

ECONOMIC

ITEM 114 (Continued)

What, then, is preventing long-term investments in Japanese industries? Private foreign capital is invested only where ample profits are guaranteed, with the support of cheap labor and production materials, the absence of competition, and a stabilized market. However, under the present situation in Japan, the community is widely split following the rapid growth of the hitherto underprivileged masses in the course of their desperate battle against the Yoshida Cabinet's policies to ruin our industry. Such conditions of instability do not warrant long-term industrial investments.

Other reasons for the lack of long-term investments in Japanese industries are as follows:

- (a) Tax rates such as the corporation tax are too high.
- (b) No bonds can be newly floated in foreign currencies, because no step has yet been taken toward the disposition of old foreign currency bonds and debentures, including the power bonds amounting to 430 million dollars.
- (c) The alteration of capital, the distribution of profits, the flotation of bonds, and the transfer and acquisition stocks and bonds cannot be done freely under the Restricted Company Ordinance, the Securities Holding Regulations, and the Business Organizations Law.
- (d) Profits gained in Japan cannot be remitted to foreign countries because of uncertainties in the enforcement of exchange control.

Even if all these difficulties had been removed, the lack of stability to guarantee high profit rates would be enough to present private foreign capital from flowing into Japan.

Under these circumstances, foreign capital is apt to follow the line of government investments from the American Aid Counterpart Fund. It must also be noted that the pressure from foreign trading and shipping capital has increased, along with the revival of prewar capital affiliations, the advancement of foreign banks, and the increase of commercial investments by foreign capitalists.

Japanese monopoly capital, deeply concerned over its inability to stand on its own feet, is making strenuous efforts to induce foreign capital. In this connection, a certain capitalist is reported to be working for the sale of the 12 billion-yen Hirohata plant of the Japan Iron Manufacturing Company to foreign capital at the book value of only 170 million yen. This move, together with Premier Yoshida's unsuccessful attempt to sell out the Tobacco Monopoly Bureau, clearly indicates the treasonous character of the fear-stricken monopoly capital. What can be expected from the Yoshida Cabinet is, after all, the destruction of the Japanese industry and the people's livelihood, through the enforcement of starvation export under the slogan of "self-supporting economy", while sticking to the illusion of support from foreign capital. Even this policy, however, is already facing a deadlock, owing to the worldwide crisis created by over-production.

Instead of being deceived by the illusion of foreign capital introduction, Japan should take the course of economic rehabilitation by the people's own efforts, and the promotion of trade based upon the equality of independent nations. Needless to say, this does not prohibit Japanese industrialist from cooperating with any foreign capital which does not intend to enslave the Japanese people.

Among contracts for the introduction of foreign capital, those recently submitted to the Foreign Capital Commission for its approval are as follows:

- A. A contract between the Mitsubishi Chemical Appliances Company (MITSUBISHI KAKO) and the Pan Commercial Company (US) for the importation of air-compressors to be used for producing oxygen.



ECONOMIC

ITEM 114 (Continued)

B. A charter contract between the Japan Cold Storage Company (NIPPON REIZO) and the International Traders (Canada), aimed at exporting Japanese canned oranges to Canada in return for salmon and herring.

C. A contract between the Tokyo Hat Company (TOKYO BOSHI) and the Stetson Company (US) for the introduction of machinery and techniques, and for the participation of the Stetson Company in the management of the Japanese party.

D. A contract between the Meidensha Company and the Allis Chalmers Company (US) to effect the utilization of patent rights for producing monopoly mercury rectifiers by the former, in return for the right of selling the former's products in the Western Hemisphere.

E. A contract between the Hitachi Shipbuilding Company (HITACHI ZOSEN) and the Burmeister and Wain Company (Norway) concerning the sale of diesel engines.

F. A contract between the Matsushita Electrical Instrument Company (MATSUSHITA DENKI) and the National Carbon Company (US) concerning the production of batteries. This plan, which is independent of the four-way split plan, is aimed at establishing a new company, capitalized with approximately 100 million yen, in which the National Carbon Company will hold 52 percent of the total stocks.

G. A contract to effect cash investments by the Pan Pacific Trading Company (US) in the Electro-chemical Industry Company (financially affiliated with the Mitsui Company). This is aimed at raising the latter's power generation capacity to 20,800 KWH at its three power plants, thereby increasing the production of carbide by 24,600 tons.

H. A contract under which the Japan Silk Weaving Company (NIPPON KINUORIHO) will receive 10 million yen as a cash investment from the Western Trading Company (US), with 200,000 yards of Japanese silk export as collateral. This investment will be redeemed with a 20-percent dividend.

ITEM 115 RESTRICTION ON TEXTILE EQUIPMENT EASED

(Full Translation)

TOKYO SHIMBUN, 3 Aug -- The Ministry of International Trade and Industry, which has been studying methods to alleviate the restrictions placed on the installation of textile machinery, has decided to sanction such machinery installation for textile industrialists in general, with some exceptions, effective from 2 August.

Those excepted are manufacturers of chemical fiber, cotton yarn, staple fiber, worsted yarn, and woolen yarn. Machinery for the following purposes are approved for installation:

1. The manufacture and processing of decontrolled staple-fiber and textile goods, such as silk hosiery etc.

2. The manufacture and processing of export textile goods contracted between the buyer and the supplier under the Trade Procedure Ordinance formulated by the International Trade and Industry Minister.

3. The manufacture and processing of textile goods for domestic use, as designated by the Textile Bureau under the production-to-order system.



ECONOMIC

ITEM 116 COMMITTEE NAMED TO REVIEW MONOPOLY SYSTEM

(Full Translation)

JIJI SHIMPO, 3 Aug -- The Government, on 1 August, held the first meeting of the Temporary Council to Deliberate the Monopoly System, established within the Finance Ministry. By the middle of September, the Council will decide whether or not the tobacco industry should be run by private concerns.

Members of the Council selected on 1 August are as follows: Chairman - KURODA Hideo (Democratic Liberal in the House of Councillors); members - AKIYAMA Konosuke (President of the Japan Monopoly Corporation), ARAI Shuichiro (Member of the Monopoly Enterprise Deliberating Council), ISHIKAWA Ichiro (President of the Federation of Economic Organizations), ITO Hanya (Professor of Ikkyo University), ENJOJI Jiro (Editor-in-chief of the Nihon Keizai Shimbun), KAWANO Yoshimitsu (Democratic-Liberal member of the House of Representatives), KIUCHI Nobutane (Chairman of the Foreign Exchange Control Committee), KOSAKA Zentaro (Democrat in the House of Representatives), SASAKI Shikazo (Democratic-Liberal in the House of Councillors), SHIMAMURA Ichiro (Democratic-Liberal in the House of Representatives), TAKAHASHI Ryutaro (President of the Dainippon Brewing Company), TSUKADA Juichiro (Democratic Liberal in the House of Representatives), NAGASAKI Eizo (President of the Public Industrial Rehabilitation Corporation), HARA Yasusaburo (President of the Japan Chemicals Company), HIRANO Ryohei (Ex-Chief of the Monopoly Bureau), MAEO Shigesaburo (Democratic-Liberal in the House of Representatives), MUNAKATA Rikichi (Tobacco grower).

ITEM 117 ILLICIT RECEIPTS OF STAPLES AMOUNT TO 18,000 BALES

(Full Translation)

NIHON KEIZAI, 3 Aug -- The Central Economic Investigation Board on 2 August completed the compilation of the results of a nationwide inspection on both the judicial and administrative aspects of cases of illicitly receiving staple-food rations between April and June.

A special check was made into the extra rations for workers being received by 2,901 plants with over 500 employees, with the result that 1,381 of these plants were found to be violating regulations, and that 247,000 of the approximately 1,180,000 registered employees, were found to be fictitious.

Staple-food thus misappropriated amounted to 18,327 bales, valued at 41,432,000 yen at official prices.

This investigation is still continuing, together with that being conducted by the national police authorities. As a result, unfair food rationing practices are gradually decreasing.

The number of workers obtaining rations through illicit means has been reduced to 31 percent of that in April, and that of general consumers is down to 37 percent, according to official estimates. The amounts of misappropriations are down to 35 and 37 percent, respectively, of those in April.

ITEM 118 UMBRELLAS RAISED OR LOWERED? MINISTRIES DISAGREE

(Full Translation)

KOGYO SHIMBUN, 2 Aug -- Business circles here are anxiously awaiting the recommendation to be published by Dr. SHOUP on the revision of our tax system. Especially in regard to the revision of the commodity tax system, industrial circles have long been asking



## ECONOMIC

### ITEM 118 (Continued)

the government and the authorities concerned for the lowering of the taxation rate and the raising of the exemption level. People in general are also anticipating that the sales tax will be alleviated to some extent. Contrary to these hopes, however, the Finance Ministry intends to levy taxes on those commodities which have been free of taxes, by lowering the exemption point. This is creating a big stir in various quarters concerned.

In an attempt to find new revenue, the Finance Ministry intends to lower the tax exemption point from 1 August on umbrellas and Japanese umbrellas, and hopes to collect 50 to 60 million yen annually from this source. With this in mind the Ministry tried to submit to the Cabinet conference, a government ordinance bill authorizing the lowering of the exemption level on these items. However, this move was blocked by the furious opposition raised by the International Trade and Industry Ministry. At present the exemption point for umbrellas is 1,200 yen and that of Japanese umbrellas 270 yen, both exceeding their respective official prices. Therefore, no commodity tax has been imposed on them.

If the exception point of umbrellas is lowered to 1,000 yen, and that of Japanese umbrellas to 200 yen, sales taxes will be levied on almost all of 200,000 dozens of umbrellas and 16 million-style umbrellas which are being produced this year, with the result that umbrella dealers will have to pay from 50 to 60 million yen in additional taxes. Thus, the umbrella makers are expressing strong opposition, on grounds that they can not bear such a heavy burden.

The International Trade and Industry Ministry cannot understand the Finance Ministry's attempt to lower the exemption point of umbrellas only, while the general trend is for the lowering of taxation rates and the raising of the exemption point. Moreover, if the plan is put into practice, dealers will try to cover the deficits resulting from the payment of taxes by lowering the quality of goods. Thus, the International Trade and Industry Ministry is also opposing the plan. At the present time, however, we cannot expect an immediate solution of the deadlock between the two ministries.

Although the problem is a trifling matter involving umbrellas, it is believed political negotiations between the two ministers will be necessary for its solution.

### ITEM 119 OBSERVER REPORTS ON US ECONOMIC CONDITIONS

(Summary)

NIHON KEIZAI, 31 Jul -- OKAJIMA Yoshiyuki, managing director of the Japan Cotton Industry Co (NICHIMEN JITSUGYO), who has been touring the US for more than two months, has sent back the following report on the situation of the cotton industry there, and on economic prospects in the United States:

Despite the fact that a bumper crop for two successive years is a rare occurrence, this year's cotton crop is expected to reach 16 million bales, to top last year's mark. This is good news for Japan, who can no longer obtain abundant cotton supplies from India and South America.

The quality of American cotton has improved remarkably. The length of fiber has increased. In Georgia, for example, 50 to 60 percent of the cotton grown this year had fiber one inch long, compared with 10 percent of such cotton produced in 1948.

Economic conditions in the United States, which have been deteriorating since April seem to have stabilized in July. US economic conditions affect markets throughout the world, particularly Japan, where economic rehabilitation depends entirely upon the promotion of foreign trade.



ECONOMIC

ITEM 119 (Continued)

A tour through the United States has convinced me that the whole nation is speedily changing into an industrial economy, in the broad sense of the word. Of course this may be attributed to the extensive mechanization of agriculture; but those connected with agriculture comprise only 18 percent of the entire population. It is a great change from prewar days. Today chemical industries established along the Gulf of Mexico, particularly on the Texas Coast, to say nothing of the Pacific Coast.

Thus American industry has continued developing from east to west and from north to south. It is evident that this march of progress will head toward the northwest, to exploit the boundless mineral, forestry and marine resources in Alaska.



ITEM 120 SLATE BILL TO OPEN FUND SOURCE FOR PIRC

(Full Translation)

SEKAI KEIZAI SHIMBUN, 2 Aug -- The Government will present a bill partly revising the Public Industrial Rehabilitation Corporation Law at the forthcoming special Diet session, in order to expand the scope of the activities of the corporation thus named. This bill will make possible loans from city banks to replace the sole source of Corporation funds, which was cut off with the suspension of RFB loans.

From the time of its establishment in May 1947 until the suspension of RFB loans at the end of 1948, the Corporation had been performing the vital function of constructing industrial installations and purchasing raw materials for industry. Following this suspension, the Corporation's function of financing the construction industrial installations was halted; and thus for the present its activities have been largely confined to the purchase and co-ordinated disposal of surplus goods.

But since stocks have piled up because of the export slump and the drop in effective demand within the country, great importance is attached to the disposal of stocks. The Government, therefore, intends to help finance the Corporation, so that the purchasing and adjustment functions of the Corporation can be used on this occasion to absorb accumulated export goods for which no domestic demand exists.

The purchase will include textile goods, special alloys, scrap iron, and electrolytic copper. As an additional countermeasure with regard to electrolytic copper after the abolition of subsidies, not only will the present stocks be purchased, but also new copper, manufactured from new ores during the one year from next November, may be purchased.

Competent authorities are now negotiating for a substantial increase in the Corporation's fund set at 200,000,000 yen. The amount of goods purchased by the Corporation from May 1948 to March 1949 totals 6,873 million yen, and the total goods sold during the same period amounts to 5,980 million yen. The stocks on hand at the end of last March, including consigned goods, were valued at 2,526 million yen (5,505 million yen at current prices).

ITEM 121 RICE PRICE DELIBERATION COUNCIL TO BE NAMED

(Full Translation)

TOKYO SHIMBUN, 3 Aug -- The Government, at a Cabinet meeting on 2 August, worked out the details for the formation of the Rice Price Deliberation Council. The text of the decision is as follows:

1) The Rice Price Deliberation Council is established to function as the advisory organ to the Minister of Agriculture and Forestry and the chief of the Price Board on subjects essential to fixing the producer and the consumer prices of staple food.

2) The Council will consist of some 25 members appointed from among the farmers unions (Nihon Farmers Union, All Japan Farmers Union); agricultural organizations (National Federation of Purchase and Sales Cooperative Associations, National Federation of Agricultural Guidance); two or three leading model farmers; representatives of labor unions and other consumer bodies (National Federation of Labor Unions, National Railways Labor Union, Federation of Livelihood Co-operative Associations, Federation of Economic Organizations);



ECONOMIC

ITEM 121 (Continued)

men of skill and experience in agriculture and finance; and upper and lower house members.

The appointment of the committee members will be completed before the middle of this month, and the first meeting will be called during the latter part of the month.

ITEM 122 TRADE SUPERVISOR SAYS PESSIMISM UNJUSTIFIED

(Full Translation)

SANGYO KEIZAI SHIMBUN (Osaka), 31 Jul -- A warning against undue pessimism over the recent developments in Japan's foreign trade was sounded by KOTAKI Akira, General Supervisor of International Trade, in an interview with a SANGYO KEIZAI reporter at OTSU on 30 July.

KOTAKI, who was touring the Kansai District for a conference with chemical textile manufacturers in Osaka, arrived at Otsu Station at 0630 hours on 30 July and immediately inspected the Shiga Plant of the Toyo Rayon Co. His comments on the current trade problems are summarized as follows:

"Many traders are pessimistic over the future of our foreign trade because of recent developments. Many trade contracts have been cancelled abroad and many businesses have been rendered insolvent because of the recent money shortage. But current pessimism can be blamed largely on the traders' traditional dependence on the Government since 1931. I hope they will try to find some of the solutions for themselves.

"President TRUMAN has gone on record as saying that he will help encourage trade with Japan. Neither is our Government standing idly by. Emphasizing the fund problem, the Government plans to give better loan priority to promising export industries for two or three months. Since the Public Trade Corporation began purchasing products, there have been no direct aids to export industries. But the Government is negotiating with authorities concerned for stopgap loans.

"Various trading companies are making preparations to send their representatives overseas. Some firms handling rolling stock have already obtained formal permission to send officials to Thailand. Firms in the iron and steel and machinery industries will soon obtain permission too.

"It is hoped that as many traders as possible will go abroad under the so-called Foreign Currency Fund to inspect the postwar marketing conditions abroad. For this purpose, the Government is endeavoring to conclude trade accords with overseas countries.

"Therefore, I hope that traders in this country do not take the recent developments too seriously and that they discard their pessimism over the prospects for Japan's foreign trade."

ITEM 123 CRUX OF IRON-STEEL SUBSIDY QUESTION

(Full Translation)

NIHON KEIZAI SHIMBUN, 31 Jul -- Subsidies for the iron and steel industries in 1949 will total about 74.8 billion yen according to this year's production plan of 1,800,000 tons. This amount consists of subsidies for the adjustment of domestic prices, those to pay for coal used in iron and steel production,



## ECONOMIC

### ITEM 123 (Continued)

and those for the importation of raw materials.

The domestic price adjustment subsidy has the dual purpose of enabling the sale of iron and steel at lower prices and of compensating for production costs. It amounts to a total of 41.6 billion yen, including 22.3 billion yen for steel materials, 17.5 billion yen for pig iron, 1.1 billion yen for semi-finished products, and 0.7 billion yen for cast iron tubes.

The import subsidy, which is provided to cover the difference between import and sale prices of key raw materials such as iron ore, coal and pig, amounts to 14,980 million yen, including 6,860 million yen for 1,800,000 tons of iron ore, 5,770 million yen for 1,600,000 tons of coal, and 2,340 million yen for 130,000 tons of pig iron.

Iron and steel manufacturers receive coal-purchase subsidies of 3,000 yen per ton to enable them to buy 4,500-yen coal for 1,500 yen per ton. This cut-rate price for iron and steel industries is also applied to the purchase of imported coal, for which import subsidies are additionally granted. With consumption of both domestically-produced and imported coal expected to total 6,100,000 tons, coal-purchase subsidies for the iron and steel industries will amount to 18.3 billion yen.

The total production cost of pig iron is 27,080 yen per ton, including the producer's CIF price of 13,300 yen and the subsidy for the purchase of raw materials amounting to 13,780 yen, or 51.5 percent of the total cost.

The production cost for a ton of round steel bars amounts to 36,069 yen, including the producers' CIF price of 18,720 yen and a subsidy of 17,349 yen, which is equivalent to 48 percent of the total cost.

### Abolish Subsidies, Raise Prices

On the other hand, the consumers prices of pig iron and round steel bars, which are set at 3,600 and 10,120 yen, respectively, amount to a mere 13 and 28 percent, respectively, of the production costs. The remaining 70 to 80 percent is borne by subsidies. If subsidies are discontinued, the price of iron and steel are bound to rise. If the price adjustment subsidy is abolished, the price of steel bars will rise from 10,120 to 18,720 yen, that of thick steel plates from 12,350 to 21,030 yen, and that of steel sheets from 14,690 to 26,450 yen.

If subsidies for the purchase of raw materials are abolished in addition to the price adjustment subsidy, the price of steel bars will rise to 24,860 yen, that of thick steel plates to 29,750 yen and that of steel sheets to 38,910 yen.

Comparing prices in Japan with international price levels, we find that 19 mm steel bars cost an upward of 74 dollars per ton in the United States, which, converted at the exchange rate of 360 yen to a dollar, is equivalent to 26,640 yen. The consumers price in Japan of 10,120 yen is but two-fifths of that price, and the production cost in Japan of 24,860 yen is still 1,780 yen cheaper than the US price.

The advocacy for the cancellation of subsidies stems from the strong need to raise Japan's abnormally low iron and steel prices up to international price levels. Since any sudden cut in subsidies without any preparatory measures will prove disastrous to the iron and steel industries, all companies are striving for counter-measures. The Iron and Steel Industry Federation is slated



ECONOMIC

ITEM 123 (Continued)

to hold shortly an emergency meeting of directors in order to take necessary steps. Business concerns fear that the abolition of subsidies in the midst of deflation will bring about the following results:

1. Government-affiliated consumers, such as railway concerns, will refrain from buying iron and steel at higher prices unless they receive larger budgetary appropriations.
2. Other industries may continue to demand iron and steel but will be unable to afford the prices which will be doubled after subsidies are abolished. In that event, manufacturers will have to expect the demands to be cut to half the present volume or else sell their products at half the market prices through competition.
3. All companies will attempt business rationalization to conserve funds, but the effectiveness of such a measure is limited. Excepting the manufacturers of small steel tubes, sheet plates and galvanized iron plates, which are in demand, those producing steel bars, thick steel plates and steel rims, which do not sell well even at present, will be driven to bankruptcy if left to their own resources.

Business concerns, therefore, are expressing hope that this question be studied as a part of the over-all policies involving financial and banking problems.



**V SOCIAL**

**ARTICLES OF SOCIAL SIGNIFICANCE FROM  
NEWSPAPERS AND MAGAZINES PUBLISHED  
THROUGHOUT JAPAN**



SOCIAL

	Item No.
Kawagoe Housewives Demand Anti-Epidemic Measures.....	AKAHATA 124
Gumma Hotel Keepers Seek Lower Taxes.....	AKAHATA 125
Repats Protest Rail Authorities' Actions.....	AKAHATA 126
Additional State Aid Urged for Health Insurance.....	YOMIURI 127
DPL Ignores Women in Politics, Say Communist Women.....	JINMIN SENSEN 128
The 48-Hour Week of a Government Worker.....	JINMIN SENSEN 129
Shinyo Maru Repats to Sue Ship Captain.....	AKAHATA 130
Ueno Homeless Demand Work, Housing.....	AKAHATA 131
Reds Protest Poster, Bill Restrictions.....	AKAHATA 132
Hokkaido Miners Intensify Struggle Preparations.....	AKAHATA 133
Highlights of Press Interviews with Repatriates.....	Extracts 134

ITEM 124 KAWAGOE HOUSEWIVES DEMAND ANTI-EPIDEMIC MEASURES

(Full Translation)

AKAHATA, 2 Aug (Kawagoe dispatch) -- Although epidemic cases in Kawagoe Shi numbered 21 as of 30 July, the city authorities have taken no adequate measures to cope with the situation. Accordingly, the Communist Party Eastern District All launched a disease prevention movement under the slogans "Let's protect our childrens' lives" "Opposition to a city administration which while assessing taxes pays no attention to the protection of the citizens' livelihood".

Mothers are intently reading posters which are reporting epidemic outbreaks, and some of them have voluntarily offered their services to the Communist Party after reading leaflets now being circulated.

The cell members, together with the representatives of the mothers on 30 July conducted negotiations with the city authorities for the strict enforcement of regulations governing epidemic prevention and secured the authorities' pledge to effect an immediate examination of faeces of people living in and around the epidemic areas as well as immediate distribution of sulfathiazole.

At the conference it was revealed that no vaccine for preventive inoculations had been located to Kawagoe Shi by the prefectural authorities. Deputy mayor KISHI promised the representatives that the city authorities would, together with the Communist Party, demand the prefectural authorities to distribute vaccine.

Representatives of the Kawagoe City Office Employees Union who attended the meeting reported on the vacancies in the health section, and even the chief of the health section clearly acknowledge the impossibility of a personnel slash in this section. While the police appropriation exceeds 12,000,000 yen, the budget for epidemic prevention is less than 4,500,000 yen, which is inadequate even for the distribution of preventives.

ITEM 125 GUMMA HOTEL KEEPERS SEEK LOWER TAXES

(Summary)

AKAHATA, 2 Aug (Gumma dispatch) -- Hotel proprietors in hot-spring ressorts in Gumma Ken will apparently rise against the outrageously heavy entertainment tax imposed upon them.

With a view to making the decrease in the prefectural government revenue resulting from the curtailment in the local tax grants and the lowering of the maximum for bond floatations by prefectures, the Gumma prefectural authorities decided to raise more than 120,000,000 yen through the entertainment tax, and allocated 53,900,000 yen of this amount to the Gumma Prefectural Federation of Hotel Proprietors Unions.

The hotel men's federation conducted negotiations to protect the tax with the prefectural authorities but were unable to make any



SOCIAL

ITEM 125 (Continued)

progress. Therefore, the Azuma Western District Hotel Proprietors Union, consisting of some 130 hotel-keepers, on 21 July held an emergency executive committee meeting and resolved to refuse the tax allocation.

(Fukui dispatch) -- In protest against the prefectural government's action in replacing all admission tickets to movie-halls and theaters in Fukui Ken with the prefectural government-issued certificates, 25 motion picture theaters affiliated with the Fukui Prefectural Showmen's Association decided not to collect admission tax from 1 August, which would bring the admission price down to four yen 99 sen.

Democratic organizations in the prefecture on 28 July made a joint struggle proposal to the prefectural showmen's association in the names of the Fukui Prefectural Federation of Labor Unions and the Society for the Protection of Japanese Culture.

(Sano dispatch) -- Denouncing the category-A business tax imposed on them as unreasonably heavy, about 45 carpenters and plasterers in Tochigi Ken, Aso Gun, Akami Machi, on 18 July visited the local tax office to return the reassessment notices. On 23 July, about 80 members of the carpenters union and 100 other persons affiliated with the citizens association and others in Sano Shi also followed suit, giving back their income tax notices to the authorities.

Meanwhile, the Communist Party examined taxes levied on the residents of Sano Shi on 27 and held a citizens' rally on 28 July. A total of about 500 members of the Sano Shi and Akami Machi citizens associations, the Kuzufu Machi Korean League and various labor organizations participated in the rally and decided on the following demands which were presented to the municipal authorities in Sano Shi: (1) no business tax on day-laborers, (2) equitable taxation of merchants and (3) participation of the Communist Party members in tax investigations.

ITEM 126 REPATS PROTEST RAIL AUTHORITIES' ACTIONS

(Full Translation)

AKAHATA, 2 Aug (Hokkaido dispatch) -- A group of 14 demobilized soldiers, including SATO Hiroyuki (31), who were repatriated on the ENSHU MARU, made a temporary stopover at Sapporo Station at 0801 on 29 July to attend a welcome rally held in front of the station by various democratic organizations. Upon detraining, KINOKUNI, an assistant station master, took their tickets, saying he would keep them for them. But in doing so he did not explain that the tickets became invalid upon detraining.

At the welcome rally, many railway safety officials and policemen appeared and prevented GOTO Tetsuji, a member of the Communist Party Hokkaido District Committee from delivering an address. The meeting place was then moved to an open lot adjacent to the main thoroughfare, and a three-point resolution was adopted: (1) Return of the 14 repatriates' tickets and recognition of stopovers; (2) permission to hold welcome rallies in front of stations; and (3) barring policemen and railway safety officials from attending welcome rallies.

It was decided that a protest on these matters be filed with the Sapporo Railway Division, the municipal police and the municipal office.

These demobilized soldiers, accompanied by KARASAWA, a Communist Diet member, conducted a four-hour negotiation with SAITO, chief of the Sapporo Railway Division's business department, but their demand was flatly rejected. Eleven demobilized soldiers, excluding the three who were forced to go home on account of illness among members of their immediate families, assisted by democratic organizations such as the Communist Party, the Japan League of Coal Mine Workers Unions



SOCIAL

ITEM 126 (Continued)

etc are remaining in Sapporo to stage a signature campaign for the recognition of stopovers.

In order to destroy false anti-Soviet propaganda, they are also engaged in door-to-door-visits and street publicity campaigns to report the real conditions in the Soviet Union.

(Hakodate dispatch) -- The second group of 273 repatriates hailing from Hokkaido who returned aboard the DAIKUMARU arrived in Hakodate at 0200 hours on 27 July on board a ferry boat.

These repatriates, headed by IDA Iwao of Wakkanai Shi, gathered at a lot in front of the station and, together with their families, attended a people's welcome rally sponsored by the Communist Party Hakodate District Committee. After swearing to join the Communist Party and to fight for the establishment of a democratic people's government, they all returned home on the Asahikawa-bound train.

