

Tokyo's despatch no. 883,
December 19, 1949.

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Enclosures: *cut*

1. Summary of Information
dated November 29, 1949,
Military Intelligence
Section, GHO, SCAP.
2. Article from Akahata
dated November 4, 1949.
3. Article from Akahata
dated October 30, 1949.

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Enclosure 1 to Despatch no. 883
dated December 19, 1949 from the
United States Political Adviser
for Japan, Tokyo, on the subject
"Communist Policy Toward the
Northern Fishery Problem".

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(COPY)

GENERAL HEADQUARTERS
FAR EAST COMMAND
Military Intelligence Section, General Staff

CI Div JPIB/NER

29 November 1949

SUMMARY OF INFORMATION

SUBJECT: Trade Policies of the Japan-Soviet Friendship
Society

1. As the climax to a six-months campaign calculated to establish it as the pro-Soviet cultural group to supersede earlier JCF-sponsored organizations of the kind, the Japan-Soviet Friendship Society (NIPPON SHINZEN KYOKAI) held its inaugural meeting in Tokyo on 22 April 1949. Prominent as sponsors of the inaugural were Lt. Gen. Derevyanko and other members of the Soviet Mission, important leaders of the JCF, and representatives of Chinese and Koreans resident in Japan. General Derevyanko subsequently confirmed his cordial interest in the Society by accepting the position of Honorary President.

2. Whereas the publicity build-up during the preparatory stages of the Society, and the fanfare attendant upon the inaugural meeting itself, laid chief emphasis upon the role of the new Society as cultural leader in matters relating to exchange of information between Japan and the Soviet Union, it is to be noted that one of the principles enunciated at the inaugural meeting was: "Let us develop trade between the Soviet Union and Japan." Among the undertakings specifically mentioned at the meeting as goals of the Society were: 1) Investigation into Japanese-Soviet trade, and 2) Exchange of cultural, economical and political missions between the two countries.

3. That the Japan-Soviet Friendship Society was to be a pro-Soviet organization, making a strong appeal for membership to labor groups, and having as its aim the furthering of cultural and trade relationships between Japan and the Soviet Union, was clearly indicated in the choice of officers elected at the inaugural meeting of the Society: Chosen as President was KAN Makoto, and as the two Vice-Presidents, HIRAI R. Yoshi and HORIE Muraichi. Kan is Chairman of the National Congress of Industrial Unions, and one of the JCF's chief labor authorities. He was chosen as delegate, but not given permission to go, to both the Tenth

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Moscow Convention of Soviet Trade Unions, April 1949, and the Milan Congress of the World Federation of Trade Unions, July 1949. In April 1949 he was an active promoter of the JCP-sponsored Peace Preservation Conference, held in Tokyo in conjunction with the Paris Congress of World Partisans of Peace. Hijikata has long been one of the JCP's chief cultural leaders. Active in Japanese theatrical circles, he is popularly known as the "Red Count" because of his Moscow training and communist leanings, and enjoys a cordial association with the Soviet Mission in Tokyo. Horie is a JCP authority on economics and international affairs, with long experience as a leader in JCP-sponsored pro-Soviet groups, officiating frequently as lecturer for the Democratic Scientists' Association.

4. Immediately subsequent to the official inauguration of the Japan-Soviet Friendship Society, the Society itself and, it is to be noted, the JCP as well, embarked upon a campaign to obtain members and to establish branches of the Society throughout Japan. This campaign laid increasing stress upon the trade aspects of the Society's program."

On 25 April 1949, Notification No. 131 was issued by the Kansai Regional Committee of the JCP, entitled: "Toward the Expansion and Strengthening of the Japan-Soviet Friendship Society". This notification, in the course of stressing the necessity of informing the public about the Japan-Soviet Friendship Society, states that "A widespread democratic racial front should be set up in accordance with the decision reached at the 5th General Meeting of the Central Committee, including racial industrial capitalists (rolling stock companies, shipyards and foreign trading companies which are aided by orders placed by the Soviet Union)". The 5th General Meeting referred to was held by the JCP Central Committee on 5 and 6 February 1949. It is significant that the Party should choose the new Japan-Soviet Friendship Society as a channel through which to pursue its economic objectives.

