

Japan got the ‘China treatment’ when it tried to launch development in Africa

By Michael Billington. This article appeared in the 31 July 2020 issue of Executive Intelligence Review.

24 July—Readers of *EIR*, and anyone else with any sense, understand that the massive hysteria against China is of the character of Goebbels’ “Big Lie”—it’s right at the top of the list with Saddam Hussein’s weapons of mass destruction and Russia’s collusion with Trump to steal the 2016 election. Secretary of State, Mike Pompeo repeats, every chance he gets, the lie first launched by British Empire promoter Niall Ferguson, that China intentionally sent planeloads of COVID-19 infected people around the world from Wuhan, after stopping all travel to other parts of China—even though Ferguson himself was forced to admit it was false.

But perhaps the most dangerous lie levelled against China, and the most revealing, is that of the “debt trap”—that China’s Belt and Road Initiative, the New Silk Road, is a devious plot to indebt developing countries, especially in Africa, through the building of massive infrastructure projects which are not “appropriate” to Africa’s “stage” of development (in the terms used by the IMF to deny infrastructure investments in Africa). China’s intention, so it goes, is to take over these countries—that, in fact, they want to take over the world!

It is quite revealing, therefore, to review what happened to Japan in the mid-1980s through the early 1990s, when it launched a program to develop Africa through means very much like those of China’s investment policies in Africa today.

A ‘Japan’ in Africa

Speaking at an international Schiller Institute conference on 27 June, the former official of the Japanese Ministry of Finance, Kotegawa Daisuke, described Japan’s effort in the late 1980s and early 1990s to break the neo-colonial process in Africa which had kept the formerly colonised nations in a state of poverty and relative backwardness.

The project, led by Kotegawa and Ishikawa Kaoru, a leading diplomat and Africa scholar in the Ministry of Foreign Affairs, was to choose three nations as targets for intensive development of their basic infrastructure, industry, health and



Daisuke Kotegawa in the Ministry of Finance (left) worked with Ishikawa Kaoru in the Ministry of Foreign Affairs (right), to develop a “Japan” in Africa.

education, and technical training both on the ground and in Japan. They were very much aware that this went against the standard operating procedures of the former colonial powers who ran the IMF and the World



Niall Ferguson lied that China intentionally spread COVID-19.

Bank, and who insisted that the backward state of the African nations relegated them to receive only “appropriate technologies”—better picks and shovels, small-scale farms, and some health and education aid, but no large-scale infrastructure or heavy industry.

Kotegawa had worked at the World Bank in the mid-1980s, where he found that all the top positions, both division chiefs and deputy division chiefs, where all important decisions were made, were either British, American, or non-German Europeans. In discussion with two of them, from the UK and France, he complained about the slow development of African countries, despite the large amount of aid which was being delivered to Africa. Their answer, he said, amazed him:

“Mr Kotegawa, it is wrong to expect fast economic growth in Africa which can be compared to that in Asia and Japan, because Africa is trying to achieve in 100 years what humanity has done in 2,000 years.”

Kotegawa’s associate Mr Ishikawa, in a 1999 book, *Nation Building and Development Assistance in Africa—Different but Equal*, wrote in the Introduction:

“In most sub-Saharan African countries, people cannot even earn one dollar a day, and continue to live in conditions where one child out of five dies before reaching the age of five ... half of them cannot read and thus cannot get information, and where girls cannot attend school because they spend half a day walking to fetch water and firewood. Life expectancy is mostly less than 50, and even this is shrinking due to pandemics such as AIDS. Peace and prosperity are important for these countries in order to realise human life with more dignity. Drastic changes are observed in the Japanese approach to international development assistance ... [other donor countries should] use this new Japanese resource.”

Mr Ishikawa had served as the Deputy Director-General of the Middle Eastern and African Affairs Bureau at the Japanese Foreign Ministry. As we shall see, the other donor countries not only refused to use this “new resource”, but went to great lengths to stop it. As we shall also see, the lies and accusations thrown at Japan by the European and American political leaders, the press, and the international financial institutions, when looked at today, have an astonishing

similarity to the McCarthyite witch-hunt being deployed against China today—and for the same reason: the industrial development of Africa would end the looting of the raw materials and the exploitation of the cheap labour so important to the British “globalisation” process of neo-colonialism.