ITEM 127 ADDITIONAL STATE AID URGED FOR HEALTH INSURANCE

(Full Translation)

YOMIURI SHIMBUN, 2 Aug -- The Welfare Ministry, due to a partial revision made last April in the Health Insurance Law, was forced to raise the insurance rate and charge for the initial medical examination which had been free prior to the revision of the law.

From August, the Ministry will again raise the insurance rate by 0.5 percent, making it 5.5 percent. However, even with the enforcement of these revisions, the financial crisis in health insurance cannot be surmounted.

In view of this situation, the Social Insurance System Investigation Committee has taken up this problem. In accordance with a decision adopted at its fourth general meeting on 23 July, the committee urged Premier YOSHIDA that 10 percent of the insurance be paid from the State Treasury.

ITEM 128 DPL IGNORES WOMEN IN POLITICS, SAY COMMUNIST WOMEN

(Extracts)

JINMIN SENSEN (Monthly magazine), Jul 49 -- (Participants) in the following round-table discussion are three Communist women Representatives, TAJIMA Hide, KARITA Asano and KARASAWA Toshiko--Editor)

Editor: -- In the first election, 39 women were elected to the Diet, and in the last election there were only 12. Despite this decrease in number, of the 12 women who were elected in the last election, three were Conservatives and nine were from the democratic ranks. This fact indicates the superiority attained by the democratic forces. But how can this be explained in the light of the absolute majority attained by the Democratic Liberal Party.

KARITA: I believe one reason is that the women were not as successful as men in their attempts to bribe or to enter into shady dealings in their election campaigns.

TAJIMA: I agree. The fact that they lacked funds was a decisive factor. The women on the Conservative slate did not haul the organized support we had to raise campaign funds.

KARITA: The women could not compete with men in raising funds. This accounts for the large number of unsuccessful women candidates.



SOCIAL

ITEM 128 (Continued)

KARASAWA: The other political parties have made no effort to strengthen the position of their women representatives. Women of the other parties, as for example, the Vice Minister of Foreign Affairs KONDO, are in such positions because of personal connections. Therefore such apparently absurd rumors as the one concerning the relationship between YAMASHITA and SHIIKUMA may contain a grain of truth. The fact that special connections are necessary in order to succeed may be one reason for the decrease in the number of women representatives. In the Communist Party, however, no prejudices are held against women representatives. Women and men are equal in the eyes of the party.

Editor:-- Will you tell us how you plan to conduct the movement to enlighten women on cultural and political problems?

KARITA: I believe that a special enlightenment movement directed toward women is necessary. Even our own party has done little along this line. Up until now women knew nothing of democratic politics or cultural activities. Therefore an enlightenment movement directed towards them will be most effective. Women, more than men, feel the need of improving their living conditions. Therefore if they learn that there is a way in which they can escape from the present living hardships, they will rise up and assert themselves much more readily than men will. Of course, political activities are also important. Give the women the power to see through their living difficulties and they will rise up politically.

Editor:-- Have you anything to say regarding the current prevalence of traffic in human beings and the street girls?

TAJIMA: The problem is a large one. Since the girls from the farming districts are sold to factories for terms of three or five years, on payment of several thousand yen, in advance, this question cannot be considered separately from the farm problem.

KARASAWA: The chief reason for the traffic in human beings is the inability to pay taxes.

KARITA: No woman enters into prostitution because she likes to. She does so only because present conditions are such that she cannot live otherwise. This problem cannot be solved by any control measures.

TAJIMA: Unlike conditions in the past, women today must work to eat. There are, however, many who work and still cannot eat. The solution to this is to create a social structure under which the lives of those who work will be stabilized. Human traffic leads to "slave wages" and the "social dumping" of Japanese working women.

ITEM 129 THE 48-HOUR WEEK OF A GOVERNMENT WORKER by IZUMI Tadayoshi

(Summary)

JINMIN SENSEN (Monthly magazine), Jul 49 -- Recently I visited an old friend who has been working at certain ministry for the past three years, since he was demobilized. Although reserved by nature, he poured out his grievances to me when I asked him what he thought of the 48 hour week system. He said:

"This is my daily schedule. It takes me three hours to come to the office from my home in Asakawa. To get here by 0830 hours, I must leave the house about 0515 hours, my wife must get up at 0330 hour to prepare my breakfast and lunch. She finally fell ill last month; I fell very grieved for her.



SOCIAL

ITEM 129 (Continued)

"After riding on jammed trains, we must run from the station to the office in order to arrive on time, for our pay is cut if we are even a minute late. Meanwhile, our chief has the office automobile come for him.

"Things have changed with the advent of the Democratic Liberal Cabinet. The section chiefs, who talked so glibly of being democratic and who co-operated with us, have lately become intolerably overbearing, as though they were making up for the past three years.

"Recently three officials of our labor union were discharged. One was charged with wilfully attempting to destroy government property because he had slammed a door shut. Another was discharged for allegedly having a typist type out a document opposing the 48 hour-a-week schedule. It is fearful to think that the Public Service Law will permit such incidents to take place. Under such typing conditions, how can one accomplish any work or raise his efficiency?

"There is so much red tape in a government office, what with reports, permits, authorizations, etc, that we are snowed under with work. They are forced to work overtime, but our demand for overtime pay is ignored. Despite all this work, they plan to discharge one out of every three of us. If the higher officials, who do nothing but blindly stamp their seals on documents, are discharged, we could understand it; but we oppose the plan to discharge those of us who already have more work than we can handle.

"The unemployment relief measure proposed by the government will force us to shoulder picks and axes. After working for three years for low government pay, I suffer from malnutrition and will probably not be able to stand such manual labor for even a day.

"After finishing a day's work and riding three hours on the tram, it is 2100 hour when I return home. After supper, I try to do a little work on the side, but I am too exhausted to do much. How can we enjoy a cultural life when there is not even enough time to read."

No wonder an official at the Meteorological Observatory killed himself recently. I know there is no use being pessimistic. Somehow, we must rise from this slave-like condition. We must make others realize that the condition of government workers is similar to that of all other Japanese people, and that we can only maintain peace by joining forces to combat this situation

ITEM 130 SHINYO MARU REPATS TO SUE SHIP CAPTAIN

(Summary)

AKAHATA, 3 Aug -- On 1 August, 125 repatriates who returned aboard the Shinyo Maru visited the Repatriation Relief Board and selecting five representatives sought an interview with the repatriation relief bureau's chief. They submitted the true facts on the misreported "Kangaroo court incident" and demanded that the board:

- (1) Persuade UCHIKAWA, captain of the ship to withdraw his complaint against the repatriates.
- (2) Bar UCHIKAWA from boarding the ship.
- (3) Assume a responsible attitude toward repatriation business.

After first giving evasive answers, the chief promised that the board would take proper measures by contacting the Civil Merchant Marine Commission.

Six other representatives proceeded to the Supreme Public Prosecutor's Office and, after explaining the actual circumstances of the incident demanded that proper steps be taken. Assistant Prosecutor-General KIUCHI replied that he would report the facts to the Maizuru District Public Prosecutor's Office and urged them to submit a written report.



SOCIAL

ITEM 130 (Continued)

The repatriates who returned aboard the Shinyo Maru are all determined to sue Captain UCHIKAWA together with the Soviet Repatriates Livelihood Protection League and other organizations.

The Soviet Repatriates Livelihood Protection League, other democratic organizations, and Shinyo Maru repatriates decided on 3 August to press charges against Welfare Minister HAYASHI, the Repatriation Relief Board chief, the Maizuru Repatriation Relief Bureau chief, the Bureau's Demobilization Department chief and the Higashi Maizuru Municipal Police Station chief for violation of the Constitution.

Preparations for legal proceedings have been in progress since the end of July when it was reported that thought and military investigations were being forced upon repatriates and that those who had refused to answer were subjected to lynching. SHIMIZU Tatsuo, chairman of the Soviet Repatriates Livelihood Protection League stated,

"The Constitution guarantees freedom of thought and political freedom. However, the authorities have kept repatriates from returning home, simply because they refused to answer the question as to whether they would join the Communist Party. The authorities, furthermore, are conducting a 'military survey' to ferret out information on the Soviet air force, munitions productions, etc."

ITEM 131 UENO HOMELESS DEMAND WORK, HOUSING

(Summary)

AKAHATA, 3 Aug -- Unable to bear sleeping on cold concrete or being hungry any longer, 200 so-called "Ueno denizens" gathered in front of Ueno Station at about 2300 hours on 31 July and voiced their demands for work and housings. They formed a preparatory committee and pledged themselves to unite in a struggle to acquire their demands. They also resolved to go to the Ueno employment security office on 1 August.

On 1 August, the Communist Party Daito Ward Committee members, as well as repatriates from the Soviet Union, assembled and offered their positive aid to the Ueno denizens. Later, with the repatriates from the Soviet Union taking the lead, a round-table conference on the subject of "the Soviet Union, country of happy laborers" was held followed by songs and dancing by repatriates. The meeting was adjourned with a cheer for the Japan Communist Party.

In accordance with the decision reached at the preparatory rally held on 31 July, 27 representatives of the Ueno denizens thronged to the Ueno employment security office in Tokyo To, Daito Ku, early in the morning of 1 August and sitting down in the room of the office chief demanded housing and work while waiting for chief OGAMI who had still to appear at the office. When OGAMI finally appeared, the representatives who had taken nothing but a glass of water since the previous day, immediately began demanding lunch, and were able to get two leaves bread each in the afternoon.

When they negotiated for work the chief replied; "I will help those who wish to find steady jobs. First of all I will endeavor to see that all of you get part time jobs and that none of you are neglected."

Encouraged by his words, and surprised at the good results the Ueno denizens went to the Daito Ward Office and launched another struggle for the acquisition of welfare funds as well as emergency rice rations.



SOCIAL

ITEM 132 REDS PROTEST POSTER, BILL RESTRICTIONS

(Full Translation)

AKAHATA, 2 Aug -- The Metropolitan Government has decided to place restrictions on the display of bills and posters on grounds that their unauthorized display by political parties and trade unions tends to mar the appearance of the Metropolitan Government Office and other buildings under its jurisdiction and that exaggerated advertisements through them threaten public peace and order.

Violators of this ruling will be liable to punishment in accordance with the Minor Crimes Law.

According to the new regulations, the display of bills and posters in the Metropolitan Government and other buildings under its jurisdiction will be restricted as follows:

(A) Those pertaining to official business--

(1) Only designated bulletin-boards shall be used.

(2) A person or persons shall be appointed in charge of bulletin boards.

(3) Bulletins shall be limited to those prepared by the Metropolitan authorities.

(B) Those pertaining to union activities----

(1) Labor unions shall put up bulletin boards for their own exclusive use.

(2) A person or persons shall be clearly designated as responsible for the bulletins.

(3) Contents of bulletins shall be limited to information on normal activities of unions. Those extremely radical or political in nature or those attacking a certain person or persons shall be avoided.

Second Taira Incident Occurs in Saga

(Saga dispatch) -- Town authorities of Omachi Machi, Kishima Gun, Saga Ken requested the Communist cell there on 19 June to remove its bulletin board. The Communist cell, therefore, protested to the town assembly that (1) it had already obtained approval for the setting up of the bulletin board in August last year; (2) during the war a bulletin board had been set up by the authorities at the very spot where the one in question now stands; and (3) the bulletin board is not serving any obstructive purpose.

Overwhelmed by this strong protest, the town mayor and the chief of police submitted the problem to the town assembly which granted formal approval.

However, on 7 July a gang of ruffians known as the Tengu To or the Long-nose Goblins Party was employed to cut down the bulletin board. Moreover a challenge was hurled at the Communists in the form of a poster which declared: "By Gods' will we hereby destroy the Communists' bulletin-board."

When they learned of this, townspeople helped the Communists erect another bulletin board and, resolving to stamp out reactionary local bosses, launched a protest campaign against government oppression.

(Tokai dispatch) -- The Nagoya Municipal Police, without warring, assembled all representatives of trade unions, democratic organizations and advertising agencies and issued an order prohibiting them from posting bills and posters on buildings without the permission of the proprietors. They warned that violators of this ruling would be punished in accordance with the Minor Crimes Law.

Representatives of the Aichi local of the National Congress of Industrial Unions and other labor unions and democratic organizations,



SOCIAL

ITEM 132 (Continued)

on the other hand, are daily filing protests with the municipal authorities declaring that this police action is the first step toward the oppression of freedom of speech.

Municipal police authorities on 27 July replied to the protest of the all Japan Council of Metal Workers Unions representatives that mobile displays will be allowed whereas fixed displays are banned. It was then made clear that mobile displays include signboards and placards while fixed ones include wall newspapers.

ITEM 133 HOKKAIDO MINERS INTENSIFY STRUGGLE PREPARATIONS

(Summary)

AKAHATA, 2 Aug (Hokkaido dispatch) -- The sixteen Hokkaido Colliery and Steamship Company mines having reached a deadlock in negotiations for high wages, labor agreements, and on dismissals, suspended work for more than an hour to hold workshop rallies and intensify struggle preparations. The movement is about to spread to the Shin Yubari and other coal mines. The company, on the other hand, is persisting in its strong stand, and on 28 July issued dismissal notices to 33 workers of the Teshio mine. The union immediately decided to return the notices and to conduct collective negotiations.

As the closing of the mine will be ruinous to Chira Mura, a Teshio Mine Preservation Policy Committee was formed and a written resolution requesting continuation of the Teshio and other coal mines, funds to develop the mines, and no unemployment was submitted.

(Wakkanai dispatch) -- In the wake of the Northern District Teshio Coal Mines Defense Council meeting, the Northern District Council of Teshio Coal Mine Workers Unions affiliated with the Japan League of Coal Mine Workers Unions held a meeting in which the management also participated. With the defense of the coal mining industry as the chief problem, it was affirmed that (1) various cities, towns and villages will be called upon for support; (2) the problem will be presented to the Hokkaido Assembly and the Wakkanai Municipal Assembly; (3) Municipal Assemblyman FUJITA, concurrently chief of the general affairs section of the Wakkanai chapter of the Japan League of Coal Mine Workers Union will endeavor to gain the support of the Wakkanai Assembly in the defense struggle and (4) the management will join in creating a united front in the coal mine defense struggle.

ITEM 134 HIGHLIGHTS OF PRESS INTERVIEWS WITH REPATRIATES

(Extracts)

IBARAGI (Mito), 2 Aug -- Soviet repatriate HIROZAWA Teizo, 35, of Makabe Gun, Oguri Mura, Asahimachi, said: "...Workers in the Soviet Union respect labor, and achieve their hopes and objectives, as well as solace, through labor. Japanese today are too individualistic. Whenever two or three get together, they invariably talk of making money. It makes me feel as though they are engaged in some sort of internecine struggle. After returning, I felt as though there is something about my countrymen that I cannot accept. This impression has grown stronger."

NAIGAI TIMES, 3 Aug -- Former sub-lieutenant ICHITO Mitsuo, 27 of Chiba Ken, Chiba Gun, Makuhari Machi, was once hailed as the hero



SOCIAL

ITEM 134 (Continued)

of the Komsomolsk detention camp for having spent four bitter winters in Siberia after transferring his repatriation rights to one of his subordinates. Greeted by members of his family and Vice-governor SHIBATA at Tokyo Station on 2 August, he said: "I am happier to be greeted by family members and relatives than by the Vice-governor. I transferred my repatriation right to my friend because I was attracted by life in the Soviet Union."

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ISE SHIMBUN (Tsu), 1 Aug -- Interviewed one month after repatriation aboard the Takasago Maru, NODA Isamu, 33, of Tsu Shi, Ubushina, said: "...I intend to seek employment. I joined the Communist Party at Kyoto provisionally, and have since engaged in party activities; but since the party seems to be estranged from the masses, and since its policies do not seem to apply to the present situation in Japan, I am thinking of bolting. ...Our obstinacy seems to have melted especially when we learned that repatriation acceleration had been pushed vigorously. ...Restored to their loving relatives and acquaintances, most repatriates are regaining their sanity. I still believe in the superiority of a socialist structure. I do not believe it proper to accept a foreign ideology without modification..."

NAKAMURA Shoichi, 38, of Isshi Gun, Nakahara, Sandokoro, repatriated aboard the same ship, said: "...I am indignant because we farmers are not permitted to hold back a sufficient quantity of our rice crop to feed ourselves during the rice year, and are forced to purchase meager supplies of rationed rice at high prices, as a result of quotas having been based on the census taken in April. Administrative measures are lacking in sympathy. Tax officers are especially unkind even to the families of detainees. However democratic government policies may be, so long as the rank and file official remains undemocratic as before, the Japanese masses will never be emancipated from capitalist exploitation. While I have not yet grasped the aims of the Communist Party of Japan, I have no use for the cells, which are too concerned with trifles."

Another Takasago Maru repatriate, NAKAMURA Tomiichi, 24, of Uji Yamada Shi, Sone Cho, said: "...At the time of our landing, I felt people were unkind, but I feel differently now. I do believe, however, that there is not fundamental difference between what I had heard while in the Soviet Union and actual conditions in Japan. I think I will endeavor to be loved by the people as a member of the Communist Party."

YABUKI Shinichi, 28, of Watarai Gun, Futami Machi, Nishi Mura, another Takasago Maru repatriate, said: "On entering Maizuru Harbor, I thought, 'This is my country which is so unsympathetic that it did not dispatch ships to bring us back.' I soon learned of my mistake. I intend to strive for the promotion of youth education and culture, and to be dutiful to my parents who suffered many hardships in my six and a half years' absence. I have no intention of taking part in politics..."



**VI EDITORIAL**

**EDITORIALS OF SIGNIFICANCE FROM NEWSPAPERS  
AND MAGAZINES PUBLISHED THROUGHOUT JAPAN**



EDITORIAL

	Item No.
Listen to Public Opinion.....	MAINICHI 135
New US Far Eastern Policies.....	SANIN NICHINICHI 136
Guard against Future Labor Offensive.....	JOMO 137
Opposition Parties Rumor Cabinet Downfall.....	SHIN SEKAI 138
Publication of the Five-Year Plan Postponed.....	KOGYO 139
Dissension between Finance Minister and ESB.....	CHUKYO SHIMBUN 140
The Problem of Autarchy.....	KUMAMOTO NICHINICHI 141
Arouse Prefectural Assembly to Free Port Problem.....	KANAGAWA SHIMBUN 142
Exploitation Program for Hokkaido.....	SHIN HOKKAI 143
Punish the Leaders of the Kangaroo Court.....	SEIJI 144
Suspension of the Rehabilitation Program.....	TOKYO TIMES 145

ITEM 135 LISTEN TO PUBLIC OPINION (Letter to the Editor)

(Full Translation)

MAINICHI SHIMBUN, 2 Aug -- Passing a group of repatriates, who crowded before the MAINICHI office in the afternoon of 28 July demanding the withdrawal of a report on the so-called "tsurushi-age" treatment given to reporters, I muttered that they were well-educated by the Soviet and are not Japanese. I was immediately accosted by them and made to apologize without a chance to express my views. Since Japan is not a Communistic country yet, I should like to express my opinion through the paper.

Why don't the repatriate wave our national flag instead of the red flag? I believe that those who do not love the national flag are not Japanese any more in spirit. I wish to make my complaints on behalf of a great number of people, who hesitate to tell you repatriates what they would like to say. If you are real champions of Marxism and Leninism, you would answer that we are not Japanese now but international citizens who have cast off the insular spirit of the Japanese, and you would persuade me to join the Communist Party.

I used to respect Mr TOKUDA Kyuichi as a man of firm belief and up to now have had sympathy with the Communists. However, I experienced the danger of having my life threatened when I faced the hysterical mood of the Communists. Considering that any disturbance there would cause great trouble to the press, I endured their affront. I would like to ask the Communists to listen to what the opposition has to say.

There was a time when I too, arriving at Sasebo as a repatriate, felt great indignation toward the people when no one expressed thanks for all the suffering we endured abroad. Yet upon deep reflection I realized that I was expecting special consideration because I was a repatriate.

(NISHIYAMA, Hideo, unemployed, Bunkyo-ku)

ITEM 136 NEW US FAR EASTERN POLICIES

(Summary)

SANIN NICHINICHI SHIMBUN (Yonago), 28 Jul -- A Pacific alliance among Far Eastern nations to combat the treat of Communism has been proposed by Generalissimo CHIANG Kai-shek and Philippines President QUIRINO. It is expected that the alliance will consist of China, the Philippines, Korea, Indonesia, Australia, New Zealand, Thailand, Malaya, Burma and Indo China, with the first three nations



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EDITORIAL

ITEM 136 (Continued)

as the nucleus. Britain, Canada, and America's participation is also anticipated.

As in the case of the North Atlantic pact, a great deal cannot be expected from the proposed Pacific alliance if America refuses to join. To date, however, America is showing only a sympathetic concern to the proposed treaty. A recent AP dispatch reports that on 24 July Secretary of State, ACHESON formed a brain-trust comprised of experts in and out of the Government and started a restudy of US policies toward China. This merits our attention because we believe that it indicates America has started an over-all survey of the Far Eastern situation.

America established her postwar policies toward Europe, with the enforcement of the Marshall Plan and the North Atlantic Pact. In view of the expansion of Communist forces in Asia centering around the great advance of the Chinese Communists in China, America can no longer assume an indecisive attitude as in the past. Moreover, the fact that the political press circles in America have ceased to demand clarification of US policies toward Asia in relation to the proposed Pacific alliance reveals that the US Government is obliged to establish decisive measures immediately.

It is reported that America will release a "white paper" on China early in August. According to a UP report, its main points are (1) that the Soviet Union is giving assistance to the Chinese Communists in violation of the Sino-Russian treaty of friendship; (2) that the civil strife was started by the Nationalist Government in disregard of US Envoy Marshall's advice; (3) that the Chinese Communists are under the direct control of Moscow; and (4) that CHIANG Kai-shek is the only Chinese leader capable of extricating the Chinese people from disaster.

If such is the import of the expected White Paper, we can conjecture the basic attitude which America will take toward China. It is frequently said that the Chinese Communist Party is a racial party and has many phases which conflict with Moscow, just as the Tito regime in Yugoslavia, but actually the Chinese Communist are in line with the Soviet Union. Therefore, we can surmise that America will not turn her back upon the Nationalist Government as long as it exists but will not give unconditional aid because the Marshall advice was disregarded, and that CHIANG Kai-shek is regarded by America as the only anti-Communist leader in China.

It is apparent that the US policy toward the Far East will be the establishment of an anti-Communist live extending from Japan and Formosa, down to the Philippines and the South Eastern countries. Japan now holds an important strategic position in this anti-Communist zone. When we take these circumstances into consideration, we can understand the strong anti-Communist attitude seen in the US Occupation policies in Japan. Japan's present position in the eyes of America is far greater than at the time of the surrender. Rather than being a concern of America, the issue affects Japan's entire future.

ITEM 137 GUARD AGAINST FUTURE LABOR OFFENSIVE

(Summary)

JOMO SHIMBUN (Maebashi), 30 Jul -- The "summer labor offensive", which was expected to intensify with the mass discharge of State Railway workers, has quieted down for the present.

Why was the projected mass discharge of State Railway employees carried out with comparative ease? The major reasons are (1) it was supported by the people; (2) the rank and file of the union did not act according to the instructions of their radical leaders; and (3) the Democratization League of the union prevented resort to drastic



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EDITORIAL

ITEM 137 (Continued)

measures. Another reason was the Shimoyama and the Mitaka cases which had important effects upon the minds of most members of the union.

Although the labor offensive has come to a standstill, it is not likely that the Communists will look on with folded arms. They contemplate staging a wholesale offensive against the Government with the opinion of the next extraordinary Diet session. According to a rumor, the Political Bureau of the Communist Party Headquarters, in its instruction given prior to the issuance of the second dismissal order by the State Railway authorities, stated that it is not absolutely necessary to carry out forceful tactics when the second dismissal orders are issued by the authorities. This means that the Communists, realizing the circumstances within the State Railway Workers Union, are abandoning their forced tactics and are making full preparations for the next offensive.

It is also reported that the Political Bureau of the Communist Party called on the discharged State Railway workers to organize a "Victims' League" and establish close liaison with other workers' unions, particularly, the All Japan Communications Workers Union and the Electric Industry Workers Union. With the enforcement of a mass discharge of Communications workers, an all-out labor offensive will presumably open in September.

Among Government and public office employees' unions, the most radical is the National Agriculture and Forestry Workers' Union. Close watch must be kept on what course of action it will take with the preharvest season in sight.

It is not expected that the forthcoming labor offensive will lead to a grave political issue. Under existing circumstances, the laborers cannot launch the offensive, even if they wish to do so. However, if the Government taking an optimistic view of their future movements, considers no measures to protect their interests, there is a possibility that they may take radical action. The best way left for the Government to guard against the labor offensive is to enforce adequate measures for the relief of the unemployed prior to the opening of the next extraordinary Diet session. It is certain, however, that even if positive unemployment relief measures are taken, the Communists will use subtle tricks to intensify the labor offensive.

ITEM 138 OPPOSITION PARTIES RUMOR CABINET DOWNFALL

(Summary)

SHIN SEKAI SHIMBUN (Osaka), 28-Jul — Mr TOMABECHI of the Opposition Democrats is spreading the rumor that the Yoshida Cabinet has come to a deadlock. This very action proves his unfamiliarity with the real state of political deadlock, because the Yoshida Administration has been stalemated from its very beginning.

In view of the current national situation, we, the people, cannot sympathize with the inane speech and actions of the conservative opposition parties, including the Socialists, designed for the overthrow of the Yoshida Cabinet. For, if the Cabinet is really in an impasse as they point out, it is advisable for them to show us how to break the political deadlock. In face of the disappointing political situation which has been brought about by many unfavorable conditions, to make a big play for the overthrow of the Cabinet will only serve to increase public anxiety.

What we want to know is how to break the political stalemate besetting the nation. If the Democratic Liberal Cabinet, which



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EDITORIAL

ITEM 138 (Continued)

enjoys an absolute Diet majority power, collapses who will assume the reins of the Government and improve the poor political situation, which the Yoshida Cabinet has failed to do? We shall, without any objection, support any political party, except the Communist Party, having concrete and adequate countermeasures for breaking the current political deadlock.

What is needed in Japan's politics today is effectiveness and practicability. Each political party, to be sure, holds no policy unfavorable to the people, but unless the policy held is embodied with practicability and effectiveness it will be of no avail. In this light, a coalition cabinet formed by the Socialists and the opposition Democrats will be good-for-nothing. For the people, though greatly disappointed with the Yoshida Cabinet, are well aware that even though the opposition parties form a coalition cabinet, such a cabinet will be a far worse failure than the Yoshida Administration.

It is regrettable that in Japan there are too many self-interested politicians who seek only personal gains, such as political power, instead of working for the improvement of the nation's politics.

At present, when public anxiety is becoming serious, it will only increase social unrest to circulate rumors that the dominant Yoshida Cabinet will shortly surrender its reins of the government. Such random talk coming from Mr TOMABECHI and other ill-disposed politicians will only sound vacant to the ears of sensible people.

At this serious time when politicians should be doing their utmost to alleviate public apprehension, we warn the opposition party to present more constructive opinions in attacking the Government and not to deliberately aggravate public unrest by resorting to mere demagogism.

ITEM 139 PUBLICATION OF THE FIVE-YEAR PLAN POSTPONED (Column: All Wave)

(Summary)

KOGYO SHIMBUN, 2 Aug -- The publication of the Five-Year Economic Reconstruction Plan, which was worked out by the Economic Stabilization Board after two years of labor by 2,000 persons, has been prohibited on orders from Premier YOSHIDA. The main reason for this step is that the said plan is based on the idea of autonomy which aims at the self-sufficiency of the nation.