On 13 May 1949, the Society held a meeting of its Central Committee, at which the necessity of gaining 20,000 labor union members was stressed, and at which also the Society's impending role as promoter and supervisor of Japan-Soviet trade was discussed. WATANABE Michio, Councillor of the Society and chief JCP representative in activities connected with the World Federation of Trade Unions, spoke of the increased orders of rolling stock, barges, fishing ships and the semi-diesel engines by the USSR. It is reliably reported that subsequent to

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this meeting of the Society's Central Committee, both the Society and the JCP have been giving particular attention to shipbuilding activities in the Osaka area. The Osaka branch of the Japan-Soviet Friendship Society has appealed to small industrialists by propagandizing the "huge profits" accruing to Japanese enterprises which do business with the USSR. In line with the appeal to labor discussed at the meeting just referred to, may be cited a petition issued over the names of the President and Vice-Presidents of the Society, together with the name of WATANABE Michio, in which request is made of labor unions for donations to the Society. The petition reads in part: "Our Society is trying to portray to our people the real state of affairs in various fields such as fine arts, science, techniques of production, life, politics, economy, etc., of the Soviet Union; to improve the commercial relationship existing between Japan and Soviet Russia."

5. As an important part of its popularization campaign, the Japan-Soviet Friendship Society dispatched its Vice-President Horie Muraichi and its Councillor Watanabe Michio, among others, as lecturers and advisers to various prefectural preparatory committees. In a discussion of the Japan-Soviet Friendship Society with members of the National Congress of Industrial Unions in Nagoya, on 7 May 1949, Horie told the labor men that economic coalition between Russia and Japan was being planned through the Society. Subsequent to this Nagoya visit of Horie's, an invitation letter was sent out on 2 June 1949 by SUZUKI Masaaki, member of the JCP and head of the Japan-Soviet Friendship Preparatory Committee in Nagoya. In inviting addressees to a round-table conference for promotion of trade between Japan and Russia, to be held in Nagoya on 7 June 1949, the letter stated in part:

"In order to protect our industries and the workers' living, it is absolutely necessary to promote friendly relations with the Soviet Union, Chinese Republic and the United States ...

"As to Soviet-Japanese trade, a round-table meeting was held in Tokyo last April in which a representative of the Soviet Union, Lt. Gen. Derevyanko, gave his consent to be the honorary president of the Japan-Soviet Friendship Society. He also committed himself to promote the reopening of Soviet-Japanese trade.....

"Exports for the Soviet Union are tea, ships, rolling stock, rails, electric instruments, machine tools, steel, etc. Most of them are manufactured in the Tokai DistrictIt is not too much to say that Soviet-Japanese trade is our only means of livelihood to protect and rehabilitate the native industries....

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"In order to protect the native industries which went to ruin as a result of the destructive policy of the Democratic-Liberals' government, and to rehabilitate our country, there is an urgent need to reopen Soviet-Japanese and Sino-Japanese trade without intervention of a third nation."

Political implications of the Japan-Soviet Friendship Society's trade policy are pretty clearly indicated in the mention of Lt. Gen. Derevyanko's sponsorship of trade between the two countries, and in the reference in the last paragraph quoted, to trade without intervention of a third nation. It is interesting to note that a notification concerning the same round-table conference was issued on 3 June 1949 by the Aichi Prefectural Committee of the JCP.

At the 7 June round-table conference in Nagoya, which was attended among others by ten representatives from Nagoya business concerns, Norie Kuraichi was the chief speaker. The gist of his speech is as follows:

"In order to protect the industry of Japan, we must promote trade with China and with the USSR. So long as the trade of Japan is made with a certain country only, we shall never hope to realize the independence of Japan and never hope to protect the industry of Japan. Realistically, the trade between Japan and the USSR amounts to two billion yen at present. The USSR wants ships, locomotives and vehicles. In particular she is going to place orders for a great many vehicles, which will be used for mining in Siberia. The export by Japan of machines for the mining industry therefore seems promising. In exchange for such articles, coke, coal, lumber, cement, black lead, paper for ~~books~~, etc., will be imported into Japan.

"The USSR has announced that trade will be carried on under a barter system, as a general rule, but she is prepared to pay for excess imports in dollars. Since the USSR is not far from Japan, Japan can benefit from ease of transportation and can use her own ships. Also since the trade is carried on between the governments of the two countries, there is no chance for private traders who pursue profits to wedge themselves into this trade. In case commodity prices and wages should rise, payment for goods exported is to be made in accordance with such rise in commodity prices and wages. Therefore, enterprisers are in a very advantageous position, being able to raise the wages of their workers without suffering any loss.

