

This week in history: January 23-29

This column profiles important historical events which took place during this week, 25 years ago, 50 years ago, 75 years ago and 100 years ago.

22 January 2023

25 years ago: Japan's finance minister resigns amid financial crisis

On January 27, 1998, Japan's finance minister, Hiroshi Mitsuzuka, resigned. He was the third top official forced to quit Prime Minister Ryutaro Hashimoto's cabinet since it was reshuffled the previous September.

In scenes unprecedented in postwar Japan, Tokyo prosecutors raided the Ministry of Finance the day before Mitsuzuka quit, arresting two senior officials on allegations of accepting bribes from major Japanese banks. Fifty officers from the Public Prosecutors Office marched into the building under the glare of TV lights, with media cameras flashing.

Mitsuzuka formally resigned to take responsibility for the two officials, accused of receiving more than \$100,000 worth of lavish entertainment from four banks in return for tipping them off about planned inspection visits by the Ministry.

Until then, the Ministry, regarded as the most powerful official agency in Japan, had been immune from investigation and prosecution. In 1979 and 1996, worse scandals erupted, but prosecutors were barred from access. In the first instance, accused Ministry officials were not sacked, but promoted. One, Yasuo Matsushita, became the governor of the Bank of Japan.

The Ministry was criticized in business circles for failing to warn of the debt crisis threatening the banking system. Already in 1998, two key financial institutions—the Daichi Kangyo Bank and Yamachai Securities—revealed crippling bad loans that had been hidden by corruption. On January 12, the Ministry admitted that in total the banks held 76 trillion yen, or \$900 billion, in bad debts, almost three times the estimate issued the previous December.

The Ministry's admission undermined Hashimoto's opening address to a new session of parliament, delivered on the same day. Hashimoto pledged emergency measures to stimulate growth and restore confidence in the financial system. "It is my unwavering determination to avoid at all costs a worldwide financial or economic panic originating in Japan," he declared.

Following the Ministry's revelation, the financial markets delivered a vote of no confidence in Hashimoto's package. The Nikkei share index fell sharply. Hashimoto's 30 trillion yen proposal became the latest in a long line of unsuccessful attempts to end the stagnation which dominated the Japanese economy since 1989.

50 years ago: Paris Peace Accords signed, pointing to end of Vietnam War

On January 23, 1973, the Paris Peace Accords, officially titled "Agreement on Ending the War and Restoring Peace in Viet Nam," were signed in Paris by representative from the US, North Vietnam, South Vietnam, and the Provisional Revolutionary Government of South Vietnam. The Accords' most significant result was the withdrawal of the US military, which would lead to the collapse of the US puppet regime in South Vietnam and the eventual reunification of the country in 1975.

The terms stipulated that both the northern and southern governments would recognize one another. Borders would be based on the current front line of the war, where the North had made significant gains over the past year. In addition, the treaty called for the establishment of a council with representatives from both governments to oversee postwar reconstruction. One specific function of the council was to organize free elections in the South, where the Communist Party had been banned. Any political support for it, even personal communist sympathies, was a crime punishable by death.

The agreement was the result of negotiations that had begun between the US and North Vietnam in 1968. Virtually no progress was made until the end of 1972. The US had refused any agreement that would remove its handpicked leaders in the South or that would allow for the free operation of the Communist Party.

Recent historical evidence has also revealed that in 1968 Richard Nixon's presidential campaign had secretly contacted the government of South Vietnam and promised more favorable terms if it stonewalled negotiations until after he had been elected president. But once elected, Nixon combined a drawdown of US troops with major escalations, including invasions of Cambodia and Laos, and one of the largest and most barbaric bombing campaigns in history.

The final US push towards a deal that would end its direct participation in the war was only made after the North made major military advances in the 1972 Easter Offensive that threatened the total military defeat of US-South Vietnam forces.

In secret discussions in October 1972, Kissinger had met with the lead representative from the North, Le Duc Tho, and came to agree on the terms that would eventually become the Paris Peace Accords, although not before one final act of imperialist savagery, when Nixon ordered the Christmas bombings that devastated the population and

infrastructure in the North. (See Fifty years since the US Christmas bombing of North Vietnam).