It may be true that the Five-Year Plan is inclined toward a self-sufficient economy. As a matter of practice, however, it is indisputably difficult to take into account the development of foreign trade or economic assistances from other nations in the distant future, in mapping the nation's long-term economic plan. It is natural, therefore, that self-sufficiency is taken as a basis of the economic plan. Moreover, the Five-Year Plan has been worked out not only by socialistic groups, but by the experts of all fields and of all ideologies. Therefore, it is not permissible for the Premier, who has no technical knowledge of economics, to ignore the authoritativeness of this plan.

Chief Cabinet Secretary MASUDA was reportedly applauded by all the Cabinet Ministers when he announced the postponement of the publication of the Five-Year Plan at the recent Cabinet meeting. The Cabinet Ministers, it is reported, dislike the Five-Year Plan not because of its leaning toward a self-sufficient economy, but simply because the contents were disclosed to the press before they had been revealed to the Cabinet Ministers. The Cabinet Ministers. The Cabinet Ministers seem to believe that they were



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EDITORIAL

ITEM 139 (Continued)

slighted by the ESB officials.

The postponement of the publication of the Five-Year Plan may develop into a problem which threatens the life of the Cabinet, if the Cabinet bungles its settlement. The Cabinet Ministers should not continue acting in their arbitrary manner.

ITEM 140 DISSENSION BETWEEN FINANCE MINISTER AND ESB

(Full Translation)

CHUKYO SHIMBUN (Nagoya), 27 Jul -- Finance Minister IKEDA and Director-General AOKI of the Economic Stabilization Board, whose opinions differ regarding the discontinuance of State subsidies to imported foodstuffs, are now at odds over utilization of the US aid Counterpart Fund.

It is not uncommon for cabinet ministers to differ in opinion, but the repeated disagreements between the two cabinet ministers are not ordinary dissensions but touch upon the basis of the economic policies of the present Administration. In other words, their dissensions reflect incompetent policies of the present Cabinet. If the Government is seriously contemplating avoiding deflation, dissensions between the two cabinet ministers should be adjusted immediately.

Their dissensions stem from the difference in interpretation of the current economic situation; that is, whether the current economic situation reflects deflation or is a normal phenomenon as a result of an attempt to check inflation. According to Director-General AOKI of the ESB, if Japanese economy continues under the current situation, it will fall into a state of extreme deflation similar to the panic resulting from the lifting of the gold embargo early in the Showa Era, and consequently, the economic rehabilitation contemplated in the Dodge policy will be endangered. The US Aid Counterpart Fund, therefore, should be invested in industries as much as possible to stimulate slacked economic circles. Redeeming the 120 billion yen Government debt from the collateral fund carries the danger of leading Japanese economy to total collapse.

Finance Minister IKEDA, on the other hand, opposes postponing the redemption of the Reconstruction Finance Bank debentures and other Government debts on the ground that it would destroy the basis of the Dodge policy. He declared that if we are to abide by the Dodge policy, as much collateral fund as possible should be poured into financial institutions and be utilized as a fund for open market policy. He also declared that it is regrettable that there are dissensions in government circles regarding such important national policies.

It is true that there are pessimistic observations concerning the current economic situation created by the attempt to check the inflation and the balanced budget. It is also true that many businessmen are excessively exaggerating the deflationary trend. They are apparently eager for the reincarnation of inflation. It is needless, however, to stress the danger of meeting such a demand in making Japanese economy self-sufficient. For, although the money market is tight now and the deflationary trend is extremely noticeable, inflationary factors still exist. This is fully evidenced by the fact that even though a sharp drop in prices is predicted because of increased stocks on hand, various factors exist to increase commodity prices.

This does not mean, however, that the current stringent financial condition should be permitted to unchecked continue. What



EDITORIAL

ITEM 140 (Continued)

we request of the Government is policies to create domestic demands without resorting to inflationary ways. It must be said that the dissensions between Finance Minister IKEDA and Director-General AOKI of the ESB regarding this problem throw a shadow of uneasiness over the future.

ITEM 141 THE PROBLEM OF AUTARCHY

(Summary)

KUMAMOTO NICHINICHI SHIMBUN (Kumamoto), 30 Jul -- Labeling the Five-Year Economic Reconstruction Plan being drafted by the Economic Stabilization Board, as an autarchic economic program, Premier YOSHIDA has reportedly expressed his dissatisfaction to Chief Cabinet Secretary MASUDA. As a result, the Cabinet decided at its extraordinary session to postpone its publication.

As explained in the column "New Memo" of this newspaper on 27 July, autarchy means the economic self-sufficiency of a nation. In other words autarchy means making a nation economically self-sufficient so that it will be independent of others. But why all this fuss about autarchy? In time of peace, there is no need of autarchy, because each nation can buy necessary goods from others and sell goods needed by others. In time of political and economic disturbances, however, trade relations of the nations become insecure, and each nation must decrease its dependence on others.

Today, the world situation is still not stabilized, and economic self-sufficiency, or autarchy, is still needed by the nations. It is impossible for any nation to attain economic self-sufficiency in the strict sense of the word. Absolute economic independence from others, if it were realized by a nation, would lower the nation's standard of living drastically. This can be said even about the United States and the Soviet Union which possess immense natural resources, to say nothing about poor countries like Japan. It would be an enormous loss to the world's production and industrial efficiency, if all the nation of the world were to become economically self-sufficient.

At this point let us consider why the Five-Year Economic Reconstruction Plan has been called an autarchic program by Premier YOSHIDA. At present, the world political situation is still unstable. The so-called "cold war" is threatening to turn into a hot war at any time. In the event of war, Japan must maintain strict neutrality, if she desires to adhere to her new Constitution. As a neutral country, Japan cannot receive any aid from the United States or other countries. This will drive Japan into a serious economic plight, since she is at present largely dependent on US economic aid.

Therefore, the Five-Year Economic Reconstruction Plan aiming at the autarchy of the nation is only proper. Then why is Premier YOSHIDA, dissatisfied with the Five-Year Plan? He maintains that autarchy is no longer compatible with the world economic situation. His viewpoint, we assume is that any program for the autarchy of Japan, is inconsistent with the US economic policy of bringing about a world-wide economic prosperity by extending positive aids to other nations and will inevitably ruin the Japanese economy itself.

We believe the Premier's view is justified, because the Nine-point Economic Program and the Dodge Plan aim to promote Japan's participation in world economic relation, instead of making Japan self-sufficient and independent of others. If a bad situation arises, however, Japan may be compelled to establish an autarchy whether she likes it or not. All the people must have the determination to face such a situation.



EDIPORTAL

ITEM 142 AROUSE PREFECTURAL ASSEMBLY TO FREE PORT PROBLEM

(Summary)

KANAGAWA SHIMBUN (Yokohama), 28 Jul -- The free port problem has come to the fore again. The Transportation, International Trade and Industry, and Finance ministries have taken the matter up officially and are preparing to introduce a Free Zone Bill to the next Special Diet. Such being the circumstances not only Yokohama but Yokosuka, Kobe, Nagasaki, and Sasebo have also submitted their claim as having the most suitable place for a free port. The questions of what sort of a free port will be established and the selection as the free port are rising as important political issues.

It is natural that, with the exception of trade and harbor business circles and the authorities concerned, the general public is relatively uninterested in the free port issue, because its definition is complicated. They interpret from the word free that the entire port will be placed under extraterritoriality, or fear that the nation will lose its balance in ruling if sales and manufacturing are freely carried out in the port even though it is restricted to a specific area. And undue confusion and uneasiness prevailed because of the ambiguous character of free ports.

Recently, it is becoming universally admitted that, different from the free cities of the middle ages or from the free ports in settlements, a limited small area is designated as a free area and relay trade, consignment sales, and marine transportation and warehouse business will be promoted free from customs regulations and custom duties.

To cope with the aforesaid situation, Yokohama and Yokosuka, having already picked sites for the free port, are held to be preparing to launch vigorous movements to have their ports be designated as free ports. But those interested in these movements are limited only to harbor and warehouse business circles. It is extremely regrettable that the prefectural and Yokohama city authorities are not showing positive interest toward this important issue which concerns their jurisdiction. The realization of the aforesaid movement and the successful operation of a free port can be expected only through the unified efforts of the Government and the people. The Government is said to be contemplating to insert a provision in the Free Zone bill stipulating that whether or not the application for designation of free ports will be approved will be decided after obtaining the opinion of the prefectural assembly and others concerned. The question is, however, whether the prefectural assembly has any view regarding the free port issue, whether it is considering it necessary to designate both Yokohama and Yokosuka, or whether it is considering either one. It behooves the prefectural assembly to establish promptly a special committee and show more positive interest toward this problem.

ITEM 143 EXPLOITATION PROGRAM FOR HOKKAIDO

(Summary)

SHIN HOKKAI (Sapporo), 24 Jul -- The second twenty-year Program for the Colonization of Hokkaido having ended in 1945, an all-round exploitation program is now being planned, and negotiations with the central Government for the acquisition of funds have been going on since last October. However, the Government's attitude toward this plan has not been necessarily positive. Consequently, optimistic views on its future prospects are not warranted.



EDITORIAL

ITEM 143 (Continued)

With the completion of the Second Colonization program and with the enforcement of the Autonomous Law, business, pertaining to the exploitation of Hokkaido has been transferred to various ministries concerned, and Hokkaido is now placed in the same position as other prefectures. As a result, indications have become strong among the Government authorities that exploitation expenditures should be shouldered by the people of Hokkaido to reduce the nation's financial burdens. However, inasmuch as Hokkaido is the only spot left in Japan with natural resources and because of its potentiality as a new industrial area, we believe that this is improper. It is inevitable that Japan, with reduced territories and loss of natural resources after the war and surplus population to feed will turn to Hokkaido to seek its way out of difficulty. From this point of view, it is a matter of course that the development of Hokkaido will play an important role in the nation's economic recovery.

As everybody knows, the present all-round exploitation program has been under study by the Local Exploitation Deliberation Council since last November. However, the final decision has not yet been reached so far.

The points studied by the council were: (1) The basic principle of exploitation; (2) methods of exploitation; (3) the object of exploitation; and (4) the structure and financial administration of the exploitation scheme.

Generally speaking, there were no divergence of opinions among the central government authorities concerning the above items except the last one. Nevertheless, we must appreciate the good faith which the Government has shown in the exploitation of Hokkaido by establishing the Hokkaido Exploitation Deliberation Council.

In view of the fact that the exploitation works of Hokkaido bear the nature of public work project, a total of 5.3 billion yen was appropriated for these works in the budget -- five billion yen as public work expenses and 300 million yen for non-public works expenditures. The figure shows an increase of 1.1 billion yen as compared with the previous year.

Although it is understandable that the appropriation for the exploitation was made within a limited phase of public work expenditure, these works are naturally in need of long-term funds. In this regard, reliable independent finance and financial measures should be considered. Be that as it may, the budget bill which is expected to be introduced at the special Diet to be opened in September deserves our careful attention.

ITEM 144 PUNISH THE LEADERS OF THE KANGAROO COURT

(Summary)

SEIJI SHIMBUN, 31 Jul -- It is undeniable that the repatriates this year are a troublesome group. They ignore the heartfelt welcome of the people and even brush aside their awaiting families. Earlier groups conducted noisy demonstrations and sit-down strikes while disrupting the carefully planned train schedule to speed them home. More than being shocked by such an attitude the people are saddened. Later arrivals adopted silence tactics and refused to co-operate with repatriation authorities.

It has been reported that the captain and other executive officers of a repatriation ship were subjected to the so-called "kangaroo court" trials by repatriates. It is only natural that the patience of the people toward the repatriates is being quickly worn thin, because public order is being threatened by the successive



EDITORIAL

ITEM 114 (Continued)

arrival of these Communist-indoctrinated repatriates.

Today when the nation is suffering from over-population and food shortage, we cannot welcome those repatriates who profess themselves to be die-hard Communists and regard Japan and the Japanese with hostility. This is all the more so because we are well aware of the fact that the Soviet authorities and the Communist Party are pulling the wires behind these repatriates.

Needless to say, all of the repatriates are not Communists. The majority of them pretended to be Communists only because they wanted to return early. Exposed to the democratic atmosphere of present-day Japan and released from the pressure of the Soviet, they will undoubtedly make the necessary changes to become peaceful citizens of democratic Japan. In this connection, we cannot but feel indignant over those elements that endeavor to prevent the repatriates from spontaneously expressing their emotion and opinion, inasmuch as we can easily perceive that many repatriates are honest and warmhearted.

It is easy to see that only a few leaders are responsible for the kangaroo court incident, the majority of the repatriates on the same boat being intimidated by these leaders to take part. However, we cannot let this incident pass unquestioned, since the crime is all the more nefarious because it was committed against the captain and officers of a repatriation ship, for whose troubles the repatriates should be grateful. It is only reasonable that crews refuse to embark on repatriation ships hereafter.

It is suspected that subversive elements are scheming to delay repatriation and thereby aggravate the hostile feeling of the repatriates toward their country. However, if these undesirable incidents should lead to the suspension of repatriation, who will be most seriously affected? Negligence in controlling subversive boss activities at this juncture will eventually lead to the recurrence of similar incidents.

In order to continue repatriation as well as to show that the Soviet form of mob rule by threat and intimidation cannot be allowed in democratic Japan; the kangaroo court incident should be thoroughly investigated and the leaders severely punished.

ITEM 115 SUSPENSION OF THE REHABILITATION PROGRAM

(Summary)

TOKYO TIMES, 3 Aug -- It goes without saying that the basis of Japan's present economy is the Nine-pointed Economic Stabilization Program. It is reported that Premier YOSHIDA recently expressed his opinion to chief Cabinet Secretary MASUDA that Japan must strictly follow the Dodge Line, which promotes the Nine-point Economic Program, and maintain international trust.

As a result of balanced finance, administrative readjustment, adjustment of enterprises based upon the Dodge Line, and the export slump due to the slow overseas markets, Japan's economy is now becoming deflationary. In view of this trend, some economic circles and even certain government leaders are advocating that the deflationary factors should be eliminated by revising the Dodge Line, even to the point of infusing inflationary measures if necessary. It is needless to say that such advocacies are erroneous. Since the nation's economy has long been suffering from the Government's inflationary policies, its rehabilitation is infeasible unless we apply a drastic surgical operation. As long as we attempt to avoid the inevitable friction and sacrifice, we will never be able to



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EDITORIAL

ITEM 145 (Continued)

accomplish the epochal task of economic rehabilitation.

We wonder what can be the real intention of Premier YOSHIDA regarding economic reconstruction. According to Minister DODGE's economic reconstruction program, we must first eliminate the economic disorder caused by inflation, and then enter upon economic rehabilitation. Inasmuch as the Premier declares that he is resolved to maintain the Dodge Line, we believe that he also considers that economic stabilization is the first requirement. We, too, have no objection to this idea, for if we want to attain a true economic reconstruction, we must first stabilize the nation's economy.

It must be noted, however, that to map out an economic rehabilitation program simultaneously in line with this economic stabilization program is by no means a contradictory project.

The Economic Rehabilitation Planning Committee, which was headed by Premier YOSHIDA and dissolved in May last year, is scheduled to start out anew shortly as the Economic Rehabilitation Council. However, we believe that even during absence of the Planning Committee, the rehabilitation program itself has been continuously under study under the Premier's supervision.

It was recently reported that the rehabilitation program was approved by SCAP and would be publicized shortly. However, the announcement of the program was suddenly suspended by the Premier's personal discretion. As the reason for suspension, Premier YOSHIDA stated that the program gives an impression that it is similar to the wartime policy of autarchy and is inconsistent with the nation's economic policies which hereafter must be based upon the standpoint of international economy.

Of course, Japanese economy must be linked with world economy, and a complete autarchy is unthinkable without the assistance and co-operation of the rest of the world. Mutual assistance with nations of the world and economic internationalism is the proper course to be taken by Japan hereafter. However, this does not mean that we are allowed to relax our efforts toward the nation's economic self-sufficiency. We must interpret that the autarchy required by the economic rehabilitation program is economic self-sufficiency. Minister DODGE also emphasized this in his recommendation, to which, we believe, no one has any objection.

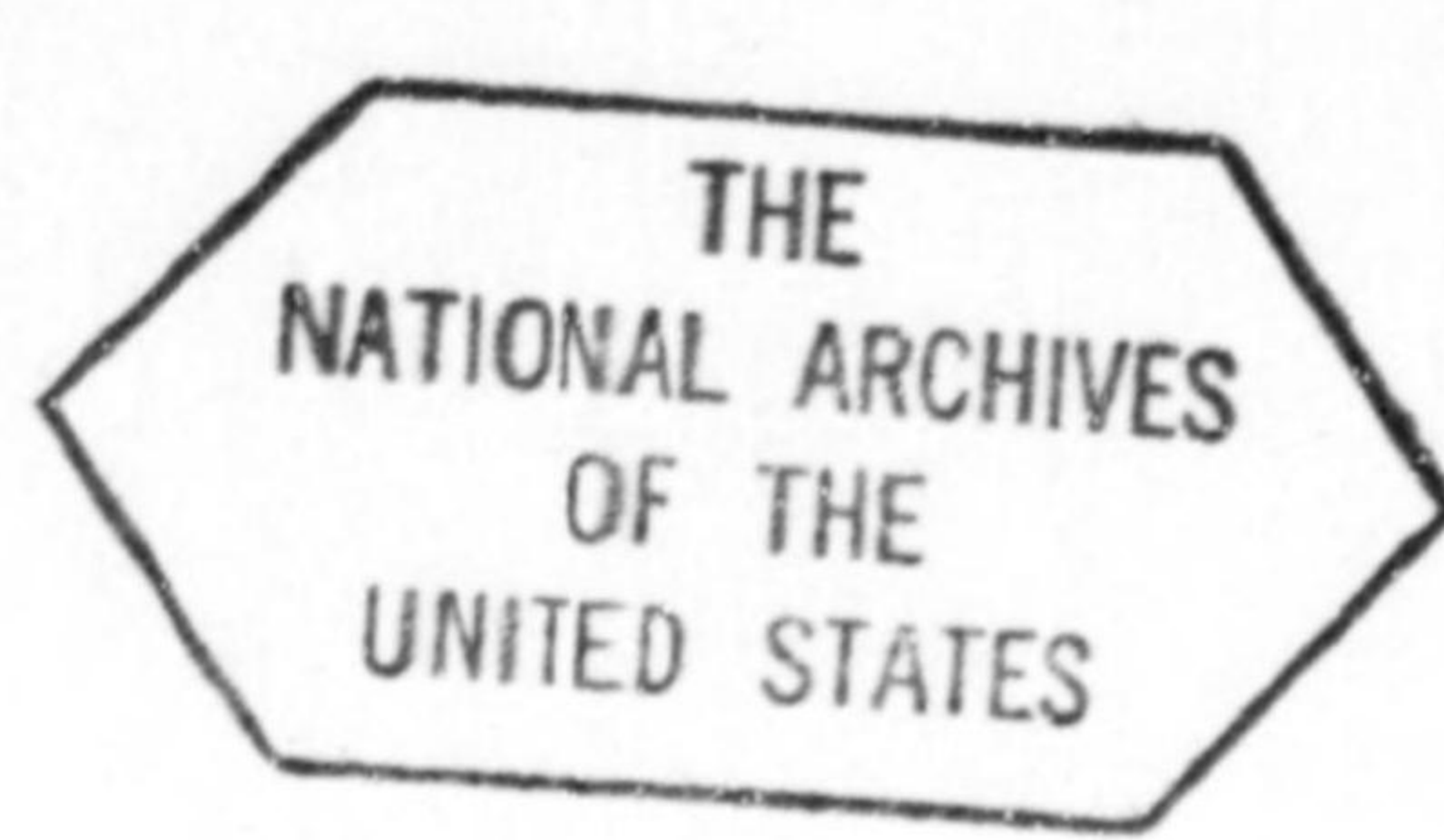
To refer to the wartime policy of autarchy is nothing but a word-play to us. It is highly regrettable that the Premier suspended the announcement of the economic rehabilitation program which was mapped out at the cost of several months and a great number of experts.







**GHQ/SCAP Records(RG 331)**  
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GENERAL HEADQUARTERS  
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 MILITARY INTELLIGENCE SECTION. GENERAL STAFF  
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**PRESS TRANSLATIONS AND SUMMARIES-JAPAN**

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**TABLE OF CONTENTS**

I PRESS ANALYSIS

An analysis of the major news and editorials in today's Tokyo newspapers.

II TOKYO MORNING EDITIONS

<u>News</u>	Item No.
May Transfer Tobacco Enterprise to Private Firms.....TOKYO NICHINICHI	1
Ikeda Plans 1950 Budget of 550 Billion Yen.....YOMIURI	2
Trade-Industry Studying Foreign Trade White Paper.....NIHON KEIZAI	3
Mori Expects Bumper Crop; No Hike in Rice Ration.....JIJI SHIMPO	4
Govt Authorities Begin New Rice Price Negotiations.....ASAHI	5
No Diet Call before Mid-Sept, Masuda Tells Steering Comm.....TOKYO SHIMBUN	6
Opposition Restates Demand for Early Diet Call.....TOKYO NICHINICHI	7
Masuda Blames Fuel Acct Deficit on Post-1940 Cabinets.....YUKAN CHUGAI	8
Socialist Hit, DLP Defends Govt on Fuel Account.....MAINICHI	9
Socialists Expanding Influence over Power, Mine Workers.....MAINICHI	10
Socialists Probe Purchase of Belts for State Police.....MAINICHI	11
Coal Miners Union Chief Muto Joins Socialist Party.....TOKYO SHIMBUN	12
Dietman Tells Need for Subversive Action Control Law.....MAINICHI	13
Protection League Protests Violation of Human Rights.....AKAHATA	14
Report Firemen Complaining of Forcible Mobilization.....AKAHATA	15
Akita Communists Say Politics behind Akahata Raid.....AKAHATA	16
Monopoly Capital Abandons Yoshida, Red Paper Says.....AKAHATA	17
Authorities, AJCWU Open Retrenchment Negotiations.....TOKYO SHIMBUN	18
Honda Reports Smooth Progress in Retrenchment Program.....ASAHI	19
Hoshika Sees Second SRWU Union of Leftists.....ASAHI	20
13,000 Discharged Rail Workers Have New Jobs.....NIHON KEIZAI	21
Large-Scale Unification of Farmers Being Pushed.....JIJI SHIMPO	22
Ten-Day Custody Ruled for 7 Mitaka Suspects.....JIJI SHIMPO	23
Communists Protest Govt Action on Runaway Train Case.....YUKAN CHUGAI	24
No Change in Shimoyama Investigation Contemplated.....MAINICHI	25
Dawn Prayer Unit Commander Indicted on Two Charges.....TOKYO SHIMBUN	26
 <u>Editorials</u> 	
End of Economic Deconcentration.....MAINICHI	27
Paring Expenditures and Reducing Taxes.....NIHON KEIZAI	28
Too Easygoing Tax Reform Plan.....ASAHI	29
Communist Party's Duties and Defects.....AKAHATA	30
Ultra-Leftist Versus Ultra-Rightist.....TOKYO SHIMBUN	31
Christianity and Communism.....HOCHI SHIMBUN	32
Reach Acceptable Conclusion of Shimoyama Case.....YOMIURI	33
Restraint against Police Force Increases.....JIJI SHIMPO	34
Distressing Attitude of Repatriates.....TOKYO TIMES	35



III POLITICAL

Item No.

Extreme Contradiction Seen among Allied Powers.....SEIKEI JOHO 101  
 Young-Adults Meet Discusses Repats.....YOMIURI 102  
 Truth about "The Soviet Ally" (Part Two).....MAINICHI 103  
 Truth about "The Soviet Ally" (Part Three - Conclusion).....MAINICHI 104  
 Red Principle of Force Bared in Taira Incident.....SEIKEI JOHO 105  
 Police Chief Blames Communists for Taira Incident.....MAINICHI 106  
 Reds Guard against Alleged Spy Activities.....AKAHATA 107  
 University President's Impressions of Gen MacArthur.....ASAHI 108  
 Socialists to Forego Cabinet-Overthrow Tactics.....MAINICHI 109  
 Independent Mayors, Councilmen Prevail in Ibaraki.....MAINICHI 110  
 DLP Gains Strength in Prefectural Assembly.....NARA NICHINI CHI 111  
 Reds Demand Investigation of Yamato Party.....AKAHATA 112

IV ECONOMIC

Smuggling also Marked by Unfavorable Balance.....TOKYO SHIMBUN 113  
 Taxpayers Voice Call for Reform.....JIJI SHIMPO 114  
 Eyewitness Account of Postwar Okinawa.....ASAHI 115  
 Withholding of 5-yr Plan Brings Varied Reaction.....MAINICHI 116  
 Enterprise Rationalization Enters New Stage.....NIHON KEIZAI 117  
 Overseas Japanese Firms Get Readjustment Order.....NIHON KEIZAI 118  
 Akiyama Backs Rate Boost Plan.....ASAHI 119  
 Tokyo Commerce-Industry Fraternity Organized.....RENGO JOHO 120  
 Food Board Acts to Improve Food Standard.....ASAHI 121

V SOCIAL

Scholarship System to Be Expanded.....YOMIURI 122  
 Medical Assn Reaffirms Facts on Shimoyama Case.....YOMIURI 123  
 SRWU Lower Echelons Support Union Unity.....AKAHATA 124  
 Special Social Workers for Red Cross Hospitals.....TOKYO TIMES 125  
 Second Wall Gazette Case in Moriguchi Shi.....ASAHI 126  
 Sendai, Kokura Ry Workers Reject Directive Zero.....AKAHATA 127  
 AJCWU Tuberculars Go on Hunger Strike.....ASAHI 128  
 Personal Criticism of the University Strike.....ZENSHIN 129  
 Religion and the Communist Party Need Conflict.....JIMMIN SENSEN 130  
 Highlights of Press Interviews with Repatriates.....KOCHI SHIMBUN 131

VI EDITORIAL

Ideologies of the Conservative Parties.....SHIN YUKAN 132  
 Effective Anti-Communist Measures.....SEKAI KEIZAI 133  
 Unemployment Programs Incomprehensible.....HOKKOKU MAINICHI 134  
 Direct Investment Is Adequate.....SHINANO MAINICHI 135  
 Lesson from the Japan Cement Co. Labor Dispute.....TOYO KEIZAI SHIMPO 136  
 Counterpart Fund Must Be Speedily Utilized.....TOYO KEIZAI SHIMPO 137  
 Eliminate Mob Justice.....HOKKOKU MAINICHI 138  
 Strict Control over 'Wall Gazette' Imperative.....DAILY TOHOKU 139  
 Formulate Over-All Economic Policy Promptly.....HOKKAI NICHINI CHI 140  
 Economic Reconstruction and Fundamental Problems.....HOCHI 141  
 Revision of the Police System.....SHIN YUKAN 142  
 Political Parties Ignore National Livelihood.....YUKAN CHUGAI 143  
 The Communist Delusion.....YUKAN CHUGAI 144

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 Colonel, G.S.C.  
 Executive Officer



**I PRESS ANALYSIS**

**AN ANALYSIS OF MAJOR NEWS AND EDITORIALS  
IN TODAY'S TOKYO NEWSPAPERS**



GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS  
MILITARY INTELLIGENCE SECTION, GENERAL STAFF  
ALLIED TRANSLATOR AND INTERPRETER SECTION

PRESS ANALYSIS

NO: 1158

DATE: 5 Aug 49

Today's Tokyo Newspapers

No local story stood out in today's coverage, though the general emphasis was economic. Only two scanned papers--MAINICHI and JIJI SHIMPO--led with the same news--the Yoshida remarks on transferring the tobacco business to private enterprise. Other pivots for lead stories included export promotion and tax reform. The Mitaka-Shimoyama investigations were backpaged.