"Trade

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"Trade with the USSR is not a mere hope, but has had actual successes in the past. Trade with the USSR will become the foundation of trade with China, which is to be promoted in the near future. So, we must undertake large-scale propaganda for the promotion of Japan-USSR trade. Trade with the USSR, with China, and with a Korea unified North and South, should be promoted by means of nation-wide propaganda."

A little later in his lecture tour on behalf of the Japan-Soviet Friendship Society, Horie spoke at a meeting sponsored by the Society in Yahata, Fukuoka Prefecture. His subject was "The Soviet Union and World Economy", and in the course of his speech, he stated:

"American capitalists are attempting to control all world trade, but are running into a snag because of the overwhelming victory of the Chinese Communist Army....The only way for Japan to recover is to overthrow the Yoshida Cabinet and immediately establish trade with the Soviet Union and Red China."

6. The Soviet News, official organ of the Japan-Soviet Friendship Society, has frequently made mention of the Society's interest in trade. In issue No. 12 of the News, dated 5 August 1949, there is an article on a round-table discussion between Japanese businessmen and Soviet delegates, held on 28 July 1949, at which expediting of trade between Japan and the Soviet, and machinery orders, were the chief topics discussed. In the same issue, the mayor of Kyoto is quoted as saying that "Japan-Soviet trade is indeed the road for the development of Kyoto."

7. Although the Japan-Soviet Friendship Society has directed the major part of its trade promotion campaign at industrialists and businessmen, there have been indications that the Society intends to make use of the controversial question of northern sea fishing rights as a gambit both for trade promotion and political advantage. At the end of June 1949, when it temporarily seemed probable that a large-scale labor offensive would rebound to the credit of the JCP, YOSHII Kiyoshige, a Councillor of the Japan-Soviet Friendship Society and a member of the JCP, and also a reporter for the newspaper Osaka Jiji Shimpo, had this to say about the international situation:

"...Within a few months Japan will be extremely oppressed, and will not be able to progress, by reason of heavy taxes, discharge of workers, economic panic due to rise in rice prices, house

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rent and land rent, with destruction of industry. At that time the Soviet will undertake diplomatic steps for Japan, and it will release fishing rights, and supply materials. It can be plainly seen, also, that the present economic crisis will be removed by the Communists."

This statement of Yoshii, made in conversation, perhaps gains additional significance in light of the fact that Yoshii knows the Russian language and sometimes translates Soviet Radio news for the Nagano Prefectural Committee of the JCP.

On 15 September 1949, the Japan-Soviet Friendship Society issued a mimeographed communication announcing a discussion meeting to be held at NCIU Hall in Tokyo, on 1 October 1949. Included in the agenda for this meeting, along with plans for the Society's celebration of the 32nd anniversary of the Russian October Revolution, were the two items: 1) Soviet-Japanese trade promotion movement and future policies, and 2) Northern Sea fishing industry problem. At this meeting Watanabe Michio gave a general report on the activities of the Society in the six months since its formal inauguration. He stated that "satisfactory results have been gained by dispatching lecturers to the various districts in order to distribute information on the importance of establishing Japan-Soviet Friendship Societies and of promoting Japan-Soviet trade. Shigehisa, a JCP representative at the meeting, stated in substance as follows:

"Many canneries and fishing facilities are idle due to the present restrictions on the fishing areas. It is necessary for all persons and organizations concerned with fishing to hold a meeting to discuss means of expanding our fishing areas. The Japan Fishermen's Union, Nichiro Workers' Union and the Tokyo Marine College professors must hold meetings to discuss activity plans. A fisheries committee will be established in this (Japan-Soviet Friendship) Society and work towards the establishment of a Society for the Establishment of North Sea Fishing."

As reported in Akehata, 4 November 1949 issue, a round-table conference on Northern Sea Fisheries was held on 3 November, under the joint sponsorship of the Japan-Soviet Friendship Society and the All-Japan Council of Fishery Workers' Unions. (The meeting strategically preceded the Diet hearings on the new Fisheries Bill, scheduled for later in November.)

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Significant statements made at this meeting are extracted from Akahata as follows:

Present at the meeting were Horie Muraichi of the Japan-Soviet Friendship Society, HAKAMADA Satomi from the JCP Central Committee, NOSAKA Sanzo and SUNAMA Kazuyoshi from the JCP caucus in the Diet, MURAKAMI Junpei (Speaker of the Iwate Prefectural Assembly), WATANABE Eiichi (official of the Fisheries Agency and member of the Chiba Fishermen's Council), MIYAGI Yutaro of the Fisheries Survey Office, MOTOKI Hisaji of the Polar Whaling Company, and representatives from the All-Japan Council of Fishery Workers' Unions.