Mr Kotegawa explained, in his 27 June speech:

“When I returned to Japan in 1987, I became the budget examiner in the Ministry of Finance in charge of the budget of the foreign economic assistance. We reviewed Japan’s basic policies regarding economic assistance to Africa, and we started to try to create a country that would become a model for development in Africa, that is, a ‘Japan’ in Africa. I was convinced that it was very important to create a Japan in Africa, because during my days at the World Bank, I realised that Asian countries found in Japan their model and hope, having come to believe that Asian countries can reach the level of Western countries if they work diligently like the Japanese.”

Kotegawa is here referring to South Korea, Taiwan, Thailand, and Malaysia, which had adopted strong governments to direct credit towards infrastructure and industrialisation, with significant infrastructure investment from Japan, modelled on Japan’s “economic miracle” following World War II. Japan also extended yen loans to China during this period, which learned from Japan’s emphasis on infrastructure during its “reform and opening up” under Deng Xiaoping.

The Western nations, he said, have a fundamentally different approach to economic assistance than Japan:

“The underlying idea of Western aid is charity. This leads to the emphasis on ‘humanitarian aid’, while the idea of economic independence from recipient countries is scarce. On the other hand, the basic idea of Japan’s aid is to aid in the recipient country’s economic growth and independence. This is the idea that flows to the root of Japan since the Meiji Restoration, trying to catch up with and overtake the West, witnessing the plight of Asian colonies under imperialism.”

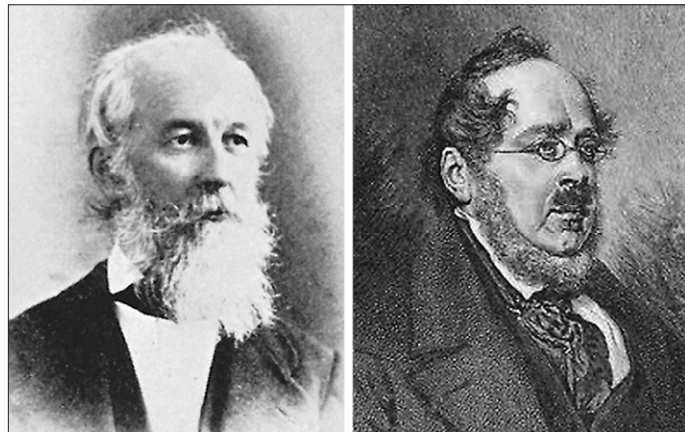
The ideas adopted in Japan following the 1868 Meiji Restoration which overthrew the Tokugawa shogunate were greatly influenced by the Hamiltonian “American System”, introduced in Japan by E. Peshine Smith and Friedrich List, which gave rise to Japan’s dramatic and rapid development into a modern industrial nation.

Before the attempt of Kotegawa and Ishikawa in the 1990s, there had been an earlier Japanese effort to apply such American System methods to global development. In the late 1970s, the Mitsubishi Global Infrastructure Fund (GIF), headed by the visionary leader Nakajima Masaki, proposed a 20-year, US\$500 billion program (about US\$2.5 trillion today) for “Great Projects” around the world, intended to be taken up by the G7 nations, including such projects as the Kra Canal, damming the Bering Strait, greening the deserts of the Maghreb, and a “New Silk Road” across the Eurasian continent.

Lyndon LaRouche and *EIR* collaborated in the GIF effort to mobilise international support, but, despite strong support from Japanese industrialist leaders, the City of London and the Wall Street financial oligarchy rejected any such cooperation, in favour of “globalisation” and speculation. China’s Belt and Road Initiative has provided a new impetus for such great projects.