ECONOMY

Premier YOSHIDA yesterday advocated the transfer of tobacco production to private management to improve the quality of Japanese cigarettes. He told cabinet officials that abolition of the government tobacco monopoly would be a "good idea," though the move is certain to draw objections from the Finance Ministry and other government agencies. Commenting also on the Finance Ministry proposal to cut income tax by 100,000,000,000 yen, the Premier said the program mirrored a "one-sided desire of the Japanese people" and warned against undue optimism until the ministry recommendations are reviewed by the Shoup tax survey mission. (a)

Working independently but hewing close to the Dodge line, the Finance Ministry has drafted a tentative budget for the next fiscal year which would slash expenditures 150,000,000,000 yen below the current level. The projected 550,000,000,000-yen budget--compiled without consulting other ministries--would drastically reduce government investments and price subsidies. (b)

POLITICS

Chief Cabinet Secretary MASUDA, replying to opposition demands for an early Diet session, notified the Lower House Steering Committee yesterday that the special Diet will not convene until after 15 September. He pointed out that the Government will need at least a month to codify the tax reform bill after hearing the Shoup recommendations, probably about 20 August. Preparatory work on other legislation, he said, will be completed next week. (c)

Masuda also tried to counter opposition charges of negligence by declaring that the blame for the deficit in the firewood and charcoal account rests with preceding cabinets. He said the Yoshida Cabinet should be commended, not censured, for bringing into the open a problem stemming from faulty government accounting since 1940. (d)

The Political Research Committee of the Democratic Liberal Party took a similar stand, asserting that the deficit is the cumulative result of mismanagement by all cabinets since the firewood and charcoal control went into effect. Refuting the Socialists, the PRC argued that decontrol of the two items--as proposed by the DLP--is the logical remedial step. The Socialist Central Executive Committee, meanwhile, called for a Diet investigation of the estimated 3,480,000,000-yen deficit. (e)

Socialist executives concurrently planned a nation-wide drive against DLP efforts to lift state coal control and divide the electric power industry. The campaign already has gained the support of coal and power industry unions. (c) Chairman MUTO Takeo of the Japan League of Coal Mine Workers Unions joined the Socialist Party yesterday. (c)

RETRENCHMENT

Leaders of the All Japan Communications Workers Union conferred with top postal and telecommunications officials yesterday on impending manpower cuts. Postal and Telecommunications Minister OZAWA reported that the conferees discussed the general retrenchment pattern, eschewing problems covered by the Personnel Strength Law and other dismissal regulations. Ozawa emphasized that discharges on the basis of a worker's political affiliation will be avoided "as much as possible." (c) State Minister HONDA told the Lower House Steering Committee yesterday that administrative retrenchment is proceeding on schedule. (f)

(a) Tokyo Nichinichi Shimbun  
(b) Yomiuri Shimbun

(c) Tokyo Shimbun  
(d) Yukan Chugai

(e) Mainichi Shimbun  
(f) Asahi Shimbun



## EDITORIALS

Editorial comment was divided between three major topics today--economic issues, Communists, and police--with only one paper veering from the pattern to discuss repatriates.

### Economy

Economic deconcentration means simply free economic competition, MAINICHI explained, noting that Japanese economy has now been given the foundation of an economic democracy. However, free competition is not free from evils, the journal added, pointing out that competition necessitates additional expenses and that production is not based on any definite plan from a national point of view. On the other hand, competition heightens industrial efficiency and enables individuals to give full play to their originality--strong points which are more than enough to compensate losses arising from it, the paper believed.

NIHON KEIZAI expected that the adjusted budget draft, which is due for presentation to the special Diet session, would experience "rough sailing." It is evidence of the contradiction besetting the tax policy of the Government that key industries are paying taxes out of capital, which should be accumulated, while at the same time they are seeking Government investments as equipment funds, the journal said. The daily warned that revenue and expenditures should not be lowered independently of each other.

ASAHI voiced criticism of a proposed tax reform plan reportedly submitted to the Shoup mission by the Finance Ministry. The journal wanted a clear distinction made between a general tax reduction and a redistribution of the tax burden to ensure fair tax apportionment. "We have no reason to believe that our economy has the capacity to permit a general mitigation of the people's tax burden," the daily emphasized.

### Communists

The Yoshida Cabinet has begun to show signs of collapsing, AKAHATA averred, viewing the current crisis as one which cannot be "tided over within the framework of capitalism." The Communist organ asserted that "only a revolution will settle the current situation!" and called upon party members to correct defects in their struggles against Government oppression, cautioning against "tactics mania" or rigidity in techniques.

In a comparison of ultra-left and ultra-right groups in Japan and France, TOKYO SHIMBUN placed "all Japanese parties, from the Democratic Liberals to the Labor-Farmerites, within the scope of the French middle-of-the-road principle." The daily hoped, however, that instead of merely arguing over political theories Japanese politicians would cooperate for Japan's reconstruction.

Recently the "confrontation of Christianity and communism" has come to the fore in Japan, HOCHI SHIMBUN observed. Commenting on the Communist Excommunication Act, by which the Catholic church is fighting communism in Europe, the paper called upon both sides to overcome all differences and work for peace.

### Police

YOMIURI believed that the Shimoyama case will never be solved unless the police authorities change their attitude regarding the suicide theory. Asserting that it is "too-easy-going" to conclude that the state railway president committed suicide, the daily urged a thorough investigation of the case so that a conclusion acceptable to the general public might be reached. The journal attacked the "inconsistency" of the suicide theory in relation to both the medico-legal investigations and the disappearance of SHIMOYAMA's spectacles, cigarette case, lighter, pipe, and necktie.

JJI SHIMPO declared that the lack of conclusive results by the police in the Shimoyama investigation indicate a "psychological symptom of defeatism based on the consciousness of enfeebled police power." The daily maintained that the strengthening of police power is "vitaly urgent" and asserted that every "sensible citizen" feels the same about it.

### Repatriates

TOKYO TIMES deplored the "disgraceful acts" of the repatriates and called for strict punishment of the ringleaders of illegal disturbances. Most of these ringleaders are motivated by the desire to gain a "combat" record before joining the Communist Party, the journal explained. It called upon the authorities to help repatriates find jobs and to teach them to recognize the actual conditions of Japan.



Supplement To  
PRESS ANALYSIS  
COMMUNIST TRENDS AND ACTIVITIES

I. REPATRIATES: SEASON 1949

"Dawn Prayer" Unit Commander Indicted on Two Charges: Commander IKEDA of "dawn prayer" Yoshimura Unit indicted for "illegal arrest and detention" and "abandonment resulting in death." (Tokyo Shimbun, 5 August) Item 26

Means of Mitigating Extremist Attitude of Repatriates: Need to undo repatriates' Soviet-internment lessons is urgent. Returnees' families are chief hope for allaying extremist attitudes; authorities should help find employment; enlightenment on actual conditions in Japan must be stressed. (Editorial: Tokyo Times, 5 August) Item 35

Young-Adults Conference Holds Discussion of Repatriates: Young-Adult Congress members suggest reorientation projects for repatriates. Hokkaido delegate reports drive to find rooms for homeless returnees; Nagano Ken governor recommends land development groups. Further discussion takes up issue of student radicalism, with opinions divided on range of influence. (Yomiuri Shimbun, 30 July) Item 102

Truth about the "Soviet Ally," Parts Two and Three: Soviet Union, land of "working people's sovereignty," is actually under despotic control of limited circle, says first-group returnee. Russians in general, he adds, are ignorant and poorly clad but "supremely confident" of ability to win against "possible aggression" by United States. Writer is ashamed of conduct at time of repatriation, describes himself a "victim of mob psychology." (Mainichi Shimbun, 29-30 July) Items 103-104

Highlights of Press Interviews with Repatriates: One Daiiku Maru repatriate interviewed says "silence tactics" was spontaneous show of wrath against "so much interference with our freedom;" a second proposes to study conditions in Japan before deciding his politics. Ehiko Maru returnee says fear and lust for promotion drove internees to accept Communist precepts, suggests that men infected with "Red virus" be let alone--"Time...will cure them." (Press extracts, 27 July) Item 131

Forestall Uncivilized Precedent of "Mob Justice:" The ideological background for Shinyo Maru "mob justice" incident is the serious problem before Japanese people; thorough probe of case warranted to forestall vicious precedent. (Hokkoku Mainichi Shimbun, 28 July) Item 138

II. COMMUNIST ACTIVITIES

Protection League Protests Violation of Human Rights: Democracy Protection League representatives condemn Government's attitude in Mitaka incident and others as "flagrant violation of human rights;" present 13-point demand calling for suspension of mass dismissals and release of those arrested in recent violence cases. (Akahata, 5 August) Item 14

Report Firemen Complaining of Forcible Mobilization: Firemen's mounting complaints against Government's forcible mobilization plan may develop into "extensive disobedience movement." (Akahata, 5 August) Item 15

Akita Communists Say Politics Behind Akahata Raid: Akita Communist committee, All Japan Communications Workers Union, and other organs charge that police raid on AKAHATA was carried out for political reasons; Labor Union Liaison Council states that raid is forerunner of pressure on labor unions, democratic organs, and research institutes. (Akahata, 5 August) Item 16

Monopoly Capital Abandons Yoshida, Red Paper Says: Red paper accuses monopoly capitalists of using "GHQ-letter to Yoshida" issue to make pawns of ASHIDA, TOMABECHI, and NISHIO in machination to replace unpopular Yoshida Government with "false-front" administration. (Akahata, 5 August) Item 17

Ten-Day Court Custody Rules for 7 Mitaka Suspects: Seven Mitaka "runaway train" case suspects received 10-day court custody ruling, perjure themselves. (Jiji Shimpō, 5 August) Item 23



Communists Protest Govt Action on Runaway Train Case: Communist Diet members accuse Government of exploiting Mitaka "runaway train" incident; submit 10-point protest. (Yukan Chugai, 5 August) Item 24

Observation on Communist Party's Duties and Defects: "Tactics mania" is impeding Communist cell activities. Party organs must strike out at Yochida Government's most vulnerable points, grasp trend of masses' demands and provide effective leadership. (Editorial: Akahata, 5 August) Item 31

Worldwide Problem of Christianity and Communism: Alleged reinstatement of Pastor AKAIWA in Japan Christian Association upon his pledge not to join Communist Party brings Christianity vs Communism issue to fore in Japan. Recent Catholic "Excommunication Act" gives controversy worldwide dimensions. By such stands are Christians, who claim to be "apostles of peace," fulfilling stated mission? (Editorial: Hoshi Shimbun, 5 August) Item 32

Communists Guard against Alleged Spy Activities: Communist Party Central Committeeman WADA urges party counterspy method of screening closely all applicants for membership, training new members through party life in cells, using special care in choosing actionists of higher party organs. (Akahata, 31 July) Item 107

Feds Demand Investigation of Yamato Party: Communist Dietman requests probe into activities of Yamato Party, accused of spreading "slanderous rumors" about the Communist Party, Soviet Union, and Korean League. (Akahata, 31 July) Item 112

Sendai, Kokura Ry Workers Reject Directive Zero: SRWU Sendai Railway subdivision committee rejects Directive Zero, decides that discharges possess right to vote and eligibility for chapter posts. Kokura railway workshop chapter also refuses to follow directive. (Akahata, 2 August) Item 127



**II TOKYO MORNING EDITIONS**  
**THIS MORNING'S TOKYO NEWSPAPERS**



TOKYO MORNING EDITIONS

News

	Item No.
May Transfer Tobacco Enterprise to Private Firms.....	TOKYO NICHINICHI 1
Ikeda Plans 1950 Budget of 550 Billion Yen.....	YOMIURI 2
Trade Industry Studying Foreign Trade White Paper.....	NIHON KEIZAI 3
Mori Expects Bumper Crop; No Hike in Rice Ration.....	JIJI SHIMPO 4
Govt Authorities Begin New Rice Price Negotiations.....	ASAHI 5
No Diet Call Before Mid-Sept, Masuda Tells Steering Comm.....	TOKYO SHIMBUN 6
Opposition Restates Demand for Early Diet Call.....	TOKYO NICHINICHI 7
Masuda Blames Fuel Acct Deficit on Post-1940 Cabinets.....	YUKAN CHUGAI 8
Socialist Hit, DLP Defends Govt on Fuel Account.....	MAINICHI 9
Socialists Expanding Influence over Power, Mine Workers.....	MAINICHI 10
Socialists Probe Purchase of Belts for State Police.....	MAINICHI 11
Coal Miners Union Chief Muto Joins Socialist Party.....	TOKYO SHIMBUN 12
Dietman Tells Need for Subversive Action Control Law.....	MAINICHI 13
Protection League Protests Violation of Human Rights.....	AKAHATA 14
Report Firemen Complaining of Forcible Mobilization.....	AKAHATA 15
Akita Communists Say Politics behind Akahata Raid.....	AKAHATA 16
Monopoly Capital Abandons Yoshida, Red Paper Says.....	AKAHATA 17
Authorities, AJCWU Open Retrenchment Negotiations.....	TOKYO SHIMBUN 18
Honda Reports Smooth Progress in Retrenchment Program.....	ASAHI 19
Hoshika Sees Second SRWU Union of Leftists.....	ASAHI 20
13,000 Discharged Rail Workers Have New Jobs.....	NIHON KEIZAI 21
Large-Scale Unification of Farmers Being Pushed.....	JIJI SHIMPO 22
Ten-Day Custody Ruled for 7 Mitaka Suspects.....	JIJI SHIMPO 23
Communists Protest Govt Action on Runaway Train Case.....	YUKAN CHUGAI 24
No Change in Shimoyama Investigation Contemplated.....	MAINICHI 25
Dawn Prayer Unit Commander Indicted on Two Charges.....	TOKYO SHIMBUN 26

Editorials

End of Economic Deconcentration.....	MAINICHI 27
Paring Expenditures and Reducing Taxes.....	NIHON KEIZAI 28
Too Easygoing Tax Reform Plan.....	ASAHI 29
Communist Party's Duties and Defects.....	AKAHATA 30
Ultra-Leftist Versus Ultra-Rightist.....	TOKYO SHIMBUN 31
Christianity and Communism.....	HOCHI SHIMBUN 32
Reach Acceptable Conclusion of Shimoyama Case.....	YOMIURI 33
Restraint against Police Force Increases.....	JIJI SHIMPO 34
Distressing Attitude of Repatriates.....	TOKYO TIMES 35

NEWS

ITEM 1 MAY TRANSFER TOBACCO ENTERPRISE TO PRIVATE FIRMS

(Full Translation)

TOKYO NICHINICHI SHIMBUN, 5 Aug -- Premier YOSHIDA, Chief Cabinet Secretary MASUDA, Assistant Chief Cabinet Secretary KOPI, and DLP Assistant Chief Secretary KIMURA (in place of DLP Chief Secretary HIROKAWA) met in a conference at the Foreign Minister's official residence yesterday at 0930 hours. In the course of the meeting, Premier YOSHIDA made the following notable comment on the private management of the tobacco enterprise, the creation of the post of commercial attache, and the promotion of private schools:

"1. I believe it would be a good idea to abolish the tobacco monopoly and transfer the enterprise to private management, in order to improve the quality of cigarettes. This will meet with strong objection from the Finance Ministry and other government organizations, but I would like to realize the plan. 2. The Finance Ministry-drafted



ITEM 1 (Continued)

100 billion yen income tax reduction program is a one-sided desire of the Japanese. The final program cannot be determined until after negotiations with Dr SHOUP. It is a good thing for the Government to cause the people to entertain bright hopes, but it should be very careful about announcing any information that might influence them, even if it is good news. 3. Commercial attaches, to be dispatched overseas have hitherto been selected from among businessmen, but this has proved unsuitable. Further, it would also be improper to select these attaches from among diplomats, since they are not familiar with economic affairs. Accordingly, I think it best to select promising bureaucrats, have them undergo training, and then appoint them commercial attaches (the period of training is scheduled to be four months, starting August). 4. I hope that the Government will finance the promotion of private schools."

.....  
 Government to Strive for Private Management  
 of Tobacco Enterprise

In regard to the proposed private management of the tobacco enterprise, a special monopoly system council was established within the Finance Ministry with the chairmanship going to KUFODA Hideo (DLP Councillor). The membership was filled and cabinet approval received on Tuesday. Since Premier YOSHIDA has voiced the policy to transfer the tobacco enterprise to private hands, the Government will probably seek to realize the plan. The council will take the lead in studying measures necessary for the transfer.

ITEM 2 IKEDA PLANS 1950 BUDGET OF 550 BILLION YEN

(Full Translation)

YOMIURI SHIMBUN, 5 Aug -- The Government is to decide its approach to compilation of the budget for fiscal 1950 at today's cabinet session. This tentative measure was presented by Finance Minister IKEDA to the Cabinet session on Tuesday. Since the recommendations to be presented by the Shoup mission have not yet been published, the compilation of the supplementary budget bill for this fiscal year has been completely stalemated. Under the circumstances, the Government is determined to compile the budget for the next fiscal year from an independent viewpoint. Obligated to support the Dodge program, the Government is planning to curtail drastically government investments and price adjustment outgo, and increase public works and unemployment relief expenditures. At the same time, the Government is going to make it a principle to increase partial tax transfers to local bodies, for the purpose of normalizing local finance. As a result, the total of next year's budget will reach approximately 550 billion yen, or 150 billion less than this year's budget. In other words, the tax burden on the people will be curtailed to that extent. The tentative draft of next year's budget, which was compiled by the Finance Ministry authorities without taking opinions of other ministries into account, can be summarized as follows (Parentheses indicate figures in this year's budget.):

Annual Expenditures: 530 billion yen (704,667 million yen):  
 (1) Occupation costs: 100 billion yen (125,230 million yen). (2) Expenditures for reparations removal: none (2,660 million yen). No amount will be appropriated to this end, since the removal of reparations has been suspended. (3) Public Works: 65 billion yen (51,869 million yen). For the purpose of enforcing social welfare



ITEM 2 (Continued)

measures to cope with unemployment and developing some exploitation enterprises and disaster recovery undertakings, the appropriations are to be increased by 13 billion yen. (4) Unemployment relief, including the unemployment insurance costs: five billion yen (2,974 million yen). For the purpose of enforcing proper measures for those unemployed who will not be absorbed by public works projects, the appropriations will be increased by 2,100 million yen. (5) Government investments: 30 billion yen (84,217 million yen). These investments will be drastically curtailed, and no advances will be made to the Reconstruction Finance Bank and various public corporations. The breakdown is: (a) public corporations: none (6,947 million yen); (b) foreign trade special account: 25 billion yen (40 billion yen); (c) precious metals special account: 2,500 million yen (2,633 million yen); (d) others: 2,500 million yen (4,637 million yen); (e) RFB: none (30 billion yen). (6) Price adjustment subsidies: 70 billion yen (202,200 million yen). For the purpose of normalizing the economy, the appropriation will be curtailed by 130,000 million yen. (7) Local tax grants: 70 billion yen (57,700 million yen). To break the crisis of local finance, the appropriations will be increased by 13 billion yen. (8) Repatriation relief: 400 million yen (6,600 million yen).

Annual revenue: 550 billion yen (704,667 million yen): (1) Tax and stamp revenue: 350 billion yen (514,660 million yen). In view of the tax-bearing capacity of the people, tax revenue will be curtailed by 165 billion yen. The income tax revenue will total 200 billion yen (310,202 million yen in this fiscal year). Detailed figures will be decided after the recommendations of the Shoup mission are published. (2) Profits of the Monopoly Bureau: 130 billion yen (120,977 million yen). By taking the increased production of tobacco into consideration, revenue will be increased by 10 billion yen. (3) Profits of government enterprises: four billion yen (4,927 million yen). (4) Revenue from government-owned properties: 4,969 million yen. (5) Miscellaneous revenues: 62 billion yen (48,377 million yen).

ITEM 3 TRADE-INDUSTRY STUDYING FOREIGN TRADE WHITE PAPER

(Full Translation)

NIHON KEIZAI SHIMBUN, 5 Aug -- With the third anniversary of the reopening of private foreign trade coming on 15 August, our country's foreign trade has taken a great stride toward autonomy by the adoption of the exchange reward system and the realization of traders' travel abroad. Yet on the other hand the future of our country's foreign trade is regarded with anxiety, due to the increased keenness of competition among exports of many countries, the shortage of dollar funds which is becoming more and more serious, and the strengthening of import and exchange controls in many countries. In view of these conditions, the Trade-Industry Ministry plans to publish a foreign trade white paper clarifying the past and future of our foreign trade, and emphasizing the importance of export trade. At the same time, the Ministry is now formulating various measures for the improvement of foreign trade. The chief measures contemplated follow:

(1) Putting import trade on a private basis: realization of this measure is delayed because it has not been decided whether Japanese banks should be designated as exchange banks. However, it seems that it has informally been decided to designate Japanese banks as exchange handling banks. The Government is willing to carry out this measure on 15 August at latest.



NEWS

ITEM 3 (Continued)

(2) Simplification of export procedures: Form 1E and the export contract form will be combined in a new Form 1E 234. Export contracts of less than 50,000 dollars will require this form only, and permission or approval by authorities will not be required. In case of contracts of more than 50,000 dollars, exporters will tender Form 1E 234 together with the export contract form for permission or approval by authorities. However, since more than 90 percent of the export contracts are for less than 50,000 dollars, the measure will contribute very much to the simplification of procedures and the establishment of autonomous trade.

(3) Transfer of export permission authority to local agencies: with the object of encouraging private trade, export permission authority was previously transferred to agencies in Osaka, Nagoya, Kobe and Yokohama. In order to further this purport, the scope of items for which local agencies can permit bargaining or contract-conclusion will be extended. At the same time, new permission agencies will be established in Hiroshima, Fukuoka (including Shimonoseki-Moji and Nagasaki), and Marugame.

(4) Realization of CIF contracts: shipment on the CIF basis is already practiced by using remittances from foreign buyers. This is not the CIF contract in the true sense of the word, but the Trade-Industry Ministry expects that shipment on the CIF basis will be permitted by SCAP, and they are making preparations for it.

(5) Handling of exchange by Japanese banks: when the exchange reward system was established, Japanese banks were designated as exchange banks. The designation will be utilized in conducting private import trade, which is expected to be realized shortly. It is not clear whether Japanese banks will be authorized even to issue letters of credit. However, a certain degree of activity is expected to be authorized.

(6) Dispatch of commercial attaches: dispatch of commercial attaches, which has been applied for the SCAP, is expected to be permitted soon. In this case, the Trade-Industry Ministry will create new overseas offices and strengthen the existing ones. However, the opinion has recently become strong that not only commercial attaches but officials whose duties are similar to those of consuls should be sent. About 10 places including Bombay and Calcutta are scheduled as sites for overseas offices.

ITEM 4 MORI EXPECTS BUMPER CROP; NO HIKE IN RICE RATION

(Full Translation)

JIJI SHIMPO, 5 Aug (Nagoya dispatch) -- Agriculture-Forestry Minister MORI, who is now on an inspecting tour in Aichi Ken, spoke at a roundtable conference with farmers' representatives in Ichinomiya Shi at 1100 hours yesterday. The Minister later met reporters, and categorically denied rumors concerning measures for free sale of rice after the completion of deliveries. He said: "The DLP Political Research Committee is considering measures for free sales. I, however, have no knowledge of the issuance of rice coupons. I hope to revise partially the Provisional Food Measures Law, and to present an additional delivery bill to the next extraordinary Diet session. Under present circumstances the Government does not consider the existing delivery formula satisfactory. Efforts are now being exerted not only to ensure efficient shipment of food, but also to make the delivery formula democratic."



ITEM 4 (Continued)

The following is a gist of the Minister's speech: "I am planning to hold commemorative events to express Japan's thanks for the United States' kindness, because the food imported through the good offices of the US will soon amount to five million tons. The supreme importance in agriculture-forestry administration is attached to the solution of the food problem. It is necessary to employ measures for increasing production immediately. Cultivation of level forests tends to aggravate floods. I therefore hope to concentrate my energies upon the improvement of undercultivated marginal land and land at the foot of mountains. The free sale rumor of sweet potatoes is prevailing. However, a delivery of 100 billion Kan (TN: One Kan equals 8.3 pounds.) has already been demanded of producers. If free sale is put into practice, confusion will arise in the districts producing wheat and sweet potatoes alone. Therefore I am not considering such a step. A bumper rice crop, biggest in our recent memory, is anticipated. Even if the rice crop is the largest, the present ration level will not be raised to 2.7 Go (TN: One Go equals 0.005 bushels.).

"There are many faults in the revision of rice price through the parity index calculation. It is questionable why the rice price is calculated on a producer basis. Rice is not only consumer goods but also producer goods. Therefore I intend to revise the price on a parity index basis. Revision of farm-rent is expected to be decided on shortly. At present, however, I cannot comment on this definitely. An agricultural crisis is now the object of much conjecture. I, however, am not pessimistic about the future of the industry."

ITEM 5 GOVT AUTHORITIES BEGIN NEW RICE PRICE NEGOTIATIONS

(Full Translation)

ASAHI SHIMBUN, 5 Aug -- The Agriculture-Forestry Ministry will conduct final negotiations with the Price Board on the producer price of this year's rice from today and will reach a conclusion by 9 August. The ministry will then negotiate with GHQ. The producer price will formally be fixed by the rice price deliberative council which will be inaugurated in the near future. It is felt that the new price will be about 4,200 yen per Koku.

The Agriculture-Forestry Ministry has recognized the fact that the present parity calculation system is not proper in fixing the rice price in view of the actual situation of agricultural management. Therefore, it has decided to amend the system. The ministry has formulated a tentative plan to set the rice price at about 4,209 yen through repeated negotiations with the Price Board. To compute the proper price of this year's rice, the parity calculation system will be amended thusly:

1) To maintain the balance between farmers' income and non-farmers' income and to secure agricultural reproduction, necessary expenses in agricultural implements, housing, employment wages, ceremonial occasions, and recreation will be included in parity articles.

2) Studies will be made on the method of selecting parity articles in conformity with the actual conditions of agricultural management. The computation of the rice price will be made on the basis of its real price as well as of the official price.

On this basis, the parity index will be set at about 155. The 4,209 yen informally fixed as the new price has been computed on the basic price of 27.16 yen per Koku multiplied by 155. However, if the



NEWS

ITEM 5 (Continued)

Finance Ministry plan to retrench subsidies for fertilizer is realized, the parity index will become 165 and consequently the new price will be 4,481.40 yen. However, it has not yet been decided to curtail subsidies. Agriculture-Forestry authorities have informally fixed the new price at 4,209 yen, on the assumption that the subsidies will be continued.



NEWS

ITEM 6 NO DIET CALL BEFORE MID-SEPT, MASUDA TELLS STEERING COMM

(Full Translation)

TOKYO SHIMBUN, 5 Aug -- Chief Cabinet Secretary MASUDA yesterday declared that the coming extraordinary Diet session would not be convened until after the middle of September, but added that he could not state at present whether the convocation would be delayed even more.

MASUDA made this declaration at a meeting of the House of Representatives Steering Committee called at 1330 hours yesterday to deliberate on the problem of convoking the extraordinary Diet session as requested by the opposition parties excluding the Communist Party.

In his reply to a request from the opposition for explanation of the Government's views on this issue, MASUDA stated as follows:

"The Government fully respects the request of the opposition parties made through formal procedures for convocation of the extraordinary Diet session, and is now hurrying up various preparations to meet the request. The main subjects for discussion at the coming extraordinary Diet session will be revision of the taxation system and unemployment measures, for which nine bills are expected to be presented to the Diet.

"As for reform of the taxation system, the Shoup Tax Mission is reported to have completed its energetic study on this problem, and is now in Nikko drafting its recommendations on the basis of its findings. The mission seems to be speeding completion of its draft recommendations while keeping in touch with Minister DODGE, and so we expect that the recommendations will be presented around 20 August.

"It is expected to take at least one month for the Government to codify the bills concerning revision of the taxation system. Therefore, though various other bills for presentation to the extraordinary session are all expected to be codified within the course of next week, the convocation of the Diet will come after the middle of September. However, I cannot state at present whether the convocation will be delayed further.

"The Government hopes to have the extraordinary Diet deliberate on bills relating to social security during the first half of its session and discuss bills relative to finance during the latter half of its session. The Government, however, plans to present all of the bills in a lump to the Diet at the outset of its session."