The conferees discussed the reopening of fishing in the northern seas, which has been closed to Japan since the termination of the war. The Communist representatives emphasized that the problem cannot be solved by the anti-Soviet and anti-Communist policies of the Yoshida Cabinet, but can be solved only through peaceful and democratic measures.

The conferees reached the conclusion that a nation-wide movement must be launched jointly by the enterprisers and workers, with popular backing, to promote the reopening of fishing in the northern waters, through friendly relations between the Soviet Union and Japan. At the same time, an association of intermediaries should be formed to appeal to business and political circles. These round-table conferences in Tokyo should be continued, and at the same time principles of the movement should be disseminated to local units so that the drive will develop on a nation-wide scale.

OMURA Kiyotaka, of the Hokkai Shimbun newspaper, said: "the 100,000 persons who were engaged in fishing in the northern waters in pre-war days are by no means anti-Soviet or anti-Communist.... They are looking for the early resumption of fishing activities in those waters."

HAKAMADA Satomi quoted Managing-Director MIYATA of the Russo-Japanese Fisheries Co. as having said, in the November issue of the magazine Minsei (Hakodate publication): "In order to resume the fishing industry in the northern waters, we must recapture the Kuril Islands." Hakamada commented on Miyata's statement in saying, "As long as such militaristic ideas are held, the reopening of fisheries is quite impossible. I believe, therefore, that the sufferings of fishermen must be alleviated by new methods."

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MIYAGI Yutaro, of the Fisheries Survey Office, stated that incidents involving trespassing into the northern sea fishing grounds had arisen from the fact that fishing vessels from all over Japan are now forced to converge on the Sanriku coast and northwards, because of the limited coastal fishing areas. "The problem has now reached the point," he said, "where fishermen and affiliated political bosses alone cannot find a solution, and where a national movement is necessary."

On 4 November a round-table conference took place in Mori, with fishing industrialists of that city and members of the JCP participating. The subject of the conference was promotion of northern sea fishing. Explaining that fishing in the northern areas is at a standstill, Chairman SHIONOYA of the Mori Municipal Assembly declared in the opening address that "partisan-ship must be set aside, and a lower-level movement launched to tide us over this crisis." Following up this statement, Horie Muraichi of the Japan-Soviet Friendship Society suggested that all anti-Soviet and anti-Communist propaganda should be dropped to enable effective joint effort for solution of the fishing problem. The members of the conference gave this suggestion unanimous approval, and agreed upon the establishment of an Mori branch of the Society.

8. The trade promotion activities of the Japan-Soviet Friendship Society were not forgotten on the occasion of the Society's celebration on 10 November of the 32nd anniversary of the Russian October Revolution. At this meeting, Japanese businessmen, according to Akahata, were represented by a Mr. NAKA, of the Japan Rolling Stock Industrialists Association. In the course of his speech at the anniversary meeting, thanked Lt. Gen. Derevyanko for the numerous orders from Russia, which have revived Japanese exports, and for the kind treatment given to Japanese businessmen by Soviet inspectors. Naka also mentioned his hope that more orders will come from the Soviet Union, so that the Japanese will have more opportunity to cultivate mutual understanding between Japan and Russia. Lt. Gen. Derevyanko, in the course of general remarks on the Russian desire for an early peace treaty for Japan, stated that the "USSR's programs for world peace include the amplification of economic and trade connections with various countries."

9. Summary: It is evident that the Japan-Soviet Friendship Society was sponsored by the JCP as an organization through which JCP and Soviet trade policies might be pursued, either jointly with, or under cover of, pro-Soviet cultural activities. The Society has made a strong attempt to attract the interest of both labor on the one hand, and small industrialists on the other,

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holding out as an inducement to membership the expanded trade with the Soviet which would accrue as the result of the Society's activities. It may also be expected that whatever phases of Japanese-Soviet relationships the JCP wishes to propagandize, even such economic and political matters as may arise in connection with a peace treaty, will be channeled through the Japan-Soviet Friendship Society to its wide and varied audience.

10. Information contained in this Summary of Information was obtained from reliable sources and is considered to be probably true.

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Enclosure no. 2 to Despatch no. 883
dated December 19, 1949, from the
United States Political Adviser
for Japan, Tokyo, on the subject
"Communist Policy toward the
Northern Fishery Problem".