The agreement broke down in March 1973, when fighting resumed without direct US participation. Two years later, in April 1975, the total collapse of the South Vietnamese regime in the face of an offensive by the North Vietnamese military and liberation forces in the South culminated in the fall of Saigon. Without the backing of US troops and bombs, the Saigon puppet regime's lack of popular support was starkly revealed.

75 years ago: Philippines president grants amnesty to World War II collaborators of Japanese

On January 28, 1948, Philippines President Manuel Roxas issued a proclamation granting blanket amnesty to those who had collaborated in the Japanese occupation of the country during World War II. The declaration, which did not cover those accused of crimes against humanity, brought to an end a contentious issue in post-war Philippine capitalist politics.

The Philippines, having been among the first colonial possessions of American imperialism, had been seized by Japan in 1942. The invasion included brutal counterinsurgency operations, the suppression of almost all political parties, and various acts of barbarism. Sections of the very narrow Philippines political and business elite had nevertheless made their peace with the Japanese occupation, as they had previously with US dominance.

In the aftermath of the Japanese defeat, which included the US reconquest of the Philippines, Washington quickly moved to reestablish control over its former colony. While nominal independence had been granted by Washington in 1946, a treaty granted the US military effective control over the islands, allowing them to access virtually all areas, and maintain full legal immunity for soldiers. Leases of 99 years were signed, providing for full American control of the key military bases in the country.

The US had pushed for the full prosecution of those sections of the Philippines establishment that had collaborated with the Japanese. This was intended to send a signal that any deviation from the alignment with American imperialism would not be tolerated.

Roxas faithfully implemented the basing agreement and toed the US line on all fundamental questions. He was fearful, however, that significant sections of the establishment were implicated in the collaboration with the Japanese. The issue could deepen fissures within the ruling elite, under conditions of political instability in a host of former colonial countries throughout the Asia-Pacific region.

A since declassified report by the Central Intelligence Agency expressed nervousness over the proclamation. While some fighters who had assisted the American war against the Japanese were still being prosecuted over various criminal actions, including war crimes, those who had assisted Tokyo were being amnestied. The effect "could be detrimental to US interests." The CIA warned, "former collaborationists who play on extreme Philippine nationalism and are themselves secretly or avowedly anti-US are likely to achieve political and economic control."

100 years ago: Chinese and Soviet governments issue declaration of cooperation

On January 26, 1923, the Chinese nationalist leader, Sun Yat-sen, and the Soviet diplomat and veteran revolutionary, Adolf Joffe, issued an official communique on behalf of the two countries that has come to be called the Sun-Joffe manifesto. It provided the basis for cooperation between Sun's nationalist Kuomintang (KMT) and the Soviet government.

The Kuomintang in 1923 governed only a portion of southern China, centered around Guangzhou, while large areas of the country were controlled by warlords who were allied with various imperialist powers. Sun himself was exiled in Shanghai at the time.

As early as 1918, the Bolshevik government had announced its intention to repudiate all treaties between the imperialist government of Tsar Nicholas II and China, an oppressed country occupied by several imperialist powers.

In the manifesto, Joffe "categorically declared to Dr. Sun that Russia is willing and ready to enter into negotiations with China on the basis of Russia's abandonment of all treaties, and of the rights and privileges (conceded by China) under duress, secured by the Tsarist government from China."

In particular, the workers' state repudiated the unequal Li-Lobanov Treaty of 1896 which, in the immediate aftermath of the Sino-Japanese war of 1895, effectively turned over large portions of northern China to the Tsarist Empire. Tsarist forces had intervened along with American, British, French, and Japanese troops to suppress the Boxer Uprising in 1900.

The Sun-Joffe manifesto declared that "the most pressing problems [of China] are the completion of national unification and the attainment of full national independence."

The manifesto supported the Soviet presence in Outer Mongolia (today's Mongolia) as a means of preventing the infiltration of counterrevolutionary White Guard forces that were a threat to both the USSR and China.

After issuing the manifesto, the two governments made further agreements that promised military aid to the KMT government and allowed members of the new, small Communist Party of China to closely collaborate with the nationalists and enter the KMT as individuals, while keeping its independent party organization.



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