Earlier, the committee approved a request from the Judiciary Committee to dispatch members to Kagoshima to investigate the case of infringement of human rights involving the Kagoshima Municipal Police and the local prosecution office, and another request from the Examination Committee to send out its members to probe into the case of false reports on arable land in Ishikawa Ken, the recent disturbance in Taira Shi, the labor trouble in the Hiroshima plant of the Japan Steel Manufacturing Company, and other cases.

Later, the meeting heard Attorney General UEDA, Transportation Minister OYA, State Minister HONDA, and others explain matters under their respective jurisdiction.

ITEM 7 OPPOSITION RESTATES DEMAND FOR EARLY DIET CALL

(Full Translation)

TOKYO NICHINICHI SHIMBUN, 5 Aug -- Representing the 68 Councillors belonging to the Democratic and Socialist parties, who submitted to the Government some time ago a demand for early convocation of the special Diet session, KADOYA Seiichi of the Upper House's Democratic opposition faction and others met Chief Cabinet Secretary MASUDA at noon yesterday



NEWS

ITEM 7 (Continued)

at the Premier's official residence. They presented to the Government a supplement to the previous demand for Diet convocation. It includes: (1) The special Diet session should be convened on 25 August. (2) Simultaneously with the opening of the session, they will introduce nine bills similar to those presented by the Lower House opposition parties.

ITEM 8 MASUDA BLAMES FUEL ACCT DEFICIT ON POST-1940 CABINETS

(Full Translation)

YUKAN CHUGAI, 5 Aug -- Chief Cabinet Secretary MASUDA, clarifying the Government's views on the controversial problem of deficits in the Special Firewood and Charcoal Account, yesterday noon stated that responsibility rests with preceding cabinets since the deficits have accumulated year after year since 1940.

MASUDA made this statement in view of the indications that the problem of the deficits in the special account will likely develop into a political issue, with the opposition parties and factions in the House of Representatives already pursuing the responsibility of the Government for the deficits. MASUDA stated:

"The deficits in the Special Firewood and Charcoal Account have increased gradually year after year since 1940, and the responsibility rests with the successive cabinets. Agriculture-Forestry Minister MORI, immediately after his assumption of the portfolio, took up this problem, and especially asked the Audit Board to check the special account. As a result, it has been made clear that the special account involves a deficit of 3,400,000,000 yen (including 1,700,000,000 yen of credit sales) and 3,000,000,000 yen in accounts receivable. The causes for the deficit lie in the loose operation of the government enterprise.

"The present Cabinet was opposed to such a state-operated enterprise and has daringly carried out abolition of the enterprise. Therefore, I believe there is no reason for the opposition parties to criticize the present Cabinet on this issue.

"The Government, instead of evading any real responsibility, has taken an attitude of positively liquidating the deficits. This, I believe, is a brave step taken by Agriculture-Forestry Minister MORI. Furthermore, there has arisen a voice from the government circles that the Government, by taking advantage of this opportunity, should audit all special accounts in government enterprises as well as of the various public corporations. To meet such a request, the Government is now contemplating a new auditing method to be conducted by an internal agency.

"The Special Firewood and Charcoal Account will hereafter enter into a liquidation process, and, if it should be made clear that the account involves deficits, such deficits will have to be covered by transferring necessary funds from the general account of the Government. In such a case, I wish such a transfer of funds be carried out as soon as possible, as it involves payments to liquidating dealers."



NEWS

ITEM 9 SOCIALIST HIT, DLP DEFENDS GOVT ON FUEL ACCOUNT

(Full Translation)

MAINICHI SHIMBUN, 5 Aug -- While the Democratic Liberal Party is determined to decontrol charcoal and firewood because of the deficit in the special charcoal and firewood account as well as the increasing stockpiles of the two products, the Socialist Party insists that a probe should be conducted into the cause of the deficit, apparently availing itself of this opportunity as one attack in the forthcoming opposition party offensive. The Socialist Party further charges that the Government method of handling the matter is unskilful. To counter this Socialist Party attack, the Political Research Committee of the Democratic Liberal Party issued a statement on the matter and explained that the decontrolling of charcoal and firewood is quite appropriate and reasonable. It further refuted the Socialist Party's argument by pointing out that the deficit is the cumulative result of mismanagement by all cabinet in power since the control was put into effect.

Meanwhile, the Central Executive Committee of the Socialist Party decided yesterday to demand an investigation of the deficit issue by the Lower House Examination Committee. The deficit is estimated at 3,480,000,000 yen.

ITEM 10 SOCIALISTS EXPANDING INFLUENCE OVER POWER, MINE WORKERS

(Full Translation)

MAINICHI SHIMBUN, 5 Aug -- The Socialist Party held a Central Executive Committee meeting at the Diet Building at 1400 hours yesterday. At the meeting, it was agreed to launch a nation-wide people's movement and an anti-Government campaign to oppose the abolition of state control of coal mines, the dissolution of the coal Distribution Corporation, and the division of the electric power industry. The party is ready to tie up this movement with the campaign for the early convocation of the special Diet session.

MIZUTANI Chozaburo will head the party tactics committee. In collaboration with the Japan Electric Power Workers Union, the National Trade Unions Congress, and the Japan League of Coal Mine Workers Unions, the party is to take the initiative in convoking a joint struggle conference for the coal and electric power industries. A workers' meeting is to be held next week.

At the conference of prefectural governors, which is scheduled to open next Thursday, those governors who are affiliated with the Socialist Party will take the leadership in forming a joint struggle front to present a petition against the division of the electric power industry. About 15 August people's rallies will be held in Tokyo, Osaka, and Nagoya.

Chairman FUJITA of the Japan Electric Power Workers Union presented the proposal for a joint struggle yesterday to the Socialist Party. By taking advantage of this move of the electric power workers union and the entrance into the party of Chairman MUTO of the Japan League of Coal Mine Workers Unions, the Socialist Party is going to extend its influence over the two key industries - coal and electric power. Thus the party plans to lay the second stone in its reconstruction, following its success with the state railway workers.

ITEM 11 SOCIALISTS PROBE PURCHASE OF BELTS FOR STATE POLICE

(Full Translation)

MAINICHI SHIMBUN, 5 Aug -- At the Central Executive Committee meeting of the Socialist Party yesterday, Lower House Member AONO reported on his investigation of the case in which 100,000 leather belts for state police officers were ordered under the name of State Minister.



ITFM 11 (Continued)

Accordingly, the party took up the case formally, and decided to form an investigation committee to carry out concrete investigations deliberately, and to demand the Lower House Examination Committee to study the case.

According to AONO's report, the regular contract price of the belts when contracted by smaller manufacturers, is 950 yen each. In reality, however, the price was as high as 1,250 yen each, and the first lot of 35,000 was ordered from the Japan Leather Company and four other leading companies. The procedure of placing the order was open to question, and, what was more, the Government's attitude of neglecting smaller enterprises should be questioned, according to the investigation.

Higai Denies

State Minister HIGAI stated in this connection yesterday as follows: "The said order of leather belts under my name is quite groundless. In regard to the National Rural Police, only such matters as petitions and law bills come to me. I do not know anything about the belts, to say nothing of the number ordered. If orders have been issued under my name, it is a forgery, and I will have it thoroughly investigated."



NEWS

ITEM 12 COAL MINERS UNION CHIEF MUTO JOINS SOCIALIST PARTY

(Full Translation)

TOKYO SHIMBUN, 5 Aug -- Chairman MUTO Takeo and four others of the Japan League of Coal Mine Workers Unions and Chairman MOCHIZUKI Susumu and five others of the Printing Board Employees Union met with SUZUKI and ASANUMA at 1330 hours yesterday at Socialist Party headquarters, and took formal procedures for joining the Socialist Party.

ITEM 13 DIETMAN TELLS NEED FOR SUBVERSIVE ACTION CONTROL LAW

(Full Translation)

MAINICHI SHIMBUN, 5 Aug (Fukushima Dispatch) -- Upper House Judiciary Committee Chairman ITO Osamu and eight other arrived in Fukushima yesterday afternoon to acquaint themselves with acts of violence in this prefecture. After hearing reports on the Taira incident and the Fukushima railway subdivision incident from chief prosecutor ANZAI at the Fukushima district prosecutors' office, they made the following statement in a press interview:

"In the Taira affair we investigated the manner in which leftist organizations resort to violence. Arriving here at the scene, we have found that violence was systematically carried out and keenly feel the necessity of enacting a subversive activities control law (tentative name). The law will be designed to suppress the extreme right, the extreme left, and violence of all nature. In this connection the 'stringing-up' case which occurred on board a repatriation ship will be included as violence and we are also considering the inclusion of radical speech under this law."



NEWS

ITEM 14 PROTECTION LEAGUE PROTESTS VIOLATION OF HUMAN RIGHTS

(Full Translation)

AKAHATA, 5 Aug -- In accordance with the decision reached at the 2 August general meeting, 18 representatives of the Democracy Protection League called on Chief Cabinet Secretary MASUDA at the Premier's official residence Wednesday afternoon to protest that the Government's attitude in connection with the Shimoyama case, the Mitaka incident, and the Taira and Kyoto disturbances is a flagrant violation of human rights, and that the Government thus intends to destroy the people's right to act collectively and form democratic organizations, through the strengthening of the police force. They presented the following 13-point demand:

- 1) Suspension of mass dismissals, which are accompanied by no unemployment measures, and cancellation of dismissal notices already issued.
- 2) Retraction of dismissal notices for SUZUKI Ichiro and 16 other Central Dispute Committedmen of the State Railway Workers Union.
- 3) Immediate release of IIDA and YAMAMOTO, who were arrested in the Mitaka incident.
- 4) Punishment of Prosecutor HORI and six others who prejudiced the reputation and obstructed the activities of democratic organizations by abusing their authority in connection with the Mitaka incident.
- 5) Compensation for damages incurred by Chinese student RIN Tengi in Kyoto and punishment of those concerned with the violence.
- 6) Calling off the arrest of those connected with the Taira and Takahagi incidents which were touched off by the police, the release of those already arrested, the cancellation of indictments, and compensation for damages.
- 7) Suspension of unreasonable mass arrests in the Osaka "wall gazette" case, and release of those already arrested.
- 8) Immediate release of Editor-in-Chief MATSUBARA Koen of the magazine SHINSO.
- 9) Release of state railway workers arrested in the Fukushima and Suita affairs.
- 10) Acceptance of the 9-point demand presented by Soviet repatriates to the Repatriation Relief Board of the Welfare Ministry.
- 11) Cancellation of the decision to mobilize fire brigades in a state of emergency.
- 12) Immediate cessation of suppression of the Zenshinza theatrical group at various localities.
- 13) Immediate suspension of provocative acts directed against the Communist Party headquarters and the management bureau of the AKAHATA.

This delegation consisted of: HOSOKAWA Karoku, Communist member of the Upper House, DOBASHI Kazuyoshi, Communist member of the Lower House, MINAMI Koichi and SUMIYA Fumio of the Japan Federation of Public Office Workers Unions, KATSUMATA Yasuo of the National Congress of Industrial Unions, KYO Ryuson of the Chinese Residents Democratization Promotion Association, HIROSE Kyutaro of the Miyagi Livelihood Defense Council, NIIJIMA Shigeru of the New Japan Literary Society, HAMA Takeshi and HIROSAWA Takeji of the All-Japan Communication Workers Union, SHIMIZU Tatsuo of the Soviet Repatriates League, KATO Hirokazu of the National Council of Government Employees Unions, SUZUKI Kiyoshi, representing repatriates, who returned aboard the Eihiko Maru, ITO Takeo of the Japan Screen and Stage Workers Union, SHICHIDAWARA Hiroshi of the National Labor Unions Liaison Council,



NEWS

ITEM 14 (Continued)

NAKAHARA Funkichi of the Metal Workers Union, and MIYAZAKI Koichiro and YODA Tokutaro of the Democracy Protection League.

ITEM 15 REPORT FIREMEN COMPLAINING OF FORCIBLE MOBILIZATION

(Full Translation)

AKAHATA, 5 Aug -- Indications have been seen among local firemen in various localities to refuse to co-operate with the government plan calling for forcible mobilization of 2,000,000 firemen. Particularly, dissatisfaction and complaints are mounting in Saitama and other prefectures because firemen have been mobilized frequently for various purposes such as rounding up homeless children for a nominal allowance of only 15 yen a day.

Indications are that these moves among local firemen are likely to develop into an extensive disobedience movement and may even lead to the filing of complaints against persons responsible for such mobilizations. Therefore, it is worthy of note how these moves will develop and how the Diet acts upon this issue.

ITEM 16 AKITA COMMUNISTS SAY POLITICS BEHIND AKAHATA RAID

(Full Translation)

AKAHATA, 5 Aug (Akita Dispatch) -- Ten representatives of the Akita prefectural committee of the Japan Communist Party, the All-Japan Communications Workers Union and other organs on Tuesday filed a protest with the Akita prefectural headquarters of the National Rural Police against the recent police raid on the management office of AKAHATA, stating that the raid was definitely carried out for political reasons. The representatives also sought the responsibility of Chief SUZUKI of the Detective Section for the 10 million yen scandal involving ISHIDA Hirohide, a Lower House member of the Democratic Liberal Party, pointing out that the police have raided neither the residence of ISHIDA nor the office of the DLP. SUZUKI replied: "I have not heard anything on the case of ISHIDA." Meanwhile, the Labor Union Liaison Council Wednesday issued a statement against the recent police investigations into the management office of AKAHATA and the Akatsuki printing office. The statement read: "If this case is ignored, the Government will eventually bring pressure upon labor unions, democratic organs and progressive research institutes, on some pretext or other. We hereby pledge ourselves to oppose the planned outrages of the Yoshida Cabinet, and to crush it."

ITEM 17 MONOPOLY CAPITAL ABANDONS YOSHIDA, RED PAPER SAYS

(Full Translation)

AKAHATA, 5 Aug -- Despite Premier YOSHIDA's denial in a statement Monday of the recent AP and other foreign press reports on the alleged GHQ letter to the Premier condemning the Yoshida Cabinet's fascistic policies, marked signs of excitement and confusion have been witnessed in the Premier's official life since the aforementioned reports. At the same time, the Democratic oppositionists led by TOMABECHI and other factions supporting the middle-of-the-road principle are already beginning to show signs of power-seeking activities. This trend is enough to portend the early downfall of the Yoshida Cabinet. It is rumored that the letter problem arose on 21 July. The following day



## ITEM 17 (Continued)

Premier YOSHIDA called on his relative KABAYAMA Aisuke at his Gotemba villa. KABAYAMA has close connections with the Imperial Family and authoritative quarters. YOSHIDA stayed there till 27 July, studying remedial measures. The Premier on 27 July called Chief Cabinet Secretary MASUDA to his Oiso villa, and revealed to the latter his renewed determination to adhere to the disinflation policy based on the Dodge program.

Despite the Premier's desperate efforts to patch up political blunders, there is a strong danger that the Cabinet cannot push through the Diet the principal DLP measures, including a police system reform and a tax system revision. Because of this trend, coupled with antagonistic signs among dissenting DLP members, the Yoshida Cabinet is now exposed to a serious danger.

Meanwhile, supreme Chairman TOMABECHI of the Democratic opposition faction, after returning from his recent speaking tour, went with Supreme Advisor NARAHASHI to call on authoritative quarters on 27 July, and discussed the political situation. TOMABECHI appears convinced, as a result of this meeting, that the recent oppressive policies of the Yoshida Cabinet are completely out of line with international opinion. This meeting reportedly prompted him to play an active role in paving the way toward the next regime. TOMABECHI's power-seeking scheme aims first at breaking up the DLP ties between the faction under Premier YOSHIDA and Chief Secretary HIROKAWA, and the anti-executive group led by YAMAZAKI Takeshi and DLP General Affairs Council Chairman HOSHIJIMA; and then at the formation of a national coalition between the DLP anti-executive members, the Democratic oppositionists, the New Politics Council and the Peoples Co-operative Party.

Meanwhile, ex-Socialist NISHIO Suhiro, almost sure of acquittal in the recent scandal trial, has been seeking a chance for political resurrection. He is reported to have seized the letter-to-Yoshida question as a chance to start political manoeuvres with Dr ASHIDA and Peoples Co-operative Chairman MIKI for a return to power. He is also maintaining close liaison with the Democratic opposition faction.

It is true that the letter issue has directly precipitated the adverse situation for the Yoshida Cabinet, but at the same time, this situation is interpreted as the result of the machination of monopoly capitalists centering around the Federation of Economic Organizations. They, by making catspaws of ASHIDA, TOMABECHI and NISHIO, have been bent upon seizing the first opportunity to replace the fascistic Yoshida Government with false-front administration. The activities of ASHIDA, TOMABECHI and NISHIO are nothing more than a move to replace the fascistic Yoshida Cabinet with a regime that will deceive the people with honeyed words. This move is winning support from monopoly capital centered in the FEO. It appears that a series of conferences has already been carried out between the capitalist group and TOMABECHI and KITAMURA. This shows that the monopoly capitalists, alarmed at popular opposition, have abandoned the Yoshida Cabinet and launched plans for a new regime. Whether this underhand device can be smashed depends entirely upon unity and fighting spirit of the people.



ITEM 18 AUTHORITIES, AJCWU OPEN RETRENCHMENT NEGOTIATIONS

(Full Translation)

TOKYO SHIMBUN, 5 Aug -- With the announcement of personnel cut standards for the Postal Administration and Telecommunications ministries and the issuance of dismissal notices about a week ahead, leading officials of the two ministries have been making necessary preparations behind closed doors with strict precautions since Wednesday. In compliance with a request by the All Japan Communications Workers Union, an informal meeting was held at 1020 hours yesterday between the authorities concerned and union leaders in the negotiation room of the Postal Administration Ministry on the question of the impending administrative reform.

Present at this meeting were: Representing the ministries -- Postal Administration and Telecommunications Minister OZAWA, Parliamentary Vice-Minister (postal) YOSHIDA, Vice-Ministers SUZUKI (telecommunications) and ONO (postal), Chief SUGIYAMA of the Superintendence Section (telecommunications), and Chief FUJITA of the Labor Section; representing the union -- Chairman YAMAGUCHI Kanji, Vice-Chairmen KATSUMATA, TAKAHARA and MURAYAMA, Secretary-general OKADA, and Chief TAKEUCHI of the Finance Bureau.

In compliance with a request by the union, Chief FUJITA of the Labor Section was asked to retire from the room and discussions were at once started between union representatives and top leaders of the two ministries. The authorities were expected to limit the scope of conversation simply to hear the request or desire of the union, without clarifying the personnel retrenchment criteria or the date of their announcement.

This meeting is the first to take place between the authorities and the union in connection with the administrative reform issue. The authorities, who hold that the personnel retrenchment program of the state railways has been completed successfully, are inclined to maintain a strong attitude, whereas the union was expected to try to get a firm grip on the authorities since it has no such internal worry as the State Railway Workers Union. Such being the case, the results of the meeting were expected to give rise to serious confusion.

## Political Implication Will Be Avoided, Says OZAWA

Following the meeting, Postal Administration and Telecommunications Minister OZAWA made public the contents of the talks. He stated:

"The meeting with union representatives was made under an understanding that consultations would be carried on from the standpoint of not disregarding the Personnel Strength Law and other laws. In reply to questions by the union on the personnel retrenchment criteria, the number of employees to be discharged, and the date of dismissal, I stated that I could not give any definite answer as preparations are under way, although the date of personnel cut was somewhat advanced due to the favorable change in the objective situation, as compared with my original intention to carry it out at the beginning of September.

"The number of those who will be discharged will reach about 20,000 with the exception of those who will retire on their own initiative. Those desiring to retire will number about 8,000. The retrenchment criteria are preferably held secret because of the adverse effect to be brought by its announcement on the re-employment of the discharged.



NEWS

ITEM 18 (Continued)

"The reason lies in our desire to avoid giving undesirable impressions in connection with the establishment of employment-finding committees and priority reinstatement. Therefore, it is hoped that in the announcement of the retrenchment, we can simply say to the union that though regrettable and in spite of our sympathetic consideration of the stand of employees to the fullest possible extent, so many employees need to be retired.

"The current retrenchment will be carried out in accordance with the established criteria, apart, as much as possible, from such political consideration as to discharge employees because of their being affiliated with the Communist Party. The date of enforcement will be fixed after listening to the opinion of the cabinet ministers at a cabinet meeting."

ITEM 19 HONDA REPORTS SMOOTH PROGRESS IN RETRENCHMENT PROGRAM

(Full Translation)

ASAHI SHIMBUN, 5 Aug -- State Minister HONDA yesterday explained the progress of the administrative retrenchment to the Lower House Steering Committee as follows:

"A breakdown of personnel scheduled to be discharged is 240,000 from the budget but actually 160,000 in central government offices, 134,000 from the budget but actually 75,000 in local governments, and 25,000 in public corporations. Retrenchment is progressing as scheduled and is expected to be completed by the end of September. Discharges of 95,000 employees of the state railways and 60,000 of the Finance Ministry have nearly been finished. In other ministries, the number of voluntary resignations is increasing, thus gradually diminishing the number of those to be dismissed.

"The retrenchment in the Premier's Office (2,500) and the Foreign Ministry (500) will be completed by the end of this month. Efforts are being made to finish the discharge task in the Economic Stabilization Board by the end of this month. The retrenchment in the Attorney General's Office has been nearly completed because of the many voluntary resignations. The Postal Administration, Telecommunications, Trade-Industry, and Welfare ministries are scheduled to complete their retrenchments by mid-August, while the Agriculture-Forestry and Construction ministries are expected to be through sometime in early September.

ITEM 20 HOSHIKA SEES SECOND SRWU UNION OF LEFTISTS

(Full Translation)

ASAHI SHIMBUN, 5 Aug (Osaka dispatch) -- State Railway Workers Union Central Dispute Committee member HOSHIKA, who is now in Osaka for the purpose of expanding the influence of the Democratization League, stated as follows on the prospects for holding a Central Committee meeting, and on the future trend of the SRWU: "Indications are that recently discharged Central Dispute Committee members and the leftist factions are maneuvering to form a second union, outside the law. The masses will not follow this move. I think that the SRWU will finally become a sound union and will co-operate in the rehabilitation of the state railways. The Reform League rather than the Communist Party is to blame for the present critical condition of the SRWU. The league must be held responsible for having fooled the Communists into thinking that they could achieve a revolution. In the future the Democratization League will



NEWS

ITEM 20 (Continued)

replace the Reform League and assume the leadership. At the next national convention, we will bolt from the National Labor Union Liaison Council and enter the National Trade Unions Congress. We will further set up an International Department in the NTUC, band together all unions affiliated with the Democratization League, and join the new world federation of trade unions."

ITEM 21 13,000 DISCHARGED RAIL WORKERS HAVE NEW JOBS

(Full Translation)

NIHON KEIZAI SHIMBUN, 5 Aug -- Transportation Minister OYA made the following report on the progress of the administrative readjustment at yesterday's meeting of the Lower House Steering Committee:

"The personnel curtailment program of the State Railways affected about 95,000 employees. Among these, 12,000 to 13,000 have already found new jobs in private companies which are connected with the state railways. About 500 more employees have yet to be dismissed in the curtailment program."

ITEM 22 LARGE-SCALE UNIFICATION OF FARMERS BEING PUSHED

(Full Translation)

JIJI SHIMPO, 5 Aug -- Members of the National Farmers Union and the Independence and Unity factions of the Japan Farmers Union met on 30 July at a Toranomon locality and on the night of 3 August at the dormitory of the House of Councillors in Kojimachi to discuss the unification of the farmers' front. The latter conference was attended by KOBAYASHI Susumu, YOSHIKAWA Kanemitsu, and AMADA Katsumasa (National Farmers Union), KAWAMATA Kiyone, YAOITA Tadashi, and EDA Saburo (JFU Independence faction), and FUJITA Isamu (JFU Unity faction).

At the two conferences there were differences of opinion on the treatment of Communist activities within the farmers' unions. The National Farmers Union and the JFU Independence faction insisted upon eliminating Communists in the unions, while the JFU Unity faction, though opposing Communist leadership, insisted Communists should not be ousted merely for the reason that they are members of the Communist Party.

They finally concluded to make efforts toward the unification of farmers' front in response to the demands of farmers. An agreement was signed by four representatives including KAWAMATA Kiyone, EDA Saburo, AMADA Katsumasa, and KURODA Hisao. The agreement follows:

1) Farmers' unions, on the one hand, have the freedom of supporting any political party and, on the other, are independent bodies free from direct control of specific political parties. Therefore, we will maintain co-operative relations with political parties which acknowledge the unions' stand and strive conscientiously to materialize the assertions and policies of our unions.

2) The attitude of the Japan Communist Party toward the unions has been to control them as instruments of power. We are opposed to such an attitude.

3) In accordance with the above two principles, we will strive seriously toward not only the unification of the National Farmers Union and both factions of the Japan Farmers Union but also a large-scale unification of the entire farmers' front.



ITEM 23 TEN-DAY CUSTODY RULED FOR 7 MITAKA SUSPECTS

(Full Translation)

JIJI SHIMPO, 5 Aug -- A 10-day court custody ruling was yesterday handed down to the seven men arrested in connection with the Mitaka runaway train incident, following questioning by Judge AIKAWA of the Hachioji branch of the Tokyo District Court.

On Wednesday night, Assistant Chief BABA of the Tokyo District Prosecutors Office, prosecutors in charge of the suspects, and Chief SENDODA of the Combined Investigation Headquarters met in a conference and discussed the future investigation policy late into the night. Early yesterday morning, the prosecutors concerned went to the police stations where the suspects were detained and launched a full-scale investigation into the case along the line determined at the meeting the previous night.

The Combined Investigation Headquarters made the following announcement yesterday at 1100 hours:

- 1) Ten clue-gathering units, made up of 20 men, are continuing investigations around the yard of Mitaka Station.
- 2) Nothing new has come up in the investigation of the suspects.
- 3) To facilitate the investigation, TAKEUCHI and TASHIRO, who are now detained at the Combined Investigation Headquarters, will be transferred to the Hachioji Juvenile Detention House, MIYAHARA, who is at the Tanashi Police Station, to the Tachikawa Police Station, and SOTOYAMA, who is at the Ome Police Station, to the Itsukaichi Police Station.

Testimony of YOKOTANI Takeo, a 27-year-old suspect who is under investigation by Police Sergeant YANAKA at the Hachioji Police Station, proved only his alibi. Succeeding statements have been contradictory.

It has become clear that the meeting held on the night of the incident was designed only to establish his alibi. In yesterday's investigation, YOKOTANI was cross-examined on contradictions between his confession and the testimony of the witnesses concerned, but he kept silent. The police sergeant seemed confident of success, hinting that there is evidence even if the prisoner did not confess.

Statements by the other suspects are proving false, except for their alibi on the night of the incident. Attaching importance to this point, the authorities are probing the case.

As believed by the authorities, it has become almost certain that the seven suspects led by IIDA and YAMAMOTO discussed the perpetration of the crime.

ITEM 24 COMMUNISTS PROTEST GOVT ACTION ON RUNAWAY TRAIN CASE

(Full Translation)

YUKAN CHUGAI, 5 Aug -- Speaking for the party, Communist Diet members HAYASHI, KAWAKAMI, TASHIRO, TANIGUCHI, and KAMIMURA met Chief Cabinet Secretary MASUDA at 1230 hours yesterday at the Premier's official residence. Charging that Government has exploited the Mitaka runaway train case politically, they handed in a protest consisting of 10 items.