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TRANSLATION DOC. NO. 52229

Full Translation

AKAHATA - 845

4 November 1949

"Seek Reopening of Northern Sea Fishing Through
Soviet-Japanese Friendship; Nation-Wide Movement
Needed".

A round-table conference on northern sea fisheries was held under the joint sponsorship of the Soviet-Japan Friendship Association and the All-Japan Council of Fishery Workers Unions from 1300 hours on 2 November at the Councillors' Club. Among the 30-odd persons present were the following: MURAKAMI Junpei, speaker of the Iwate Prefectural Assembly; WATANABE Eiichi, an official of the Fisheries Agency and a member of the Chiba Fishermen's Council; MIYAGI Yutaro of the Fisheries Survey Office; HORIE Yuichi of the Soviet-Japan Friendship Association; MOTOKI Hisaji of the Polar Whaling Company; representatives from the All-Japan Council of Fishery Workers' Unions; HAKAMADA Satomi of the Communist Party's Central Committee; and NOSAKA Sanzo and SUHAMA Kazuyoshi representing the Party caucus in the Diet. They discussed the reopening of fishing in the northern seas, which has been closed to Japan since the termination of the war. At the meeting, the Communist representatives emphasized that this problem cannot be solved by the anti-Soviet and anti-Communist policies of the Yoshida Cabinet, but can be solved only through peaceful and democratic measures. The conferees reached these conclusions:

A nation-wide movement must be launched jointly by the enterprisers and workers, with popular backing, to promote reopening of fisheries in the northern waters through friendly relations between the Soviet Union and Japan. At the same time, an association of intermediaries should be formed to appeal to business and political circles. These round-table conferences in Tokyo should be continued and at the same time, the principles of the movement should be disseminated to local units so that the drive will develop on a nation-wide scale.

The principal statements made at the conference were as follows: Nosaka Sanzo: "I have no special plan, but I hope that you will learn from the experiences gained through the activities of the Sino-Japanese Trade Promotion Society. It would be fruitless to carry on negotiations with the present anti-Soviet, anti-Communist government. It is especially important that those operating fisheries should change their ideas drastically."

Murakami

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Murakami Jumpei: "Fishermen on the coastal areas of Sanriku are suffering severely from poor catches. I hope that somehow the question of northern seas fishing will be settled favorably."

Omura Kiyotaka (HOKKAI SHIMBUN): "The 100,000 persons who were engaged in fishing in northern waters in prewar days are by no means anti-Soviet or anti-Communist. They earnestly desire to work; in all sincerity, they are looking for the early resumption of fishing activities in those waters. I believe that those who now have the right to speak are the fishermen who were forced to work at wage rates of 80 sen to one yen a day in the early years of the Showa period."

Hakamada Satomi: "Managing-director Miyata of the Russo-Japanese Fisheries Co. in the November issue of the Minsei (a magazine published in Hakodate), states, 'In order to resume the fishing industry in the northern waters, we must recapture the Kurile Islands.' However, as long as such militaristic ideas are held, the reopening of fisheries is quite impossible. I believe, therefore, that the sufferings of the fishermen and farmers in the Tohoku and Hokkaido districts must be alleviated by new methods."

Miyagi Yutaro: "I feel that the incidents involving trespassing into the northern sea fishing grounds have arisen from the fact that fishing vessels from all over Japan are forced to converge on the Sanriku coast and northward because of the limited coastal fishing areas. The problem now has reached the point where fishermen and affiliated political bosses alone cannot find a solution and where a national movement is necessary."

Public Hearings on Fisheries Bill.

Both Houses of the Diet will hold public hearings on the Fisheries Bill, which provides for a redistribution of fishing rights. The House of Councillors will hold its hearing on 14 and 15 November, while the House of Representative's hearing is scheduled for 16 through 19 November.

Enclosure 3 to Despatch no. 883 dated December 19, 1949 from the United States Political Adviser for Japan, Tokyo, on the subject "Communist Policy Toward the Northern Fishery Problem.

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AKAHATA, October 30, 1949.

Importance of Restored Fishing Industry Stressed. TOKUDA Explains Party Policy at Roundtable Conference.

Sponsored by the Communist Party, a roundtable conference for discussing fishery problems was held on the twenty-eighth at the Councillors' Hall.