Mr Ishikawa’s 1999 book addressed the failure of Western aid to achieve real development:

“We are witnessing aid donor countries carefully watching the implementation of democracy in recipient countries, and their ODA [Official Development Assistance] is more and more subject to the respect of democracy and human



E. Peshine Smith (left) and Friedrich List (right) introduced the American System to the Japanese government following the 1868 Meiji Restoration. Its adoption gave rise to Japan’s dramatic and rapid development into a modern industrial nation.

rights.... Preaching democracy and human rights as the most important basic value from several thousand kilometres away, while closing one’s eyes in the name of the market economy to foreign economic activities [which undermine the economies, and even the human rights of the recipient countries], is not a recommendable position to take.”

With even more precision, he says: “Peace, democracy, human rights, self-help? It is true that all these points are important and necessary in Sub-Saharan Africa. But it is also a fact that eating comes first.” He notes that Kenya and Côte d’Ivoire are both high up in the economic rankings of African nations, “yet their annual GNP equals the wealth produced in less than 17 hours in Japan. This is a reality on the same Earth.”

Underlying this backwardness, Mr Ishikawa writes, is the massive deficit in infrastructure:

“The main historical handicap was the initial lack of cohesion among the regions. This could have been overcome with fewer difficulties if a fairly dense infrastructure such as mass transportation, telecommunications and electric power distribution had existed and could have established dense transnational contact and interdependency.”

This is exactly the fundamental approach taken by China in the Belt and Road Initiative, having learned from their own history that lack of infrastructure is the primary blockage to escaping from backwardness and poverty.

Ishikawa also directly blames the “structural adjustments” imposed by the IMF as a condition of lending, for forcing privatisations and dependence on “market conditions”, without government regulation, and for propagating the idea that poor countries could develop through trade of their raw materials and their technologically backward manufacturing:

“Data on sub-Saharan economies show that in the international arena, they would not be able to depend thoroughly on the market mechanisms. During the colonial years, their economy was redesigned to be incorporated in the colonial imperial logic, but not to the multilateral free trade system. A state needs multi-faceted competitive ability to survive, but in the case of sub-Saharan Africa countries, each of the independent states had often been given only the role of supplying raw materials and then buying finished products from their coloniser.”

A leading African scholar, Ayokunle Olumuyiwa Omobowale of the University of Ibadan in Nigeria, in his 2016 [report](#), “Tokyo International Conference on African Development: The Context of Japan’s Development Aids to Africa”, writes:

“Poverty reduction through trade liberalisation

championed by the Washington Consensus has failed in sub-Saharan Africa and most other developing regions. Experience during the era of the Structural Adjustment Programme, which emphasised the withdrawal of government from the provision of social services, currency devaluation and *laissez faire* principles ... resulted in capital flight, economic depression, and mass poverty. [With Japan, to the contrary.] The emphasis on 'ownership', 'self-help', and 'partnership' are major peculiar characteristics of Japan's development aid that puts the design, implementation, and control of development projects under the control of the recipient countries."

Japan chose Ghana, Cameroon and Malawi, said Mr Kotegawa, as its target nations for Japan-style development.

"We poured all three kinds of economic aid into these three countries, concessional loans with a focus on the construction of economic infrastructure, grants focused on construction of social infrastructure in the medical and educational sector, and technical assistance with the aim of technology transfer through dispatching experts and inviting trainees.... Ghana, in particular, achieved great economic growth, and if we had continued to do so, a 'Japan' in Africa could have been realised within the 1990s."

'Yellow Peril'

But the neocolonial "masters" were not going to allow such development to take place, said Mr Kotegawa: "Having watched the success of such Japanese aid, the British and French began to be vigilant." In 1991, Édith Cresson was elected Prime Minister in France. This outspoken woman (the only woman to have served as a French Prime Minister) unleashed a torrent of racist vindictive against Japan: The Japanese are "yellow ants trying to take over the world", she said, and "Japan is another universe, which wants to conquer."

It was not only Africa that Japan was trying to "take over", said Cresson and many others, but the whole world, as a wave of "yellow peril" psychosis swept through Europe and the USA. In 1985, the USA, facing a large trade deficit with Japan (sound familiar?) forced a massive revaluation of the Japanese yen (with help from the UK, France and West Germany) in an agreement called the Plaza Accord, eventually doubling the value of the Japanese yen to the dollar, making Japanese cars and electronics doubly expensive to American consumers. (It did not succeed in its intended reduction of the trade deficit with Japan—quality had something to do with it, as it does today.)