ITEM 25 NO CHANGE IN SHIMOYAMA INVESTIGATION CONTEMPLATED

(Full Translation)

MAINICHI SHIMBUN, 5 Aug -- Public attention was focused on yesterday's joint investigation conference on the mysterious



ITEM 25 (Continued)

Shimoyama death case. Chief HORIZAKI of the First Investigation Section of the Metropolitan Police Board, in answering questions of newspapermen, stated at noon yesterday to the following effect:

- 1) No slash in the personnel of the investigation headquarters has been carried out up to now. But, there may be a change in personnel, depending on how the situation develops.
- 2) The investigation policy will undergo no change.
- 3) Blood stains found on the locomotive and the mud on the shoes are now under investigation at the Tokyo University.
- 4) The public authorities are withholding views on SHIMOYAMA's mental condition prior to his death.

ITEM 26 DAWN PRAYER UNIT COMMANDER INDICTED ON TWO CHARGES

(Full Translation)

TOKYO SHIMBUN, 5 Aug -- IKEDA Shigeyoshi (35), commander of the "dawn prayer" Yoshimura Unit, has been under examination by Special Investigation Section Chief FUKUSHIMA of the Tokyo District Prosecutors Office. He was indicted yesterday on charges of illegal arrest and detention (Article 220 of the penal code) and abandonment resulting in death (Article 218 and 219). The gist of the indictment charges follows:

A. Illegal arrest and detention: Exceeding the right to mete out punishment given the chief of the Ulan Bator detention camp in Outer Mongolia, IKEDA illegally confined or forced the "dawn prayer" punishment on the following members of his unit: MIYAMOTO Kiyoshi (Hokkaido), ITANE Yoshio (Hokkaido), HAYASHI Masamoto (Hyogo), SAITO Yoshinobu (Hyogo), SASAKI Matsutaro (Iwate), OSADA Manji (Yamanashi), TANI Sanji (Hyogo), SHIMIZU Kazuo (Saitama), and FUJII Zentaro (Aomori).

B. Abandonment resulting in death: He issued orders to the effect that NAGUMO Michio (Gumma) and TOMITA Eitaro (Iwate) of his unit, who were confined in the guard room, were not to be fed for two to three days, despite the fact that they were suffering from malnutrition. Moreover, they were not given proper treatment and died as a result.

It has been a question whether the trial should be conducted in Tokyo or Nagasaki, but the indictment charges has made it fairly certain that it will be held in Tokyo.



## EDITORIALS

### ITEM 27 END OF ECONOMIC DECONCENTRATION

(Full Translation)

MAINICHI SHIMBUN, 5 Aug -- Steps for the deconcentration of economic power have come to an end. Factors detrimental to the reconstruction of Japanese economy were many, such as inflation, labor unrest, and the reparations issue. Uncertainty in connection with the application of the law for deconcentrating excessive economic power has been also one of the primary factors-- which has now disappeared.

We do not need to dwell upon the meaning of the deconcentration of economic power. In a word, it is a step to democratize economy. Although the term economic deconcentration is often explained in complicated and abstract phraseology, Americans take it far more simply and practically. It is simply free economic competition.

In 1946, Gen MacARTHUR demanded Premier SHIDEHARA to put into practice five principles for the democratization of Japan. One of the items was to democratize the Japanese economy. This was the first of the official demands for economic democratization. In the supplementary explanation, the General instructed the Government to destroy the monopolistic Zaibatsu and to enable the people in general to have a fair chance of participating in industrial production.

In other words, the democratization of economy means to break down monopolistic domination of economy by the minority and to secure the foundation on which free competition can be carried out in a fair spirit. It was from this principle that the Antimonopoly Law and the Economic Deconcentrating Law were enacted.

The fundamental objective is free competition, and the consummation of deconcentration means the establishment of an arena in which people may freely and fairly compete with one another. It is demanded that there be more active free competition in the Japanese economy so that good fruits may be harvested.

We may say that free competition is a classical formula. It was indeed the guiding principle of capitalism while capitalistic economy was making rapid strides. Many of the Japanese seem to consider that controlled and planned economy by the hands of bureaucrats and state ownership and supervision of industries advocated by the socialists are economic systems in the true sense of the word. Be that as it may, is free competition really as classical as the music of BACH? At any rate, the Americans have deep faith in free competition, and the belief is explicitly manifested in the outcome.

We may take as an example the proportions of production cost in American manufactures and British ones. It is said that the average quantity of industrial production per worker in Britain is half that in America, that is, the production cost of British manufactures is twice that of American manufactures. Although there will be various reasons for this great difference, we may attribute it primarily to the free competition in America.

Of course, democracy, in the broad sense of the word, is the keynote of British economy, but we cannot find in the British industry an attitude of antimonopoly so strong and enthusiastic as in America. Although such forms as cartels and trusts are being avoided, we cannot deny that there is a strong monopolistic tendency in such key industries as iron and steel, coal, shipbuilding, and railways. As Americans put it, while the mode of management is bureaucratic and wasteful, abundant profits are secured. Compared with America, there has not been sufficient free competition to stimulate production of high quality goods at low production costs, resulting in the general highness of production cost and the



## EDITORIALS

### ITEM 27 (Continued)

shrinkage of exports.

America, on the contrary, is the most enthusiastic of all the capitalistic countries of the world to expel monopoly and to encourage free competition. Legalization of antitrust measures has been one of the primary economic policies of America for the past scores of years. The judicial authorities and the Congressional committees have not failed to take every opportunity to suppress monopolization of major industries.

For instance, former Attorney General Tom CLARK, who has recently been appointed a justice of the Supreme Court, is famous as a prosecutor of monopolistic enterprises. It was not long ago that he investigated the case of the leading chemical industry company, Du Pont, on the suspicion of monopolization.

Free competition is not free from evils. Competition necessitates additional expenses, and, from the national point of view, production is not based on any definite plan. However, it secures industrial activities to those who are talented, heightens industrial efficiency through the best mode of management, and enables individuals to give full play to their originality--strong points which are more than enough to compensate losses arising from it. The American economy is being operated on a firm faith in free competition.

At any rate, the Japanese economy has been given the foundation of economic democracy and free competition by the consummation of economic deconcentration. Those who think controlled and planned economy, government protection, and state ownership to be true economic systems, should reconsider that free competition is not necessarily a classical formula to occasion tediousness. It is not yet a classic in America.

### ITEM 28 PARING EXPENDITURES AND REDUCING TAXES

(Full Translation)

NIHON KEIZAI SHIMBUN, 5 Aug -- Coupled as it is with the recommendations of the tax survey mission, compilation of the adjusted budget draft, due for presentation to the special Diet session, is expected to experience rough sailing. The adjusted budget differs from supplementary budgets of the past in that it is primarily aimed at paring expenditures and lowering taxes.

The present tax burden of the people already exceeds the capacity of the nation to pay, as witness the recent drop in the purchasing power of the general public. The fact that the Government, while imposing heavy taxes on smaller enterprisers, is obliged to take measures for their protection testifies to the excessive tax burden of the people. It is evidence of the contradiction besetting the tax policy of the Government that key industries are paying taxes out of capital, which should be accumulated, and that they are seeking government investments as equipment funds.

However, we do not intend to say that tax reduction should be carried out without regard to the kinds of taxes. It is hoped that both the direct and the indirect taxes will be lowered. As this is impossible, however, there is no other choice but to lower the rates of a few taxes. Here emerges the problem of what taxes should be lowered. This should be considered from all possible aspects.

In this connection, the reduction of direct taxes should precede that of indirect taxes from the technical viewpoint of collecting taxes. However, it should be remembered that tax reduction must be carried out in the light of the amount of cuts in expenditures.



ITEM 28 (Continued)

It is necessary to co-ordinate the effect brought about by the paring down of expenditures and that resulting from the decrease in taxes, inasmuch as state finance affects the national economy. Good effects on one side should never be cancelled out by bad on the other, nor should ill effects on one side be reinforced elsewhere. Taxes, other than those which have been created as specific purpose taxes, should not be connected with specific expenditures but rather be viewed from a general standpoint. It is apparent, however, that any increase or decrease in any specific expenditure or tax should be made in the light of the effects which are to be brought about thereby.

Those expenditures slated to be pared down include the price adjustment appropriation, the general administrative appropriation and the government debt redemption appropriation. On the other hand, it is expected that employment relief expenditures and grants to local governments will be increased.

Meanwhile, even if the rates of the income and corporation taxes are lowered, it will be difficult to carry through an over-all tax reduction which would lead to an actual decrease in revenue, except in special cases. With regard to the decrease in the price adjustment appropriation, it appears that the Government does not view the outlay for basic producers goods and that for staple foods in the same light.

However, if expenditures for the adjustment of prices of basic producer goods are to be lowered, it should be remembered that the tax burden of businesses will have to be decreased so that they can absorb the change in the prices resulting from the decrease in price adjustment outlay. On the other hand, should the expenditure for the adjustment of staple foods prices be cut, the saving should be utilized to cut income taxes, particularly in the lower income bracket.

With regard to the discontinuance of government redemption of its liabilities, those corporation and income taxes which are being paid out of savings should be lowered and tax cuts which will stimulate private enterprises in increasing their capital should also be effected, inasmuch as the redemption of government liabilities is designed to accumulate capital. Should these factors be disregarded and revenue and expenditures lowered independently, the national economy will have to face unnecessary friction and confusion.

ITEM 29 TOO EASYGOING TAX REFORM PLAN

(Full Translation)

ASAHI SHIMBUN, 5 Aug -- The Finance Ministry has reportedly submitted a tax reform plan to the Shoup mission. This plan apparently attaches primary importance to the lightening of income taxes and presages an annual decrease of approximately 100,000,000,000 yen in the nation's tax burden.

In the current fiscal year budget, the income tax revenue is figured at 310,000,000,000 yen. According to the Finance Ministry plan, therefore, a considerable decrease--an average of one-third the present income tax rates--will take effect, although there is a slight difference in the rates of the lower and higher income brackets. This certainly indicates thorough planning.

Of particular interest in the proposed revision is the fact that the plan seeks revenue sources outside taxes to meet deficits stemming from the revision of the Income Tax Law and that a consider-



EDITORIALS

ITEM 29 (Continued)

ably high rate of tax reduction is contemplated all along the higher income range. The revenue source of 100,000,000,000 yen to meet the deficits due to the income tax reform will seemingly be financed by a slash in the 202,000,000,000 yen price adjustment appropriation in the general account expenditures for the current fiscal year, as well as by slashes in war termination expenses and other expenditures. It is, however, questionable whether such a simple plan is feasible in the formulation of next year's budget.

Admittedly, the price adjustment appropriations, covering as they do a sizeable 30 percent of total expenditures, is certainly abnormal; this type of subsidy should be gradually abolished in the future. Under the current economic conditions, however, the question arises as to whether the large-scale slashes in question can be carried out. Presumably, such a project entails immense difficulties.

Now that considerably pressing needs are being advocated in the fields of social program and public works funds, doubts arise as to whether the foregoing enormous revenue sources can be obtained even if the price adjustment expenditures are cut successfully. Any plan may be worked out by use of tax technique, but this revision plan, if considered in terms of the entire national finance, should be described as being too partial toward technical formulation.

If financial spending is cut out with very little relative friction and, in consequence, the tax burden upon the nation is lightened, it will, of course, be most gratifying. However, present-day Japanese economy has just taken the initial step in its stabilization policy. We have no reason to believe that our economy has the capacity to permit a general mitigation of the people's tax burden. Thus it is good to set the income tax as the key point of the tax revision but a definite line should be drawn between a general tax reduction and an effort to ensure fair distribution of the burden through revision of an irrational tax system.

For this reason, fair taxes should outweigh decreased taxes in forming the present revision plan. The resulting deficits should, for the most part, be made up by curbing tax evasions by high income earners as well as by securing increased tax collections.

Reportedly, a convincing opinion was set forth several days ago to the effect that a tax reform aimed at general tax deduction runs counter to the spirit of the Dodge program. This opinion should be regarded as a bitter criticism against the attitude of confusing general tax deduction and tax reform intended to ensure fair burdens.

The next point to be considered is that the present plan involves tax reduction measures of considerable proportion. That is, the graduated rates have been reduced from the current 70 percent to 50 for incomes exceeding 700,000 yen and from the 75 percent to 50 or 55 for those exceeding 1,000,000 yen. Also, as against the current high-rate progressive taxes with 85 percent as the peak, the projected revision scheme provides no measures for incomes exceeding 2,000,000 yen and those above 5,000,000 yen. Do tax deduction measures for the high income bracket in particular point to acknowledgement of deft tax evasions by major income brackets despite progressive tax rates, as well as of the uncontrollable limit of the present taxation capacity?

Taxes easy of payment and a system facilitating tax collections should be the key points of tax revision. However, if the lowering of the tax rates for the high income range should be regarded as a means of increasing tax revenues, it will be indeed a stunning



EDITORIALS

ITEM 29 (Continued)

delusion. Under the present-day financial pressure, strict taxation on high income brackets is an urgent need. The inclusion of such classes in the general tax reduction scheme should be censured as extremely inconsistent.

This is undeniably suggestive of the party strategy of the Democratic Liberals as well as of the Yoshida Cabinet. We see no harm in the execution by a party of its policies but the party should refrain from currying public favor in this respect. If a claptrap should be used to distort or even kill necessary revisions, it should by no means be tolerated.

ITEM 30 COMMUNIST PARTY'S DUTIES AND DEFECTS

(Full Translation)

AKAHATA, 5 Aug--- The Yoshida Cabinet has begun to show signs of collapsing. It cannot draft a concrete plan for the repeatedly promised reduction of taxes, and cannot find any new revenue source for urgent unemployment relief measures. Thus it has lost its confidence about calling an extraordinary Diet session. Empty promises made by the Cabinet to cover up its scrapped public pledges are rapidly being exposed. The confused Yoshida Government has no choice but to resort to demagoguery and violence. This will confuse the situation all the more, however, and will reveal the treacherousness and incompetency of the Government. Terrible desolation and ruin are about to swallow industry and the livelihood of the people. Nowadays, the demands of the masses are literally urgent without exception. Moreover, however simple the everyday demands of the masses may be, they will inevitably develop into a political struggle against the Yoshida Administration. A single step forward of the masses means the collapse of the domination of the conservative, reactionary forces in our country.

The current crisis means not only the collapse of the Yoshida Cabinet, but also a crisis that cannot be tided over within the framework of capitalism. Only a revolution will settle the current critical situation. Therefore, Premier YOSHIDA, like a mad dog, is trying to oppress the people and our party, and is taking refuge in Fascism. A resolute fight by our party is demanded. Our party has the important mission of organizing the demands of the entire people, showing concretely the way of overthrowing the evil Yoshida Cabinet, and standing at the head of the people's struggle. What is the key to performing our party's glorious mission to remove the pains of the people and to prevent the destruction of industry? It is the faithful execution of the policies of our party, especially the decisions of the 15th session of our party's Expanded Central Committee.

One of the major things preventing the development of mass struggles is the "tactics mania" as seen in professional strikes. A tendency to indulge in devising struggle tactics and to decide the issue according to the tactics is still strong within our party. Even in the railway dispute, we could not get rid of this strike-or-nothing concept. This harmful empiricism must be done away with by our party organs, and our party must advance to guide the masses politically according to the developing situation. All the demands of the masses can be snatched from the governing class only by dealing a blow to the traitorous Government. The current struggles are not mere labor disputes or farmers' movements. If they were, they would be in difficulty, and would never succeed.

What is the weakest point of the Yoshida Cabinet and the



## EDITORIALS

### ITEM 30 (Continued)

Democratic Liberal Party, the one they most fear? The labor offensive is one of their weak points. However, they fear their future political destruction more than an immediate labor offensive. Exposure of irregularities and corruption, struggles against the rice delivery system and for the enforcement of a credit sale system, tax issue, mountain and river improvement, and against enormous unemployment, the accumulation of stocks, money shortage, and the financial ruin of local autonomous bodies--all these are casting over the Yoshida Cabinet the dark clouds before the storm. Taking advantage of the serious ruin created by the traitorous policies of the Yoshida Cabinet, we must organize into a struggle the demands of the entire people, to lead the way for a fatal blow to the Government. Herein lies the focus of the activities of our party.

For this purpose we must change our attitude of seeking new tactics in party instructions and in AKAHATA. We must grasp the changes of the situation and the direction of struggles, and learn lessons on how to fight from abundant experiences. In short, we must concretely organize a struggle through practice. Are there not any party organs that confound revolutionary movements with "conference struggles," and refrain from actual practice? Mere criticisms and interpretations are of no importance. It is important to act slowly but solely in order to stir up the masses with the policies of our party. The masses have innumerable demands and dissatisfactions, and seek the method and power to fight. The people are now in desperate straits. Even shipowners have begun to sell their ships in order to live. In spite of the serious situation, party cells are unable to conduct vigorous activities. This is chiefly attributed to the facts that party organs have failed to grasp the direction of the struggle in the concrete demands of the masses, and that they are incapable of leading the masses concretely and politically. Empiricism always leads to bureaucracy, and impairs the revolutionary character of the masses. There is no royal road to revolution. Standing still means retreat and ruin. If our party advances resolutely, the masses will surely rise up. The situation is taking a favorable turn for us, and it demands the resolute struggle of our party.

### ITEM 31 ULTRA-LEFTIST VERSUS ULTRA-RIGHTIST

(Full Translation)

TOKYO SHIMBUN, 5 Aug -- The nose is in the middle of the face. From the right eye, the nose appears to be on the left side of the face and, vice versa from the left eye. Both are correct from the individual viewpoint. They are wrong, however, from the viewpoint of realism. When one views and judges things from his own standpoint alone, he is apt to make the mistake mentioned above. At one time there were extreme leftist, extreme rightist and middle-of-the-road theories in political circles. These views still exist, but with the decline of the middle-of-the-road theory, indications are that dogmatic ultra-isms started to become strong. Recently Premier YOSHIDA said that the Democratic Liberal Party is not an ultra-rightist party, whereas Secretary-general SUZUKI of the Socialist Party replied that the party passes as an ultra-rightist party among foreign nations. From the standpoint of the Socialist Party, the Democratic Liberal Party is indeed a rightist party. This does not mean, however, that the Socialists are an extreme left-wing party. It is impossible to judge what is ultra-



## EDITORIALS

### ITEM 31 (Continued)

leftist and ultra-rightist, unless it is first clarified what the middle-of-the-road government is.

It is generally known that the middle-of-the-road political theory at the time of the Ashida Administration followed the course of the French government, which prepared for the introduction of the Marshall plan. In France the RPF led by Gen De GAULLE and the Communist Party led by THOREZ exist as ultra-rightist and ultra-leftist groups respectively. Between the two radical parties are more than six neutral groups. From the viewpoint of the middle-of-the-road theory, the Democratic Liberal and the Communist parties in Japan are, so to speak, the De Gaulle and the Thorez factions respectively. According to Gen De GAULLE, however, the De Gaulle faction is a national movement for the salvation of France and not a political party. This is an organization to gain strong executive power with Gen De GAULLE as leader. Its platform is contrary to the Fourth Republic and the existing Constitution, and even considers the cessation of parliamentary functions. This organization falls just inside the category of ultra rightism. Considering the fact that the Democratic Liberal Party in our country only advocates an anti-Communist campaign and demands the lifting of economic controls, there is a great difference between the De Gaulle faction and our Democratic Liberal Party. If we seek a French party similar to the Democratic Liberal Party, it will be the Radical Socialist Party, which is based on bourgeois liberalism; or perhaps the Liberal Republic Party compares. The Democratic Liberal Party in this country, which acknowledges the present legal order and follows parliamentarism, is a middle-of-the-road political party from the viewpoint of French politics, and is far from being ultra-rightist.

The Japan Communist Party, which is called extreme leftist, also counts for nothing in comparison with the French Communist Party, the first party (with 186 seats) in the General Assembly, which is capable of carrying out political strikes, and which openly issued an anti-American declaration by riding with the Soviet Union. Of course, our country is under Allied occupation. Accordingly, it is explained that in view of this particular condition each political party restrains its activities. However, this also tends to restrict the expansion of our political parties. Neither the rightist nor leftist parties are as smart as they loudly claim. All Japanese parties from the Democratic Liberal Party to the Labor-Farmer Party are within the scope of the French middle-of-the-road principle. The Japanese ultra-rightist politicians are the only ones surprised to hear a member of the German Social Democratic Party under Russian occupation say that STALIN is a second HITLER. We hope all Japanese politicians will co-operate for Japan's reconstruction, instead of merely arguing over political theories.

### ITEM 32 CHRISTIANITY AND COMMUNISM

(Summary)

HOCHI SHIMBUN, 5 Aug -- The case of Pastor AKAIWA created a big sensation in the religious circles of Japan. Reportedly his expulsion from the Japan Christian Association was cancelled when he pledged not to enter the Communist Party. However, the question is still left for future solution. In Japan the confrontation of Christianity and Communism has come to the fore through AKAIWA's case. In Europe, the Communist Excommunication Act, which was promulgated by the Pope on 13 July 49, attracted the keen attention of the world. Following the promulgation of the act, 47 million catholics living behind the iron curtain were excommunicated.



EDITORIALS

ITEM 32 (Continued)

This has created a sensation among the Protestants not to mention the Catholics throughout the world, and there is every probability that the outcome of the promulgation of the act will become the gravest religious problem of this century.

For Czechoslovakia, where the recent incident originated and where 75 percent of the population are Roman Catholics, this is a serious matter. The Government has prohibited the people from discussing the act. All the Czechoslovakian Catholics are now standing at a crossroads, wondering whether they should follow the Pope's supreme order or the law of the country. In Italy and France the Communists have launched an anti-Vatican struggle. The Vatican emphatically declared that it had no intention of launching a political move with this act. The Italians, however, do not think that the act was of a purely religious nature, since the Pope bluntly interfered in the local elections conducted last March.

Religious problems must be discussed separately from the confrontation between the United States and the Soviet Union. But the US is a capitalistic country and at the same time a Christian nation, while the Soviet Union practices atheistic Communism. Therefore, questions always become complicated, and bring about serious problems. Religion is a matter of "God and soul," which exists deep in the human minds. Therefore, even if the confrontation between the two major countries should be removed through political measures, religious problems may remain unsettled. The deeper the unrest in the minds of the people, and the bitterer the political struggles become, the more seriously will be considered religious questions.

The settlement of the problem is very difficult and very far off. However, to continue struggles in such a way is by no means the true mission of the Christians, who claim to be "the apostles of peace." Both sides must overcome all differences and work for peace.



EDITORIALS

ITEM 33 REACH ACCEPTABLE CONCLUSION OF SHIMOYAMA CASE

(Full Translation)

YOMIURI SHIMBUN, 5 Aug -- It is reported that the second joint conference of the investigators of the Shimoyama case held yesterday ended without reaching a conclusion on the question whether the death of SHIMOYAMA suicide or murder. On the same day, Chief TANAKA of the Metropolitan Police Board made public an official statement for the first time since the occurrence of the case. He stated that at the present stage of investigations, the police could not decide in favor of either the murder or the suicide theory, and they would continue the investigation.

Since the joint conference was held in strict secrecy, we do not know what sort of discussion took place there. But, since the Investigation Headquarters, with the First Investigation Section of the Metropolitan Police Board taking the leading role, has reportedly insisted upon the suicide theory, it is evident that the continued investigations will be nothing but a camouflage to elude the public attention. As long as police officials who are actually in charge of investigating the case believe in the suicide theory, they will never be sincere in conducting further investigation no matter how strongly they may be pressed for it by their superiors. Unless the police authorities change their attitude, the mysterious Shimoyama case will never be solved.

State Minister HIGAI was quoted by yesterday's JIJI SHIMPO as having revealed that the Metropolitan Police Board had at first been reluctant to make an investigation on the ground there was no doubt that the death was a suicide. The statement may be regarded as an exaggeration. It is true, however, that the general public has been under the impression that the Metropolitan Police Board authorities had been in favor of the suicide theory from the start, and the investigations were carried out only perfunctorily. The police authorities based their suicide theory upon the so-called detectives' intuition and eye-witnesses' accounts. Then how do they explain the inconsistency of the suicide theory with the results of medico-legal investigations? How about the disappearance of SHIMOYAMA's spectacles, cigarette case, lighter, pipe and necktie? The police authorities maintain that some of these objects might have been picked up by some one, and that some articles might have been left elsewhere. If the police authorities stick to such an assumption, it is up to them to find material evidence for it by making a thoroughgoing investigation. They cannot evade the public's criticism for their reluctance in making these necessary investigations.

It is beyond our understanding why the police authorities have been adhering to the suicide theory since the case occurred. It may be that they are acting on a firm belief. But we would like to point out that they themselves admitted at the joint conference that their investigation had not been satisfactory. It is carelessness on their part to conclude a suicide theory on the basis of an unsatisfactory investigation. Moreover, we feel very dissatisfied to hear that the police authorities were determined to push their suicide theory at the joint conference even at the risk of their posts, for maintaining the authority of the Metropolitan Police Board. If this is true, their actions were something like intimidation. Their attitude was too self-complacent.

Some people hold that the Metropolitan Police Board authorities adopted the suicide theory with the expectation that the case would never be solved. In other words, they preferred a suicide theory to a murder theory, which requires much hard work because the "hands off" attitude would be better for protecting their position and concealing their incompetence. We do not necessarily agree with such opinions.



## EDITORIALS

### ITEM 33 (Continued)

But we do not think that we can expect any further development of the investigation as long as the police authorities stick to the suicide theory. It is only natural for them, prejudiced as they are with the suicide theory, not to be eager for developing the investigation. On the contrary, it is feared that they will withhold furtherance of investigation for fear that their suicide theory would be scrapped if any material evidence should be produced in future investigations.

We sincerely hope that the police authorities will continue the investigation without any prejudices. The public attention has focused upon the Shimoyama case because it is a very complicated crime with great significance from the social point of view. It is too easy-going to conclude in favor of the suicide theory by depending only upon detective's intuition and eye-witness accounts, instead of following up the results of medico-legal investigation and lost articles. The general public will never condone such an attitude. The police authorities are urged to make a thoroughgoing investigation of the case so that they will reach a conclusion that may be accepted by the general public.

### ITEM 34 RESTRAINT AGAINST POLICE FORCE INCREASES

(Summary)

JIJI SHIMPO, 5 Aug -- Since the mystery-shrouded death of President SHIMOYAMA of the State Railway Corporation, a full one month has passed with the cause of death still unclarified.

While medical authorities who conducted the autopsy of the badly mangled body of SHIMOYAMA have concluded that he was run over by the train after he had been killed or was at least dead, metropolitan police authorities investigating the scene tend to think that SHIMOYAMA committed suicide since no conclusive evidence whatsoever has been found to endorse the murder theory. And yet, police authorities appear not inclined to confirm the suicide theory by submitting data to the public which would upset the scientific conclusion arrived by medical scientists.

Thus, the situation indicates that the mystery-shrouded death of SHIMOYAMA has really become a mysterious unsolved case. However, if this incident of great human interest both at home and abroad is left unsolved to gradually fade into oblivion, it would do little toward inspiring the confidence of the people in the police. This much is certain in view of the present circumstances.

It is the responsibility of the police authorities to dig deep into the Shimoyama case to clarify whether the suicide or murder theory is correct but what the police authorities have shown so far makes us doubt the confidence they have in discovering the cause of SHIMOYAMA's death. Police lacking confidence in themselves would never win the confidence of the public. While police authorities say they have done their best in investigating the case, they are still unable to disclose to the public the true picture of the case, which is a psychological symptom of defeatism based on the consciousness of enfeebled police power.

Had SHIMOYAMA been killed, it would mean that the murder had resulted from the enfeebled police power. In order to prevent similar crimes in the future and for police authorities to regain confidence in their police work, the strengthening of police power is apparently vitally urgent.

We have enough evidence to show that the existing police force is too weak to maintain peace and order in the country. Every sensible citizen feels it urgently necessary to replete the nation's existing



## EDITORIALS

ITFM 34 (Continued)

police force to a point when it can effectively prevent crimes, particularly crimes committed by extreme leftists. Thinking Americans who understand the situation also recognize this necessity.

