Japan Finds Latest Scandal in a Dump

By DAVID E. SANGERSpecial to The New York Times

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A pile of yen notes, $1.2 million worth, on display for reporters and photographers at a police station in Yokohama, Japan, after being found in a garbage dump. The money has been linked to a religious sect that controls the country's second-largest political opposition party.

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TOKYO, July 19 — When workers at a waste dump in Yokohama pried open an old safe two and a half weeks ago and $1.2 million in yen notes fell to their feet, Japan at first laughed it off as the latest in a series of madcap cases in which people here literally threw money away.

After all, only a few weeks had passed since the police solved the mystery of the bamboo thicket in Kawasaki. That is the Tokyo suburb where passers-by, in two separate incidents, found wet, moldy packets that totaled $1.7 million in cash.

The ensuing investigation spawned theories about underworld money and extortion, until a businessman stepped forward to explain sheepishly that he had dumped the money in Kawasaki rather than prompt a tax audit.

A Political Turn

But as the police have begun to unravel puzzle of the Yokohama safe, it has taken a decidedly more political turn.

Days before Japan goes to the polls on Sunday in the first major election after two political scandals, the money has been linked to a powerful, militant Buddhist religious sect, the Soka Gakkai. The sect, in turn, controls the Komeito or Clean Government party — Japan's second-largest opposition party, and one of several hoping to benefit from public disgust with the governing Liberal Democrats.

The explanations offered to investigators by the Soka Gakkai so far — that the money came from selling cheap trinkets at a temple — strike many people as highly dubious. And in the final days of campaigning, the incident has cast a spotlight on some less-discussed truths of Japanese politics: that the Liberal Democrats hardly command a monopoly on under-the-table money, and that religious groups can rival big business as a source of influence-peddling in Japanese politics.

A year ago, the Komeito seemed above such problems, and bound for greater victories. But it tripped badly when some of the Clean Government members were implicated in the Recruit scandal, the stock-and-influence schemes that chiefly rocked the Liberal Democrats.

'They May Find No Alternative'

That incident tarred Komeito with the same charges of rampant corruption that the governing party is fighting. Now the Liberal Democrats are hoping that voters will find the Yokohama safe incident, along with mini-scandals that have enveloped the opposition, disturbing enough to think twice about throwing the governing party out in the elections for the upper house of Parliament.

"We fear that while people hate the dirty old L.D.P., they may find no alternative," Takashi Yonezawa, the secretary general of the Democratic Socialist Party, another opposition group touched by scandal, said the other day.

Leads gathered in the Yokohama dump led the police to a transportation company owned by a former Komeito member of the upper house. The company distributes the Soka Gakkai's daily newspaper. And the safe, kept in the company's basement until it was carted away with refuse, was under the control of Haruo Nakanishi, once the informal treasurer of the Buddhist sect.

That post made Mr. Nakanishi a powerful, if little known, player in the world of Japanese religion and politics.

Depending on whose numbers one believes, the Soka Gakkai's membership numbers anywhere from 5 million to 8 million Japanese. The sect was founded in 1930, but it traces its roots to a 13th-century Buddhist monk named Nichiren. The sect is under the strict control of Daisaku Ikeda, and by many accounts — chiefly from dissidents who have left the party or been thrown out — so is the Komeito, which was founded in 1964.

'Totally Corrupt'

Technically, the Komeito has been fully independent of the religious sect since 1970. But it is an open secret that the party draws most of its candidates and its constituency from the Soka Gakkai. Soka Gakkai members work as volunteers for the party candidates, and for a long time there have been charges, but little proof, that donations given at temple make their way into Komeito coffers.

"This is a totally corrupt religious organization," said Yukimasa Fujiwara, a member of the Tokyo municipal assembly, who was expelled from the Komeito party when he publicly criticized the Soka Gakkai's control over its policies and finances.

"Religious institutions get donations from worshipers that are tax-exempt, so they don't have to account for the money," Mr. Fujiwara said. "That leads to corruption. And where is the money is going? Into funding for the Komeito."

Both the party and the religious group deny the charges, pointing out that the Komeito's charter allows only individual contributions, usually from the small businesses that make up the core of the party's following. Mr. Ikeda's political agenda, the group suggests, is above board: He has developed something of an international reputation as a philosophizer about peace and founded a university.

Dissidents suggest that behind a facade of international respectability, Mr. Ikeda is a cult leader. Mr. Fujiwara asserts that Mr. Ikeda maintains "a dictatorship over the Soka Gakkai."

A Soka Gakkai official said Mr. Ikeda gives no interviews.

A fortune is tied to a powerful Buddhist sect.

A Matter of Degree

The police seem to suspect that the money in the safe was part of a larger slush fund, stashed away for a needy political cause.

Compared with the Recruit scandal, which toppled Prime Minister Noboru Takeshita and other politicians, business leaders and bureaucrats, the safe incident seems almost trivial. Compared with the allegations of sexual indiscretions by the current Prime Minister, Sousuke Uno, another money scandal may even seem a bit boring.

But the money in the safe added just a little more weight to the widespread doubts that Japan's opposition parties are capable of forming a credible government, should the Liberal Democrats lose the lock on power they have held for more than three decades.

"We don't have to prove that we are the best," a lower-house member of the governing party said not long ago. "We only have to prove that they are not much better."