As early as 1980, a leading Republican presidential candidate, John Connally, told the press:



In the wave of "yellow peril" psychosis that swept Europe and the USA, Édith Cresson, Prime Minister of France, 1991-92, claimed Japan, in trying to help Africa industrialise, was not only trying to take over Africa, but the whole world!

"Don't they remember who won the war? It's time we said to Japan, 'If we can't come into your markets with equal openness and fairness as you come into ours, you'd better prepare to sit on the dock of Yokohama in your little Datsun and little Toyotas while you stare at your little TV sets and eat your Mandarin oranges, because we've had all we're going to take.'"

Reagan's Commerce Secretary Malcolm Baldrige said in 1985 that



Japanese cars for export being loaded into the Swedish Vehicles Carrier ship *Madame Butterfly* at the Port of Shimizu, Japan. Photo: Wikimedia Commons

Japan's policy "had as its objective not participation in, but dominance of, world markets."

But Ronald Reagan did not join in the Japan-bashing—and won the 1980 and 1984 Presidential elections. Nonetheless, the 1986 midterm elections saw the Democrats take over the Senate through a campaign painting Reagan as soft on Japan. Rep. Tip O'Neill, the Democrat Speaker of the House of Representatives, said that if he were president, "I'd fix the Japs like they've never been fixed before." Walter Mondale, the Democrat candidate for President in the 1984 election, said that if Japan kept outproducing the USA, "our jobs will consist of sweeping up around Japanese computers and serving McDonald hamburgers." (Mondale was appointed Ambassador to Japan in 1993, with the explicit assignment to break Japan's supposed "trade war" against the United States.)

In July 1985, the highly popular presidential historian Theodore H. White published an [article](#) in the *New York Times* titled, "The Danger from Japan". He wrote:

"The Japanese, as Government policy, are undermining one American industry after another. [Allowing Japan into the General Agreement on Tariffs and Trade (GATT), the predecessor to the World Trade Organisation (WTO)] was a terrible mistake.... We could not entertain the idea that some nations would race, like broken-field runners, through the new rules of tariffs and trade; that GATT would be riddled and pock-holed by subsidies, regulations, quotas and barriers that made a mockery of the idea of free trade."

No one today can miss the parallel with the raving of anti-China fanatics such as Peter Navarro, US Director of Trade and Manufacturing Policy, who said, in an interview with Paul Solman on the PBS NewsHour program, 25 August 2016:

"The defining moment in American economic history is when Bill Clinton lobbied to get China into the World Trade Organisation. It was the worst political and economic mistake in American history in the last 100 years...."

"As soon as one bad actor like China massively cheats, they win at the expense of us; they win at the expense of Europe, and over time, it threatens the entire integrity of the global financial system and the global trading system...."

White goes on to accuse the Japanese government of unfairly supporting its industries, breaking the sacred rules of "free trade". Targeting the Ministry of Finance and the MITI (Ministry of International Trade and Industry), White wrote that MITI can "coordinate research into arcane technologies—for example, into the fifth generation of computers". The parallel to the massive attack on Huawei today for developing the first (and the best) fifth generation of cellular networks (5G) is truly uncanny.

There are many more direct parallels to the anti-Japan

hysteria thirty-some years ago and the anti-China hysteria today. White writes:

- "The Japanese provoke American wrath because they are a locked and closed civilisation that reciprocates our hushed fear with veiled contempt."

- "Their export surplus gives them huge sums to invest ... so that Japanese capital is moving from penetration to control." This is a 1980s version of the "debt trap" as it is used today by the China-bashers.

- "Japanese are beginning to supply venture capital for the seedbeds of American technology, from Silicon Valley to Route 128 in Boston. They hover over the Draper Laboratories in Massachusetts—the national laboratories that devise the guidance system of our missiles, and acquire what patents security lets free to the public."

- "Japanese markets are protected by a maze of so-called nontariff barriers to trade."