However, it is worthy of note that there is a certain force lurking behind the scenes which has constantly striving to weaken the police power. This force contains any move for strengthening the police force by charging that would revive a police state or give rise to extreme rightists.

The attitude of the Communist toward the police is quite blunt. This can be concluded from the Taira incident, the state elevated strike, and the Mitaka runaway train case, which show that these Communists take any means—violence and force—to attack the integrity of the nation's police by taking advantage of its weakness. Presumably, this strategy may be a reasonable one for the Communists in achieving their aim of carrying out a revolution by overthrowing the existing administration. Hence, it is natural that they actively move to contain the strengthening of the police force.

This restraining propaganda against any police force increase is well co-ordinated with support from abroad. The Soviet Representative to the Allied Council for Japan charged at a session held early in January that the strengthening of the police would provide a basis for the revival of a Japanese army. In what seemed to be a co-ordinated move, the Soviet Ambassador to the United States is understood to have charged at a Far Eastern Commission meeting that in Japan police authorities are suppressing workers' demonstrations. These two charges were refuted by the American delegates to these Allied organs.

However, the argument that the Japanese police is used by the extreme rightists as an instrument to suppress the labor movement and that the strengthening of the police would result in a revival of a police state is not the monopoly of Communist propaganda either at home or abroad. This argument also comes from the mouths of opposition party members and sometimes from foreigners who are not well acquainted with the situation prevailing in Japan. The recent report by foreign correspondents in Tokyo concerning a letter dealing with the police problem, which was categorically denied by Premier YOSHIDA and occupation authorities, can be said to be one of such careless slips.

We do not have to worry about the domestic argument denouncing the strengthening of the nation's police force because we know where it originates. However, repercussions in this respect from abroad often exert harmful effects on the nation. Foreign comments associating the Democratic Liberal Party and Premier YOSHIDA with extreme rightist movements are one of such repercussions, and in some points the party should reflect on the past in connection with such foreign comments.

However strongly the nation's police force may be strengthened, there is no fear of the revival of a police state under the existing democratic system. It is also necessary to explain to people abroad that if the police fail to maintain peace and order and, as a result, if a voluntary citizens' police corps is inaugurated, such corps would be more dangerous in reviving the activity of extreme rightists.

One of the reasons the majority of the Japanese people voted for the Democratic Liberal Party in the last general election and allowed that party to organize the present Yoshida Cabinet was that the party's main aim was to bring stability back to the people.

In view of this public support, the Yoshida Cabinet should carry out the police-strengthening measure without picking its ears to buzzing criticisms.



EDITORIALS

ITEM 35 DISTRESSING ATTITUDE OF REPATRIATES

(Summary)

TOKYO TIMES, 5 Aug -- Since the resumption of repatriation at the end of June, more than 20,000 have already returned home. Nearly 70,000 more internees will be brought home by the end of this year.

From the outset, however, repatriates landing at Maizuru have been making a nuisance of themselves in a series of disgraceful acts. With the repatriation from Saghalien all but ended, the remaining 70,000 will all come home from Siberia. However, there is no possibility of a change in the attitude and psychology of the Repatriates. They will in all probability come back completely schooled in Marx-Leninism as in the past. There are misgivings that more violent or obnoxious events might take place, if the present abnormal situation is left untouched. Their actions have apparently become violent as seen in the recent "kangaroo court" incidents.

As a result, various opinions are being voiced concerning how to deal with the repatriates hereafter. Some people insist that all repatriates, however obstinate, should be warmly welcomed, whereas others propose that welcomes be businesslike with only immediate families allowed to greet the repatriates. There is also an opinion that law-breakers should be strictly punished. On the other hand exception are raised to all these proposals. However, mere makeshift measures cannot prevent the impending crisis.

Since repatriates will have to return home sooner or later, we still place the greatest expectation upon their waiting families, whose warm affection will gradually mitigate the extreme sentiments of repatriates. Both central and local repatriation authorities, who have come to realize the futility of the unnatural redemption programs in the past, are now inclined to deal with repatriates in a businesslike manner. However, they are requested to help repatriates find employments.

Most ringleaders of disturbances, are motivated by the desire to gain a "combat" record some before joining the Communist Party. Though they must be strictly punished, Special Stress must be placed upon enlightenment in dealing with these lawbreakers, considering the fact that they have been schooled in a special principle under special circumstances. They must be taught to recognize the actual conditions of Japan.



**III POLITICAL**

**ARTICLES OF POLITICAL SIGNIFICANCE FROM  
NEWSPAPERS AND MAGAZINES PUBLISHED  
THROUGHOUT JAPAN**



POLITICAL

	Item No.
Extreme Contradiction Seen among Allied Powers.....	SEIKFI JOHO 101
Young-Adults Meet Discusses Repats.....	YOMIURI 102
Truth about "The Soviet Ally" (Part Two).....	MAINICHI 103
Truth about "The Soviet Ally" (Part Three - Conclusion).....	MAINICHI 104
Red Principle of Force Bared in Taira Incident.....	SEIKFI JOHO 105
Police Chief Blames Communists for Taira Incident.....	MAINICHI 106
Reds Guard against Alleged Spy Activities.....	AKAHATA 107
University President's Impressions of Gen MacArthur.....	ASAHI 108
Socialists to Forego Cabinet-Overthrow Tactics.....	MAINICHI 109
Independent Mayors, Councilmen Prevail in Ibaraki.....	MAINICHI 110
DLP Gains Strength in Prefectural Assembly.....	NARA NICHINICHI 111
Reds Demand Investigation of Yamato Party.....	AKAHATA 112

ITEM 101 EXTREME CONTRADICTION SEEN AMONG ALLIED POWERS

(Full Translation)

SEIKFI JOHO, 25 Jul — It is proverbially said that every person has a different mind, or that men's ideas differ as do their faces. We need not listen to a pragmatic discourse to realize that there is no such thing as an absolute truth in the world or that truth is subject to change according to the circumstances. However, we are amazed at the immeasurably sharp differences that sometimes arise where A maintains that its truth is the only, absolute, and supreme truth in the world, while B regards it as the most detestable immorality and an enemy of mankind.

This is in reference to the much discussed question of Communism. The world's appraisal of Communism is clearly divided into two, surprising extremes. Moreover, the world's big powers are set up in opposing camps over this ideology, and small countries also side with one or the other of these two camps, thereby almost threatening to cause war if things take a bad turn. Yet, the United States and the Soviet Union, which respectively represent the two opposing camps, are connected with each other through the United Nations. This fact is making the relationship between the two all the more complicated.

To be sure, life is a chain of contradictions, and we cannot escape it. However, the above contradiction now developing under our eyes is so serious that we cannot optimistically expect the present state to continue without a change. With the world split into two camps, supreme truth in one camp branded as the biggest falsehood in the other, and all things, from national policies on down to individual lives, based on entirely opposite principles, the two cannot exist forever side by side. The contradiction will inevitably explode some time, and the time seems to be approaching steadily toward that point.

Formerly, there were neutral zones between the two powers, and compromise could be made accordingly. However, we are fast approaching the point where we must make the choice. Shall it be A or shall it be B — it cannot be both. Even in Japan, this confrontation has become extremely serious, and we must make a decisive choice of whether it shall be the sun flag or the red flag, the Kimigayo or the Internationale, pro-Americanism or pro-Russianism.

ITEM 102 YOUNG-ADULTS MEET DISCUSSES REPATS (Part Two, Conclusion)

(Full Translation)

YOMIURI, 30 Jul — (This is the second half of yesterday's article on the Yomiuri-sponsored joint national conference of local young-adult congress representatives - Editor)



POLITICAL

ITEM 102 (Continued)

Chairman: Now, let us discuss the problem of the repatriates from the Soviet Union.

SHINOHARA (Nagano): The nation at large seems very disconcerted over the way the repatriates have returned with strong Communist esprit de corps and have joined the Japan Communist Party en masse. However, I believe that if we with warm hearts help them open their eyes to the real situation here their Communistic inclination will naturally disappear. The only things we need to worry about are acts which ignore the actual circumstances here.

In Nagano Ken, we are trying to help repatriates by providing projects, especially social projects. Our prefectural governor suggests the establishment of special land development groups, with priority in granting land to repatriates who have no relatives.

HIRATA (Hokkaido): As most of the repatriates from Sakhalin are homeless, we are going to start a drive to find them rooms in big residences. If the repatriates begin to see how everyone is earnestly trying to help them, there will be no issues arising and there will be nothing to worry about regarding their ideological inclinations.

MORI (Chiba): Although the local authorities are previously informed of the number of repatriates who will be returning to the respective provinces, they neglect to make proper preparation to receive these repatriates. We intend to talk to the local authorities and have prompt steps taken.

YAMANOUCHI (Ibaragi): As a means to provide employment for repatriates, I suggest that nonprofit pawn shops be started in local districts, employing repatriates to run them. The tight-money situation is forcing many people in the local districts to patronize usurious, private pawn shops in order to buy food. Thus, this measure will kill two birds with one stone.

TAKIMOTO (Hokkaido): I, too, believe that the problem we must settle first is not how to combat the Red-indoctrination of the repatriates but how to protect them from economic insecurity. For this purpose, an organization is necessary. I suggest that a committee for the assistance of repatriates be formed in each prefectural young-adult congress and a nation-wide program to help repatriates be started.

Hasten Return of All Repats

SUGIYAMA (Gumma): Just how many repatriates are there who truly can find no employment? I estimate that there are only about three or four repatriates to a village and about 20 or 30 to a town. Therefore, I feel we should concentrate instead on expediting the repatriation of those who still have not returned. It was my impression on seeing the repatriates' Red-indoctrinated demonstration that there were many among them who were acting thus out of fear of "people's trials" and of being sent back to Russia. Therefore, we need not worry about Communism at the sight of their surface manifestations. Instead, we should work to hasten the return of those still left behind.

Chairman: It is my impression that today more and more youths who come to Tokyo from the local districts to attend the universities are being converted to radicalism and that they will greatly influence the other young people of the neighborhood when they return.



POLITICAL

ITEM 102 (Continued)

SUGIYAMA (Gumma): I heard an interesting story in that connection concerning the town of Tatebayashi, in Gumma Ken. A radical university student in collaboration with the younger members of the local Communist Party proposed the formation of a "democratic taxation union" and invited the participation of those who are being harassed by a tax problem. In rural districts, only the sons of old, wealthy families can afford to go to schools in Tokyo. Therefore, the local inhabitants trusted this student, and 600 attended the first meeting. However, when they heard him speak, they realized he was nothing but a Communist Party-liner, and his popularity dropped along with attendance at the subsequent meetings.

HAYAKAWA (Miyagi): In the Tohoku district, the intellectual level of the young people is so low that cannot understand theoretical problems. Therefore, radical students can get nowhere with them.

IWATA (Yamagata): In our prefecture, radical students returning from Tokyo schools have no influence over local residents.

AIKAWA (Chiba): As Chiba Ken is economically well off, we have had no ideological troubles. However, we have a lot of troubles with everybody, especially girls, going mad over social dancing, and the young people's movement we so earnestly built up is threatening to collapse.

Chairman: What is the activity of the women's sections of local organizations?

SHINOHARA (Nagano): In my village, we merged our Youngmen's Association and the Young Women's Association, which had previously been two separate bodies. However, the young women still remained extremely inactive in the combined association and left everything up to the men. I think that, with the exception of the Communist Party, there is almost no activity of the women's section in most local organizations.

Chairman: What is your comment on the current younger generations in local districts?

UBANA (Aomori): Generally speaking, most of the young adults from 20 to 30 years of age are somewhat sympathetic to Communism at one time or another. In my opinion, however, the promotion of the UNESCO movement is the best cure for this. This UNESCO movement is very dominant in Aomori Ken.

OKUMA (Saitama): In this last war, I almost lost my life three different times. I, therefore, felt at one time what the repatriates from the Soviet Union are now feeling. However, I abandoned that view later when I reached the conviction that construction rather than further destruction is the way to rebuild Japan. Thereupon, I formed bonds with like-minded comrades and we are now jointly working for national rehabilitation.

OTSUKA (Niigata): I am a member of the Youth Section of the JFU. While young heads and first sons of families pursue farming rather conscientiously, second sons and younger people, on the other hand, tend to be lazier and more pleasure-seeking. As a result, some fall prey to Communist propaganda. In view of this situation, and from the conviction that a better rural village tomorrow rests upon the shoulders of us, the younger generation of today, we created a Youths



POLITICAL

ITEM 102 (Continued)

Section in the farmers union of our village to hold debates on current issues such as village administration, taxation, rice delivery and modernization of farming equipment. Now, three years after its creation, the Youth Section is still very active, and its members are eagerly engaged in the study of how to modernize farming. I think young men's movement in rural villages must be directly connected with problems relating to their everyday life.

Chairman: Thank you very much.

ITEM 103 TRUTH ABOUT "THE SOVIET ALLY" (Part Two)

(Full Translation)

MAINICHI SHIMBUN (Yamanashi edition), 29 Jul — It was explained: "The Soviet Ally is the happiest country in the world where the working people not only have sovereignty but have control of all other organizations, and leaders selected through democratic methods run government affairs. The people are employed in proportion to their ability and will to work, and their labor is rewarded 100 percent in the form of wages." STALIN and LENIN they said were leaders to be respected and honored.

The Russian eats about 300 grams of black bread three times a day but they eat a great deal between meals. Whenever they are at leisure they buy sunflower or pumpkin seeds or meat in unsanitary stores flimsily built in an open space such as are found in Manchuria, and munch them while sitting on the ground or walking. In regard to clothes, there is a marked difference between upper and lower classes. Both men and women who hold high positions are dressed well. The women wear gaudy red or purple dresses. The people in general did not wear any footgear. Equality of sexes is well established and a young man or girl of more than 16 years of age is free to marry.

The cultural and educational standard is very low, and there are, for instance, a number of people who do not even know how to wind a watch. Moreover, they spend everything they earn without any idea of saving for a rainy day. This may seem to be generosity, but in fact derives from their philosophy of living only for the moment. Their life does not seem to be complete. What are the causes of this situation?

In any case, is this not evidence that the "Soviet Ally" is not necessarily the ideal society that it claims to be? The Russians say: "Although we do not invade enemy countries the Soviet Ally will readily rise to defend itself in case a war breaks out." They seemed to be supremely confident that they could successfully defend themselves against a possible aggression by the United States. "Fight to the last man" was a slogan we often heard in that country.

Since I have returned home I realize that the Soviet Union is actually invading various places. Thus, its words certainly conflict with its actions. Another lie is their contention that the working people have sovereignty and control economic organizations. It is apparent that the Soviet Union is under the despotic rule of a limited circle of Communists.

We got up at 0500 hours in the morning and went to bed at 1000 hours at night. After breakfast at 0630 hours we worked eight hours from 0800 in the morning to 1700 in the evening. After a supper at 1830 or 1900 hours we engaged in "theoretical discussion."

As for food, 120 grams of rice, 350 grams of bread, and 18 grams of sugar were distributed per person daily. As side-dishes, we had potatoes, vegetable, fish and meat. Just before we moved to NAHODKA, we were fed very poorly. At NAHODKA our food ration increased but was



POLITICAL

ITEM 103 (Continued)

still short of giving us satisfaction. There we selected our leaders from among us and engaged in discussions. Those who were opposed to Communist arguments were subjected to "kangaroo courts." In view of this fear everyone became closemouthed and refrained from expressing his own opinion.

As a result, violation of regulations became the sole subject of discussion. For instance, if a man on mess duty is found to be partial in ladling out food, or a man plagued by malnutrition is found eating more fish than others he is brought before a "kangaroo court" for severe criticism.

The criticism continues until he apologizes for his misconduct and pledges himself to do better than others. If his action is not corrected in about a week, he is again hailed before a "kangaroo court." I realize in reflecting on the matter now that while in the Soviet Union we Japanese, divided by bitter rivalry, spent a very terrible life. Personal dislike often was the reason for a person being sent before a "kangaroo court." There are a number of persons who for fear of the court committed suicide or were killed after attempting flight.

ITEM 104 TRUTH ABOUT "THE SOVIET ALLY" (Part Three - Conclusion)

(Full Translation)

MAINICHI SHIMBUN (Yamanashi edition), 30 Jul -- My primary task was construction. I worked with Russian laborers digging holes and carrying stones. I was annoyed because there were many pilferers among the Russians. Whenever I was off my guard, some of my things were stolen. On one occasion, I had my gloves stolen at the working place. I found a neighboring Russian using my gloves. I asked, "Where did you get them?" He replied, "I bought them at the market." Although I was vexed at this answer, I could not do anything against him, because I did not catch him red-handed. Such incidents occurred several times a day. We could not sue for theft, unless we caught the culprit in the act. Accordingly, the Russians stole anything they could lay their hands on when they were not being observed by the owner.

The Russian directors at job-sites were also dishonest. They used only about half of the materials supplied to them and disposed of the remainder as they saw fit. It seemed that in the Soviet Union thievery and lying were considered normal behavior.

Although I was not told of the detailed internal organization of the Soviet Union, it was said that there were 14 republics in the Soviet Union and that the people of each republic, in whom sovereignty is vested, selected their representatives. Each republic had free, unique customs and ceremonies which are well expressed in its own dance and songs. When a soldier committed a misdemeanor, he was put in a military jail instead of being struck by his superior.

I did not learn how the Russians were educated and trained in accordance with communism. All that I observed was that they ate and worked in silence throughout the day. Soldiers and civilians led a "life of work and eat." When the Russian asked us to perform some task, they often encouraged us with the offer of additional food.

At the time of our repatriation, I was under high tension and was a victim of mob psychology. I am now terribly ashamed of my conduct. When we were in the Soviet Union, we were told that those who were not Communists were followers of the reactionary Yoshida Cabinet and that to land on Japan meant to land on the enemy's territory. Therefore, I believed that by rabidly waving a red flag and singing Communist songs we would take a short-cut to Japan's rehabilitation. When we saw a Japanese nurse weeping on the



POLITICAL

ITM 104 (Continued)

repatriation ship at Nakhodka Port, one of us said, "She weeps, fearing the strength of our unity." I also honestly thought so.

I cannot forget the impression, given by many German prisoners who worked with us in the Soviet Union. They said, "The Japanese who work their heads off only for a little food are fools." They neither sang nor danced, but kept silent. They were strongly united and were not perturbed easily. They foresaw the extent of each assignment and worked accordingly. One got the impression that these Germans who were nominally under the direction of the Russian director were conversely directing the latter. I learned many lessons from them.

ITM 105 RED PRINCIPLE OF FORCE BARED IN TAIRA INCIDENT

(Full Translation)

SHIKI JOHO, 27 Jul -- The Lower House Judiciary Committee, which has been investigating the Taira incident, arrived at the conclusion on 25 July that "the Communist Party's principle of exercising force is the causative factor behind the Taira incident."

Inasmuch as the public still remembers vividly Communist Dietmember SHIGA's virtuous statement, in the aftermath of the brawl in the last Diet session between Communist Diet Member TACHIBANA and Democratic Liberal Dietmember KONISHI, that "the Communist Party is not a party which resorts to violence," the Judiciary Committee's conclusion turns the situation into an exceedingly unfavorable light for the Communists.

The Communist Party is now open to the charge that the series of demonstrations which broke out in Fukushima, Koriyama and Wakamatsu, (apparently in response to the Taira incident), the strike of the Japan Steel Company in Hiroshima, as well as that most frightening of all incidents -- the Mitaka case -- were all plotted by the Communist Party, or were due to its principle of employing force.

The attitude of the repatriates from the Soviet Union, as well as the radical words used by Communists raising campaign funds in the streets, produces a chill even in this sweltering summer heat. It is more frightening when we consider that this is action of a legitimate political party.

Secretary General TOKUDA stated at a national farmers rally held on 25 July for the solution of the agricultural crisis: "If we strive hard enough, the Yoshida Cabinet will fall by September. Thereupon, we will abolish bureaucratic control and carry out people's control for a maximum of three years."

Aside from the question of whether or not the Yoshida Cabinet or the bureaucratic control should be abolished, if people's control will guarantee the people's livelihood it is indeed welcome. However, before being used as guinea pigs, we would first like to see how this system operates in another country. At a time when even a small-scale administrative reorganization eats up a tremendous amount of funds, who is going to put out the money it will take to overthrow the entire national structure of Japan? Pardon our manners, but we don't think that even the financially well-off Communist Party will be able to cover such a big expense with its party dues. Eventually, they will have to resort to forceful collection of taxes.

To criticize the political situation and to exchange opinions are commendable things. However, to agitate the naive farmers and pull them away from the "good earth" not only constitutes an action vital to the whole nation, but also means the imminent starvation of the Communists themselves. The Communists may have a place to move to as their second native land; but for the non-Communist majority of the people, there



POLITICAL

ITEM 105 (Continued)

is no other place to live in but the four islands.

A peculiar characteristic of radical ideological movements is that those who take the lead in collective negotiations, strikes, demonstrations, or terrorism are invariably young men in their early twenties, and no more than 30, even at the oldest. We wish that we could prevent young men from ruining their futures.

The Central Struggle Committee of the State Railway Workers Union was split into two factions when the Democratization League faction refused to allow the participation, at meetings, of Central Struggle Committeemen who were dismissed by the State Railways Corporation. The Democratization League faction was perfectly right in rejecting the dismissed pro-Communists. The pro-Communists, however, arbitrarily issued a "CSC directive" on the convocation of a SRWU convention, and announced that "dismissed workers would still be recognized as union members" and be qualified as convention participants.

This is similar to the case of a divorced women still using her husband's family name. In its determination to have its own way by any means can be seen the true nature of the Communist Party's principle to exercise force.

ITEM 106 POLICE CHIEF BLAMES COMMUNISTS FOR TAIRA INCIDENT

(Full Translation)

MAINICHI SHIMBUN (Fukushima edition), 29 Jul -- At a liaison conference of Fukushima Ken autonomous police forces, Chief ARAI of the National Rural Police Prefectural Headquarters disclosed that the recent Taira case was an incident deliberately planned by the Communist Party as a test of its strength.

ARAI's statement follows: "The raid on the Taira Police Office on 30 June was an organized and intentional act of violence by the Communist Party. This is proven by the fact that on 27, 28 and 30 June, prior to this case, the Communists had raided the adjoining Naigo and Yumoto Police offices as a means to prevent reinforcements from these offices from being sent to the Taira Police Office. After the raid, they kept track of police movements by tapping wires, and endeavored to outmaneuver the police by conveying what information they got to their cells. Moreover, the fact that reinforcements were assaulted by State Railway workers at Sendai and Onoshimmachi stations indicates that the organization of the incident was not limited to Fukushima Ken alone.

"During the time they occupied the police office, red flags were hung in front of the office, and passers-by were told that public order would be maintained by the people's police.

"As for evidence that they resorted to violence, they scattered bills which read, 'Fight it out to the death.' Moreover Chairman SUZUKI Mitsuo of the Communist Party's Iwaki District Committee intimidated Chief HONDA of the Taira Police Office, saying that young Communist members would launch a surprise action, and members who assaulted the office had cudgels with them.

"Meanwhile, the ringleaders who mobilized the masses have fled, and abandoned those under arrest. I have also learned from this case that collective bargaining by the Communist Party is a tactic for collective intimidation, by means of which its opponents are thrown into terror. Although the Party is now attempting to drive the masses into unrest through propaganda, it is evident that this is no more than an attempt to disguise their unlawful actions through seemingly lawful acts. I intend to make efforts to prohibit distribution of propaganda bills, as they have done in Osaka.



POLITICAL

ITEM 106 (Continued)

"It is true that this case has caused the public confidence in the police to lessen, but I will strive to disclose the violent nature of the Communist Party and do my utmost to encourage the dissemination of true information, in order that the people may not be taken in by Communist machinations."

ITEM 107 REDS GUARD AGAINST ALLEGED SPY ACTIVITIES

(Full Translation)

AKAHATA, 31 Jul -- (The following is a statement issued by WADA, Communist Party Central Committee member.)

The cases of spying recently disclosed in Osaka and Chiba are of a heretofore unparalleled maliciousness, and are plots typical of the Yoshida Cabinet, which aims at the establishment of a police State.

The authors had organized a wide spy network within the Communist Party and other democratic organizations, to gather information. At the same time, they ordered their spies to issue such criminal instructions as to disconnect railway tracks and cut telecommunication wires; and they thus frantically attempted to instigate the Communist Party and democratic organizations into taking drastic action.

After succeeding in such plots, they are planning to introduce bills of violence and destruction to the Diet, and to prohibit by law the existence of the Communist Party and democratic organizations. Their fascistic spy organization in Chiba obtained beforehand information regarding the moves and strategy of the party leaders in the big struggle against taxes and crop delivery quota during February, March, and April; and through them they succeeded in arresting and imprisoning large numbers of people, as in the Kisarazu incident, and suppressed the struggles.

Consequently, in Chiba Ken, there are a great number of people who have gone bankrupt, farmers who don't have enough to eat, and people who have committed suicide or lost their minds. This clearly shows what part their spy organizations are playing in suppressing the people's struggles.

These organizations have been formed not only in Chiba and Osaka but throughout the entire country. The information received by us alone shows there are 150 such spy organizations in Hokkaido; and in Shikoku and the Chubu district, former thought-police agents and private detective agencies are also considered to be included among these organizations.

Their leaders are active all over the country as employees of the police or the Attorney General's Office, and carry identification cards issued by the police or the Foreign Ministry. There are signs that a considerable number of these spies have gotten into the Communist Party.

In view of these illustrations, all party organs must step up the struggle against the enemy's instigative actions, to link the masses' daily struggles and strengthen the unity between the party and the masses. At the same time, in view of the fact that it is the laxity of party regulations which facilitates the entry of such spies into party organs, we must screen applicants for party membership more closely, in order to check the activities of such maggots. We must train the new members through party life in cells, and be especially careful in picking men as actionists of higher organs of the party. Thus, we must make our party a true Bolshevik revolutionary party.



POLITICAL

ITEM 108 UNIVERSITY PRESIDENT'S IMPRESSIONS OF GEN MACARTHUR by USHIODA Koji

(Full Translation)

ASAHI SHIMBUN, 31 Jul -- (In the following article, President USHIODA Koji of Keio University tells his impression of Gen MacARTHUR. -- Editor)

I called on the General to express gratitude for the return of the school building at Hiyoshi, Kanagawa Ken, to Keio University from the occupation forces.

In photographs, Gen MacARTHUR looks overly-intellectual, aloof and cold. In actuality, however, he is entirely different. His eyes express compassion, and he appears much older than he does in photographs. He is not formal in the least; he is just like you or I. Except for his large hands, I did not convey the impression that he is a big man.

He offered me a cigarette in a free and easy manner. He himself had a big pipe in his mouth. While we were talking, he was not attended by any of his aides-de-camp. He was very congenial, and I was not at all constrained in chatting freely and pleasantly with him.

To begin with he asked me about conditions in Keio University. I told him of many things, including the number of students and the percentage of English-speaking students, and I answered various other questions concerning the university and students. As a matter of course, he does not know very well the details of conditions in Japan. However, he quickly grasped whatever I told him, and in turn made pointed remarks. He impressed me as a man capable of having deep interest in and understanding of everything.

He was much interested in my report that students are publishing a school paper, and expressed the hope that he would be able to read a copy of it. When I told him that students are also publishing an English-language newspaper, he appeared impressed, as though to say that American universities do not have foreign language newspapers.

I gathered that the General is eager to know the real sentiments of Japanese youths, because he particularly asked whether editorials of these school papers were written by students themselves.

At the end of our talk, the General emphasized again the important mission of universities, which educate young people who will guide Japan in the future. I believe that he is greatly interested in this problem.

He is very enthusiastic about the exchange of professors and students between Japan and foreign countries. His intention is to realize an exchange program, not only with America but with various other foreign countries, as soon as possible. He stated with regret that his hopes in this respect have been frustrated hitherto because of circumstances.