The sixty-odd persons participating in the conference included: WATANABE, from the Fishing Village Culture Association; YAMADA and IKEYAMA from the Drift-Net Fishing Association; TAGUCHI and WADA from the Deep-Sea and Draw-Net Fishing Association; and some members of various other interested organizations such as the Seamen's Union of the Whaling Section of the Japan Fisheries Association, the Fisheries Research Institute, the All-Japan Fishing Workers' Union and the Board of Fisheries.

Representing the Communist Party, Secretary-General TOKUDA, Central Committee member HAKAMADA, Diet members SUNAMA, NAKANISHI, FUKAZAWA, IDEDA and TASHIRO attended the conference.

On this occasion when views were exchanged in regard to the fishery bill being introduced in the current session of the Diet, TOKUDA delivered a speech on the Party's policy for the fishing industry and on some problems now facing us as follows:

"The Communist Party will take up the fishery problem as one of its most important policies because the fishing industry is, among other things, of such a nature that it can be restored most easily and is an important key to the solution of the problem of food shortages.

"So far, in the profit-seeking capitalistic society, large-scale fishing has been managed for purposes of export. From now on, however, we cannot expect any development of a fishing industry designed for export only. Marine products must merit high appreciation from us as a source of albumen and fats for our people.

"The very cause for the decline of Japan's fishing industry is the extremely restricted areas of our fishing grounds, resulting from our surrender to the Allied Powers. Formerly, Japan took up part of the Arctic Sea, Yellow Sea, and the East and South China Seas for the purpose of achieving her imperialistic policies. Now, we cannot and should not hope to acquire these areas again.

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"First, Japan pushed quite an aggressive policy to get as large a catch as possible. For example, she closed the Kurile fishing area in the North ocean and went as far as Kamchatka for her aggressive and random fishing. This, at one time, resulted in exhausting the salmon and trouts in two rivers in that region.

"Second, Japan intruded and spied upon the second Five-Year Plan of the Soviet Union.

"Third, the Japanese Government engaged in many illegal maneuvers behind the scene to promote disorder.

"These immoral activities on the part of Japanese resulted in very bad feeling developing in the Soviet Union against the Japanese Government and our fishing interests. The same can be said in regard to the East and South China Sea problem. The Chinese Communists already have manifested an attitude of opposition toward the Yoshida Government, which is responsible for recent Japanese aggression.

"In view of these facts, it is nothing but a vain dream of the imperialistic Yoshida Government to try to regain full fishing rights. I do not mean, however, that there is no hope at all. The only way left for us is total democratization of the Japanese economy and willing and wholehearted cooperation on the part of the Japanese people with the Soviet Union in the Five-Year Program. This will enable the Japanese to take part in North oceanic fishing by offering labor power and chartering necessary equipment to the Soviet Union.

"The Chinese Communists also need laborers including technicians. So we shall be welcomed both in the East and South China Sea and in the Yellow Sea. To be ready for these opportunities, however, it is necessary for us to switch the present undemocratic system of our country to a democratized government by having bigger and stronger democratic organizations.

"Next, the biggest domestic problem is finance. At present eleven big banks, including the Bank of Japan, are monopolizing finance and are pressing all industrial quarters to reduce wages and personnel.

"The fishing industry is no exception. If management fails to join us in the struggle because they are Democratic-Liberals, they will be hanging themselves. All fishing

people

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people, whether employers, employees or villages, must fight in a joint struggle. In this connection, our Party will promote the increase of general purchasing power in order to get rid of the present monetary stringency and transfer any control by bureaucrats to the autonomous hands of the fishing workers and consumers in the interests of the public except for some large operations which should be carried out at the responsibility of the government. Thus, it will be possible to eliminate all controls within three years.

"At first, all vital industries should be nationalized under the people's management and in the future they should be put under state control and management. The fishing industry will be subjected to this measure for purposes of sound development.

"Taxation is particularly inequitable in the fishing industry. I advocate abolishing taxation on any enterprises smaller than middle sized ones. Total income taxes should be levied at a progressively higher rate on those earning more than 400,000 yen per annum. Any tax should be levied so as to leave 20 percent of the total income, outside of living expenses, as savings. For future development, must stimulate both public and private enterprises through the accumulation of capital.

"In conclusion, I propose that we conduct a basic oceanographical survey throughout the Pacific in close cooperation with all neighboring nations, particularly the Soviet Union and Communist China. Based on this survey, we shall be able to modernize fishing industry fully as a link in the general improvement of national installations such as reconstruction of fishing ports, mechanization of the processing of aquatic products and utilization of electric power."

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