the crises in Hambros, Lloyd's insurance, and other pillars of the Empire. Besides, for the "authoritative" *Economist* to "predict" a crash, is wildly irresponsible. The editors know that financial managers globally will sell and dump on their advice.

The *Economist* blamed President Clinton for the entire disaster. "American policy is adding to the risk that [Japan's] economy will crash. . . . Clinton is making things worse," they conclude. "The persistent threat that quarrels over trade will escalate is unsettling markets already nervous. . . . In his economic policy toward Japan, Mr. Clinton is dicing with disaster. And for what?"

Consistent British theme

London, and not Washington, is trying to cause a financial collapse in Tokyo. The London *Times* on June 20, in a biography of the new governor of the Bank of Japan, Yasuo Matsushita, concluded as did the *Economist*: "What Japan needs is a really big bankruptcy and a run on the banks so large and so shocking that it will give the authorities the excuse aggressively to reinflate the economy."

U.S. pressure on the bankrupt Japanese banks could cause a new Great Depression, British reporter Ambrose

Evans-Pritchard wrote in the May 21 London *Sunday Telegraph*. Evans-Pritchard, a British intelligence brat, was the journalist who began the "Whitewater scandal" attacks on President Clinton.

"Trade war could easily blow up" in President Clinton's face, he wrote, by causing a collapse of the U.S. Treasury and currency markets. "The Bank of Japan is helping to prop up the U.S. bond market, soaking up a third of all debt being issued by the U.S. government. If BOJ officials fail to turn up at a Treasury auction one week, there could be panic in the financial markets. . . ."

The "Japanese-American relationship is one of 'Mutual Assured Destruction' (MAD), to borrow an expression from the Cold War," he crowed. "If one side launches a missile, both sides go up in smoke. . . . It is clear that the Clinton White House does not have any natural feel for what is happening in Japan. Christopher Whelan, a former Federal Reserve official who now edits *Washington and Wall Street Review*, warns that Tokyo has turned into a 'financial black hole.' . . ."

"It is a dangerous process of deflation that can easily fly out of control, much as monetary implosion fed on itself during the Great Depression. The Japanese banks—the biggest in the world—are only a few steps away from the abyss."

Former London *Economist* deputy editor Norman Macrae also wrote in the London *Sunday Times* on May 14: "Some time in 1995-97, I expect a Wall Street crash" as a result of Washington imposing "huge anti-Japan tariffs to 'protect' America." The "ham-handed" Clinton will be blamed, Macrae predicted, and "America will choose a Republican President."

Indeed, the trade sanctions announcement by U.S. Trade Representative Mickey Kantor came at the worst time, just when President Clinton needs to work most closely with Japan. Clinton's pressing challenge is the need for the United States to take the lead in putting through a general bankruptcy reorganization of the world's money and financial system. Japanese Finance Minister Masayoshi Takemura has been calling for the United States to act with Japan to "rethink" the world monetary system.

It was Maggie Thatcher's boy George Bush who launched trade economic warfare against Japan, South Korea, and other nations, as signaled by a September 1989 Los Angeles address by Bush's CIA chief William Webster. Webster stated that successful economies such as Japan, South Korea, and Germany were no longer American allies, but, with the fall of the U.S.S.R., "now represent, in effect, a new enemy image."

Federal Reserve Chairman Alan Greenspan, who hails from the British-owned Morgan Bank, is also fueling the U.S.-Japan feud, George Friedman, author of "The Coming War with Japan," told *EIR* on April 21. "Greenspan doesn't give a damn how much trouble he causes Clinton. He views that as yet another benefit; he hates Clinton's guts. He wants to cause him a big problem."