- "The American semiconductor industry is reeling from the assault. The Japanese, without mercy, propose to wipe out our supremacy in this industry, based on our own research and invention." How often are we told that China stole all its technology from the USA, despite the fact that they are *well ahead* of the USA in several areas, including 5G, high-speed rail, and mass construction techniques and equipment.

Like many of our modern-day China bashers, White acknowledges the obvious:

"The Japanese are very, very good, better at some things than Americans. They are brilliant, efficient, aggressive people who prize education as much or more than Americans, and have learned to use it."

But the comparison should make it clear to the thinking person—the wild accusations against China today are not only "fake news", but have a very different intention than "stopping unfair Chinese practices". It is to stop China's Belt and Road Initiative, which is taking China's "lessons learned" from its own truly miraculous development over the past forty years, to the underdeveloped world.

Just as Japan intended to develop Africa in the same manner it had transformed itself, so China is taking its discoveries in economic and social transformation to the rest of the world through the Belt and Road Initiative. Preventing that process, by demonising China, is falsely described by American and British imperial geopoliticians as "stopping China from taking away our leading role in the world". This is nonsense. The imperial intent is to stop development itself, as the neocolonial policies of the IMF and the Washington Consensus have done in the post-colonial era by denying the former colonies access to infrastructure and industry.

Mr Kotegawa concluded his presentation on the "Japan in Africa" project:

"Against such criticism, Japan was forced to review its aid policy and had to reduce aid to Africa before Ghana became a Japan in Africa." He said that some basic infrastructure, especially roads, was completed, but it never reached the point of major industrial investments. He added: "Since then, proposals for the UN Millennium 2000 Goals, including debt relief, mainly targeted Japan's yen loans. These policies had been drafted mainly by the UK, and Japan's presence in the world of economic assistance has gradually been lost."

It is unlikely that China's development efforts can be so easily sabotaged today. They are not an "occupied country", as Japan was and still is. Kotegawa, who is often invited to

speak in China, has strongly advocated for Japan and the USA to join forces with China in the Belt and Road projects, and to join the Asian Infrastructure Investment Bank launched by China in 2015.

Nor is China powerless at the UN, as Japan is, since China has the veto power, brilliantly organised by Franklin Roosevelt to help prevent another world war. The danger, indeed, is that the geopoliticians prefer war to losing their power over the world economy. Theodore H. White's 1985 Japan-bashing included threats of war:

"The superlative execution of their trade tactics may provoke an incalculable reaction—as the Japanese might well remember of the course that ran from Pearl Harbor to the deck of the USS *Missouri* in Tokyo Bay just 40 years ago."

But there was no serious thought of war on Japan in those days. The same cannot be said of the current situation, where the potential of a global war, by intention or by miscalculation, launched by the remaining "dinosaurs" of the City of London-based financial oligarchy and the military industrial complex, is an increasing danger. Jens Stoltenberg, Secretary General of NATO, in a 26 June speech explaining why the supposedly "North Atlantic" organisation, created to confront the now-dissolved Soviet Union, is now expanding to the Indo-Pacific region, said:

"We don't regard China as an adversary.... But just the fact that we have such a growing power, which is actually coming closer to us in the Arctic, in Africa, in cyberspace, investing in our infrastructure here in Europe and with weapons systems that can reach all NATO allies, of course matters. That's the reason why this is part of NATO 2030."

Pompeo is even more sabre-rattling. Speaking on 23 July at the Nixon Presidential Library, clearly choosing the site to symbolise the end of the engagement with China launched by Nixon in 1972, Pompeo openly called for ending the "old paradigm of blind engagement". Making clear that he believes this may require war, he raved: "And if we don't act now, ultimately ... our children's children may be at the mercy of the Chinese Communist Party.... General Secretary Xi is not destined to tyrannise inside and outside of China forever, unless we allow it."

Overcoming geopolitics and bringing about a "New Bretton Woods" summit including Russia, China, the USA, India, Japan, and others has never been more urgent.

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Peter Navarro, US Director of Trade and Manufacturing Policy, and an anti-China fanatic: "As soon as a bad actor like China cheats ... it threatens the integrity of the global financial system and the global trading system." Photo: White House