Like Lt Gen EICHELBERGER, Gen MacARTHUR seems to be fond of sports. When I told him that I am a graduate of a university in the USA, he mentioned the names of some of the great athletes of my university at that time, and asked me whether I knew them. He remembered the last Waseda-Keio baseball game, to which he sent a message; and asked me whether my university won the game. He further stated that he will arrange that the American professional baseball team, which is scheduled to arrive in Japan this fall, play with Japanese university baseball teams.

He said that he had been interested in returning the Hiyoshi building to the university from the first. He stated, "As I served for four years as commander at the West Point Military Academy, I can understand the difficulties facing a university president. I hope to see your university make great progress."



POLITICAL

ITEM 108 (Continued)

This statement, of course, applies not only to Keio University, but to all other universities. I became aware that the General fully recognizes that the traditions of universities have an important influence in building society, and that he is very interested in university activities.

ITEM 109 SOCIALISTS TO FOREGO CABINET-OVERTHROW TACTICS

(Full Translation)

MAINICHI SHIMBUN, 1 Aug -- The first wave of the summer labor offensive over the State Railways personnel cut is subsiding quietly. Both the Government and its parties entertain an optimistic view of the future; and they are going to fight for time by delaying the taxation reform and the special session to enact the accompanying budget changes until after the latter part of September.

On the other hand, the Opposition parties are demanding that the special session be convened in August, in order to solve the current "tight-money" situation and social unrest.

The Socialist Party, the leading Opposition group, plans to support the SRWU Democratization League 100 percent, and to solve the current labor and social unrest at one stroke through early convocation of the special Diet session. Consequently, the form to be taken by the second wave of the labor offensive over the cut in communications and Toshiba workers will depend a great deal upon the action of the Socialist Party.

The Socialist Party asserts that the reconstruction of the SRWU is the reconstruction of the Socialist Party. By their so-called "two-front operation" the Socialists mean that, although the DLP is of course the enemy, the Communist Party is an obstacle which must be removed before they can fight with the Government. Thus, the Democratization League's victory over the collapsing leftist Unification Faction within the SRWU is regarded as the first victory of the Socialist Party in its anti-Communist fight.

The party now believes that it is ready to launch an all-out offensive against the Government in August. With this end, the Socialist Party is demanding the convocation of the special session on 25 August, jointly with all the Opposition parties excepting the Communist Party.

The party is tightening its alliance with the Opposition Democrats and the New Political Council, and preparing the joint presentation of seven bills, headed by the Reconstruction Finance Bank Revision bill. It is also planning the introduction of its own bills on the table of government personnel, revision of the public utilities labor relations law, and taxation reform.

Outside the Diet, the party is staging a joint struggle with the SRWU Democratization League, through the State Railways Reconstruction Joint Struggle Council.

Not even the party leaders are very optimistic about the early convocation of the special session, and they are worried about what to do in the meantime, should the special session be delayed until October.

The Socialist Party believes that as long as it is a parliamentary political party, dismissals according to the TPO Law must be respected for the time being, since the law, although a bad one, has been passed by the Diet; and a revision should be effected through introduction of a bill in the next session.

The party is still in the process of reconstructing itself under the leadership of its left wingers, and its independent character has not yet been established firmly. Therefore, unlike the Communists, it cannot yet proceed directly toward the overthrow of the Yoshida Cabinet.



POLITICAL

ITEM 111 (Continued)

Since the beginning of July the Yamato Club has repeatedly met to confer about its policies for a show-down fight with other factions in August. On 28 July it met for the third time in the Prefectural Assembly lobby, changed its name from Yamato Club to Daido Kai and elected new officers.

ITEM 112 REDS DEMAND INVESTIGATION OF YAMATO PARTY

(Full Translation)

AKAHATA, 31 Jul -- NASHIKI Sakujiro, Communist, member of the Lower House Judiciary Committee, on 29 July visited the Special Investigation Bureau of the Attorney General's Office and requested that the activities of the Yamato Party, a militaristic association, be closely investigated.

The Yamato Party was organized on 3 Jun 1947 with TOMATSU Keigi, who claims to be a former staff officer of the 13th Division in China, as president. It was organized for the purpose of aiding the then-planned Un-Japanese Activities Investigation Committee, by uniting all anti-Communist organizations in the country; and it has been an active organ since its inauguration. During that period it not only spread false and slanderous rumors about the Communist Party and the Soviet Union, but also propagated false reports about Koreans. On 28 July, the Central Committee of the Korean League also asked the Cabinet, Attorney General's Office and Supreme Public Procurator's Office to take action against this party.

In answer to a request by Representative NASHIKI, SIB Second Section Chief TAKAHASHI stated, "I would like you to understand that data on special organs in foreign territories is most limited. The authorities will, of course, investigate the party."

Up to the present, the following facts have come to light in relation to the structure and activities of the Yamato Party:

(1) With the war-time "Asia League" and the "Central Asia League" as its predecessors, the Yamato Party (headquarters No 3630, 3-chome, Mejiro, Toshima Ku) was organized on 3 Jun 1947. The organizers once tried to get War-criminal ARAKI Sadao as an adviser; but he refused. In the first issue of the "World and Japan" (5,000 copies), which was published by the party's Propaganda Bureau, Sakyo Ku, Kyoto Shi, the party stirred up exclusionism and chauvinism, saying, "No nation can survive without arms."

(2) Concerning the Communist Party, it spread such false rumors as: (a) "The Communist Party is a huge gang of treacherous plotters," or "a gang of murderers"; (b) "The Communist Party has a plan to flood immediately all coal mines in North Kyushu and Hokkaido if a war should break out between America and the Soviet Union;" and (c) "It is unloading arms and ammunition at Maizuru and Yamaguchi, bought from the maritime police," etc.

(3) It also slandered the Korean League by spreading such rumors as: (a) "Caution! Koreans and followers of MATSUMOTO Jiichiro have a plot to assassinate Premier YOSHIDA;" (b) "TOKUDA Kyuichi is given financial support by the Korean League. They have a joint conspiracy for violent revolution;" and (c) "Koreans form the main body of murderous gangs."

The Yamato Party has some connections with the Democratic Liberal Party. This can be learned from the fact that Leader SHINOHARA Tsuneo, director of the Yamato Party's Chugoku District office, is the private secretary of DLP Representative MAEDA Masao.

On 16 June, President TOMATSU Keigi sent a letter to the Communist Party Nagasaki Prefectural Committee, in which he said, "We received information slandering the Communist Party from two intelligence



POLITICAL

ITEM 109 (Continued)

At a conference of party elders held the night before Secretary General SUZUKI departed on his Kansai tour, the conferees agreed that the Socialist Party should have nothing to do with the reins of power; at least until next April.

This conclusion springs from the realistic views that at present, the DLP's majority in the House is unchallengeable; that the coming party reconstruction convention is scheduled for October and demands preparations; that accordingly they should not introduce a non-confidence motion against the Cabinet in the special session; and that instead they will have to force the Yoshida Cabinet to revise the deflationary policy and remove the social unrest.

Secretary General SUZUKI still proposes a struggle which, at the same time, distinctly sets the Socialist Party apart from the Communists; and the Socialists' realistic viewpoint undeniably indicates that the Socialist Party will hereafter press more heavily than ever against the Government.

KATAYAMA's program for Socialist Party reorganization, which he announced at Washington, is regarded as paving the way for the two-party system of the Socialists vs a renovated DLP. Secretary General SUZUKI seems recently to be entertaining a similar view. Thus, it is believed that during the delay in convening the special session, the Socialist Party will keep up a high-pressured attack against the Cabinet, just short of overthrowing it. The Socialists apparently are trying somehow to give the public the impression, by the coming reconstruction convention, that it is a "fighting Socialist Party."

ITEM 110 INDEPENDENT MAYORS, COUNCILMEN PREVAIL IN IBARAKI

(Full Translation)

MAINICHI SHIMBUN (Ibaraki edition), 31 Jul -- The Ibaraki Prefectural Assembly's Local Affairs Section has investigated the party affiliations of mayors and councilmen of prefectural municipalities, and found that, as of 1 June, an overwhelming majority were independents. Of 364 mayors (2 vacancies), the Democratic Liberals had 32; Democrats, 9; Socialists, 7; Communists, 1; Japan Farmers, 2; Ibaraki Farmers 1; and Independents 362 (sic).

Of the complement of village councilmen totalling 6,578 (231 vacancies), the Democratic Liberals had 415; Democrats, 81; Socialists, 145; People's Co-operatives, 1; Communists, 36; Labor-Farmers, 2; New Liberals 2; Japan Farmers 66; Ibaraki Farmers, 6; Japan Farmers Union, 4; and Independents, 5,587.

ITEM 111 DLP GAINS STRENGTH IN PREFECTURAL ASSEMBLY

(Full Translation)

NARA NICHINICHI SHIMBUN (Nara Shi), 29 Jul -- Although last month the effort ruptured by which it was hoped to achieve a conservative merger, in the prefectural assembly, of the Yamato Club (DLP), Toka Kai (Democratic Party) and Independents, as a means to break the deadlock over the issue of electing new assembly chairman and vice-chairman, new developments have changed the political situation in the prefecture.

Immediately following the rupture, three Democrats in the Toka Kai -- MATSUI, NAKATANI (Iku), and MATSUOKA -- together with one Peoples Cooperative member -- YOSHIKAWA (Hajime) -- bolted from their own factions respectively and joined the Yamato Club, which was advocating a sound conservative federation. This changed the line-up of the Yamato Club and the Toka Kai, the former boasting 24 members to the latter's 16.



POLITICAL

ITEM 112 (Continued)

agencies, namely the Public Opinion Investigation Association, Kawara Machi, Higashi Ku, Osaka Shi, and the Kyoyusha, Ginza, Tokyo. The objective of these two intelligence associations is to collect informations concerning foreign nationals and Communists. We are spreading the information received in pamphlet form." He also declared boldly, "We have been asked by a certain high official in Tokyo to let him know without delay if anyone interferes with the activities of the Yamato Party."



**IV ECONOMIC**

**ARTICLES OF ECONOMIC SIGNIFICANCE FROM  
NEWSPAPERS AND MAGAZINES PUBLISHED  
THROUGHOUT JAPAN**

**IV ECONOMIC**



ECONOMIC

	Item No.
Smuggling also Marked by Unfavorable Balance.....	TOKYO SHIMBUN 113
Taxpayers Voice Call for Reform.....	JIJI SHIMPO 114
Eyewitness Account of Postwar Okinawa.....	ASAHI 115
Withholding of 5-yr Plan Brings Varied Reaction.....	MAINICHI 116
Enterprise Rationalization Enters New Stage.....	NIHON KEIZAI 117
Overseas Japanese Firms get Readjustment Order.....	NIHON KEIZAI 118
Akiyama Backs Rate Boost Plan.....	ASAHI 119
Tokyo Commerce-Industry Fraternity Organized.....	RENGO JOHO 120
Food Board Acts to Improve Food Standard.....	ASAHI 121

ITEM 113 SMUGGLING ALSO MARKED BY UNFAVORABLE BALANCE

(Full Translation)

TOKYO SHIMBUN, 2 Aug -- According to a Finance Ministry report published on 1 August, the number of smuggling cases exposed from January up to the end of June this year was 2.5 times the number exposed during the same period last year, and the value of goods seized had more than tripled. Another conspicuous trend in this year's smuggling is the fact that the ratio between export and import smuggling had been reversed, that is, import smuggling was nearly double that of export.

The activities of the offenders are becoming increasingly organized. In particular, smuggling rings are getting more complicated, and their methods are becoming ingenious and wary. Besides, they are growing dangerously desperate, almost like pirates. The fields of smuggling activities are roughly grouped into the following two areas:

1. Smuggling conducted by rings formed between the crews of some foreign ships and Japanese stevedores in Yokohama, Kobe, Osaka, Nagoya, Moji, and Nagasaki.

2. Smuggling conducted extensively by the use of fishing boats and auxiliary vessels, hitting points where the police guards are comparatively scarce, such as Kyushu, Shikoku, and their surroundings and the Sanin, Hokuriku, and Tokai districts.

The record of total smuggling exposures show: (Figures in parentheses are the percentages based on 100 percent for the same period last year.)

1. The number of cases exposed 790 (257 percent); number of people arrested, 2,332 (185 percent); the value of the goods involved, 180,830,000 yen (323 percent).

2. Export smuggling, 67,630,000 yen (141 percent); import smuggling, 113,200,000 yen (1,466 percent).

3. The number of offenders according to nationalities: Koreans 741 (97 percent); Japanese 1,210 (257 percent); Formosans 45 (196 percent); Okinawans 83 (461 percent); Oshima Islanders 192 (2,743 percent); Others 111 (2,100 percent).

4. The chief goods smuggled for export are medicine, cooking utensils, dinner sets, draperies, stationeries, and machine tools. The chief goods smuggled in are medicine, raw rubber, saccharin, hide, and leather goods.

ITEM 114 TAXPAYERS VOICE CALL FOR REFORM

(Summary)

JIJI SHIMPO, 31 Jul -- With the intensification of the government tax measures, the Nation's taxpayers have been assessed to the hilt. All taxpayers are now holding out hopes for a reform of the present tax system with the aid of the Shoup mission.

The present tax declaration system, which was worked out to let taxpayers fulfill their tax obligations most rationally, is having adverse effects owing to government failure to enforce the



## ECONOMIC

### ITEM 114 (Continued)

system properly. It is claimed that income tax rate is excessive when compared with the tax bearing capacity of the people. This condition tends to encourage taxpayers to falsify their income figures. At the same time tax authorities gradually lose faith in income reports filed by taxpayers.

There is also considerable room for improving the reassessment of tax reports. For example, according to a report from Koto ward, the local tax office imposed a tax figure double that of last year on lumber traders. These traders reportedly claimed that profits earned so far are 60 to 70 percent of last year's figure. However, the tax office, according to the report, holds that they failed to report a substantial amount of profits in the 1947 and 1948 fiscal years. Thus, so long as the tax declaration system is applied with the biased attitude of tax authorities, the present tax system must be reformed to meet the prevailing conditions.

#### Corporate Tax:

This tax has been considered an irrational tax ever since it was established. Unlike the private income tax system it is inadequate to impose taxes on the income of corporations, which is either to be set aside as amortization fund or paid to stockholders as dividends. Tax evasion cases indicted in the one year period ending in June this year numbered 161. Of these, 95 cases involved corporate tax. Private enterprisers demand that the rate on corporate income tax be lowered and surtax be eliminated.

#### Transactions Tax:

This tax, once decided to be abolished, could be maintained with some amendment. The revenue from this tax for the current fiscal year is estimated at 45,100,000,000 yen or nearly double last year's figure. Exemptions were raised and the scope of taxation was contracted. However, the Tokyo Chamber of Commerce and Industry, representing smaller business interests, claims that the transactions tax should be abolished since it acts as a damper on commodity circulation. In this connection, the Smaller Business Board in a recommendation to Dr Shoup urged the exemption of daily necessities and export materials, in the event complete abolition of the tax is found to be impossible.

### Income Tax Reform Stressed

#### Income Tax:

The intake from this tax is estimated at 310,200,000,000 yen for this year. This accounts for 61 percent of the total tax revenue of 507,600,000,000 yen. The tax is applied to both earned and business incomes. Stimulated by the arrival of Dr Shoup, private circles earnestly advocate the reform of income tax.

They want (1) to double the personal exemption figure so as to alleviate the tax burden on low income brackets; (2) to rationalize tax rates on a broader scale; (3) to allow special exemptions and allowances for petty merchants and their dependents; (4) to permit revaluation and amortization of assets by private business; and (5) to permit taxpayers and their relatives living together to split their incomes for tax purpose.

Finance Minister IKEDA is now contemplating raising exemptions and allowances for dependents. ITO Hanya, professor at Tokyo Commercial College, who is lending assistance to Dr Shoup in carrying out the tax reform, points out, too, that the income tax rate should be lowered at any cost.

#### Liquor Tax:

The revenue from this tax ranks next to the income tax with an estimated figure of 65,000,000,000 yen. The assessment rate



ECONOMIC

ITEM 114 (Continued)

for this tax is so excessive that the sales of liquor, including sake and beer are sharply decreasing. For example, beer is sold at retail stores for 130 yen a bottle, but 91.61 yen of the price goes as tax.

Commodity Tax:

This tax, which was originally applied to luxury items, now covers even those which might almost be considered daily necessities. In this connection, Finance Ministry authorities admit the necessity of reforming the transactions tax.

Local Taxes:

Financial relations between the central and local governments or local offices themselves will have to be adjusted more closely as the first step to rationalize the local tax system. Finance Minister IKEDA stresses that the financial conditions of local governments should be rediscussed in line with the establishment of administrative decentralization.

ITEM 115 EYEWITNESS ACCOUNT OF POSTWAR OKINAWA

(Summary)

ASAHI SHIMBUN, 31 Jul (Nase, Anami-Oshima dispatch) -- Postwar Developments in Okinawa are described by Reporter OKINO of the Nase Communications Department of the Asahi Shimbun in Oshima Island. OKINO, who visited Okinawa recently, reports:

After 18 hours sailing from Nase, our ship entered the port of Shoren. Fields seen from the ship were covered with green leaves of sweet potatoes, soybeans and vegetables, and the pavement connecting the port with Naha Shi was crowded with jeeps, school buses, and giant commercial buses.

In Naha Shi there are various military installations. The Bank of Ryukyu and private company offices stand in the area leveled by fire during the war, but no private houses are found there. Harbor equipment has been improved and numbers of large ships lay alongside the pier.

In villages surrounding the city, there are many theaters, restaurants, hotels, and stores, besides a jumble of ordinary houses. The centers of the villages are just as thriving as blackmarket areas in Japan proper.

Among goods on the market were those made in the USA, Formosa, China, and Japan. When I saw barrels of pickled plums and radishes in the groceries, I felt more attachment than surprise.

The Okinawa Civil Government is headed by the governor and consists of 11 departments and two bureaus. These include the Governor's Secretariate, General Affairs, Communications, Economic, Cultural and Education, Finance, Judicial, Police, Public Health, Social Welfare Work, and Engineering Affairs Departments; and the Liaison and Planning Bureaus. Under the Governor is an Assembly, which acts as an advisory organ.

Of the government budget, 80 percent is appropriated for personnel expenses of the Government, and only 20 percent for public works. School construction expenses, subsidies for housing construction, road repair expenses, etc. are to be financed through American budgetary measures.

Okinawa has various political parties such as the Progressive, Socialist, Farmers, and Peoples Parties, but the Okinawa people seem to be more concerned with which country will take over Okinawa in the future than with any particular policy.



ECONOMIC

ITEM 115 (Continued)

Okinawa Economy In Straited Circumstances

One of the influential persons in Okinawa made this statement: "Okinawa has a population of 540,000 including 79,000 farmers. The total farm acreage is a 30,000 chobu (73,500 acres), which means that each farmer is cultivating only four tan (one acre). Under such situations, Okinawa products will have difficulty competing in the international market. Since the situation has changed from the days when Okinawa's industry was fostered under the protective policies of the Japanese government, it is necessary to reformulate policies for the Okinawa industry."

The American Civil Affairs Team there has adopted a priority system in the marine products industry and is encouraging the construction of fishing boats.

The average price of vegetables is five yen per 100 Momme (13 ounces). The price of beef is 80 yen per Kin (1.32 pounds); pork, 90 yen; fish, 40 yen; Japanese rice, 100 yen per Sho (3.18 pints) and Formosan rice, 60 yen. The Formosan and Japanese paper currencies are also circulating. Quality soybean sauce is abundant on the market. Awamori liquor, which was very popular in the prewar days even in Japan Proper, is currently excelled by American beer, which is obtainable at any place and at a very low price of around 35 yen.

Many people are still living in tent houses provided by the American Civil Affairs Team.

The 6-3-3 educational system has been adopted in Okinawa also, from the 1948 school year. There are also foreign language schools, colleges, and 22 high schools. It is planned to establish a Ryuku university in Shuri Shi next spring.

ITEM 116 WITHHOLDING OF 5-YR PLAN BRINGS VARIED REACTION

(Full Translation)

MAINICHI SHINBUN, 1 Aug -- Premier YOSHIDA suddenly issued a last minute order on 26 July to hold the publication of the Five-Year Economic Rehabilitation Plan, which had been scheduled for announcement on 30 July after two year's of intensive work by the Rehabilitation Planning Committee and its army of 2,000 economic specialists. The Five Year Plan, which promised to be one of the model projects for the postwar economic reconstruction, was started in August, 1947, and completed at the end of May, this year.

Premier YOSHIDA, concurrently chairman of the Planning Committee, ordered the publication withheld in view of the general situation and the developments to date since the inauguration of the Planning Committee. YOSHIDA's holding order had considerable repercussions among quarters concerned.

The recommendation, which was tentatively concluded by the Committee as the final draft, had as its major premise "the economic program under capitalism." The Plan, covering a five year period beginning this year and ending in 1954, was based on the presumption that the population would increase to 87,000,000 people. The program attempted to determine the various requirements needed to bring Japan's standards to the 1930-34 level as sanctioned by FEC and to maintain self-sufficiency at that level. Extensive studies were made on the mineral, industrial, and agricultural requirements, the extent of foreign trade, the amount of national income, the productive efficiency of labor, and the average living standard per capita. These studies were wound up with a technical conclusion by the accumulative computation system.



DECLASSIFIED BY: 11652 SEC. 3(E) AND 5(D) OR (F) NNDG # 1-15-01

ITEM 116 (Continued)

ECONOMIC

2,000 People Work Hard

There was argument right from the start on whether to work on a practical target from the beginning or to set a planned target which should be achieved at the end of five years. Finally, it was decided to place the emphasis on stopping inflation during the first two years and to lay out the programs of economic self-sufficiency for the following three years on the expectation that the international situation would improve. Consequently, the greatest stress in the economic structure was placed on the mineral and manufacturing industry instead of on agriculture, and the major weight in the export industry switched from staple fiber to heavy chemical, mechanical, and metal industries with the object of seeking the largest market in the Far East.

In support of these programs, a planned schedule was to be enforced on yearly production, the distribution of materials, and fund control. The plan was to promote export by building a solid industrial foundation with greater emphasis laid on the rise of government capital in addition to private investment.

Based on these viewpoints, the Committee started to wind up its over-all plan from January, but the changes in the objective situation such as the announcement of the Nine Economic Principles, the setting of the single exchange rate, the announcement of the Dodge Line, the enforcement of the disinflation policy, the creation of the US aid counterpart fund, the world market decline precipitating a marked slump in the export business, etc, compelled a complete about face in these projects. However, since an overall modification of the program became practically impossible, it was planned to publish the recommendation as compiled.

Consequently, the super-balanced national budget, instead of merely checking inflation, plunged the national economy into a deflationary slide thus rendering useless all carefully formulated programs on production, funds, and materials. As a result, the rehabilitation programs which were expected to coincide with the government policy were completely thrown out of line right from the outset.

However, the real value of this program lies in the combined and exhaustive efforts of 2,000 experts who slaved during the unsettled postwar period to systematize the outline of the economic rehabilitation of Japan as it should be. The purpose of the intended publication by the ESB was to acknowledge the merits contained in the recommendation.

Premier and the Government Party Disinterested

Why did Premier YOSHIDA halt the publication of this recommendation? Since the Committee was formed during the Ashida Cabinet, did he feel he was not obligated to assume the responsibility? Since the formation of the third Yoshida Cabinet, the government attitude toward the Committee was very cool. Such important committee members as TOHATA Seiichi and ICHIHADA Naoto strongly advised YOSHIDA that the Committee should be supported without party bias. On the other hand, there is rumor that YOSHIDA was dissatisfied with some of the members of the Committee.

Meanwhile there seemed to be no intention on the part of the Democratic-Liberal Party to take the Committee seriously. It was ignored as just another one of those bureaucratic designs. One influential member of the Party declared: "The question is no longer one of publication or rescruity; the report has been scrapped forever." This expression gives a clue to the real attitude of the Party on the matter.



ECONOMICITEM 116 (Continued)

Furthermore the ESB is accused of some indiscretion in handling the publication of the documents. Rumor has it that the economic rehabilitation project may lead to the eventual downfall of the ESB, which is looked upon as the headquarters of the Third Bureaucrats.

ITEM 117 ENTERPRISE RATIONALIZATION ENTERS NEW STAGE

(Full Translation)

NIHON KEIZAI SHIMBUN, 1 Aug -- Enterprise rationalization through personnel retrenchment was begun by the Imperial Petroleum and the Japan Iron Mining companies last fall and has since been affected in the iron-steel, vehicle, electric machine, raw silk, chemical, and most of the other industries. With the Tokyo Shibaura Electric Industry, the Mitsubishi Heavy Industry, the Fuso Metal Industry and the Furukawa Electric Industry companies adopting similar programs, personnel retrenchment has apparently reached the limit as far as contributing toward business rationalization.

Industrial circles believe that any further rationalization will have to be affected through readjustment in management and production, but such efforts may be thwarted by the inability to improve equipments because of the shortage of funds.

Japanese industry may, therefore, never achieve the efficiency required to participate in world competition unless financial assistance is received. The general progress of enterprise rationalization is described here.

Rationalization through mechanization: The copper refining plants of the Japan Mining, the Furukawa Mining, and the Dowa Mining companies have newly established gas disposal equipments to manufacture concentrated sulphuric acid through the contact method from gas issuing from refineries at Saganoseki, Kosaka, and Ashio. A total of 490 million yen will be appropriated from the US Aid Counterpart Fund for this purpose.

The Sunagawa Plant of the Toyo High Pressure Industry Company is planning to construct its own thermoelectric power plant to boost production which had fallen because of power shortages. The Kawasaki Factory of the Showa Electric Industry is planning to establish a hydrogen gas tank in order to increase production capacity and also to cut production costs by operating late at night when more power is available. The Dai Nippon Machinery and the Miyata Machinery Manufacturing companies are planning to reduce costs by replacing multiple-purpose machines with those designed to produce specific products.

In the electric bulb industry, the Tokyo-Shibaura Electric Company is contemplating the remodelling of existing facilities and the importation of American ribbon-machines which can each turn out 400,000 bulbs daily to fill the annual domestic demand with two months' production.

#### Emphasis on Foreign Techniques

Rationalization through technical improvement: The introduction of foreign techniques is emphasized in this phase of rationalization. The Toyo High Pressure Industry, for example, is currently studying techniques of producing resin from urea under the guidance of an American expert. The Mitsui and the Mitsubishi chemical industry companies also have plans, which may soon materialize, to invite American experts to manufacture synthetic products.



ECONOMIC

ITEM 117 (Continued)

Other firms such as the Tokyo Shibaura Electric, the Mitsubishi Electric, the Nippon Electric, the Yokohama Rubber, and the Sumitomo Electric companies are also hastening to restore their ties with foreign capitalists. They are expecting to actively solicit the introduction of foreign technique together with the anticipated enforcement of the "Ordinance concerning the Restoration of Firms with United Nations' Properties."

Emphasis on disposal of goods: With economic decontrol and increased production resulting in a buyers market, all business firms are endeavoring to dispose of their huge surplus stocks as well as to strengthen their sales departments in anticipation of future competition. Coal and fertilizer producers, who have heretofore had steady outlets for their products in public corporations, are currently either establishing new departments or expanding existing ones to promote the sale of their products.

The Hitachi Mining Company, for example, has decided to dispatch directors to Osaka and Kyushu to strengthen their sales networks in these areas. The Mitsui Chemical Industry Company has pared its administrative structure down to the minimum and has created five new local branches by shifting surplus personnel to the business department branches.

Moreover, many chemical fertilizer manufacturing companies are again stamping trade-marks on goods sold to advertise their brand in anticipation of competitive sales.

An increasing number of companies are beginning to maintain strict supervision over all phases of production, in addition to clerical administration. The Showa Electric Industry is planning to set up an independent inspection section in an attempt to tighten up the management. The Mitsubishi Electric Machinery Manufacturing Company is also attempting to introduce an Americanized supervisory system into all of its departments.

ITEM 118 OVERSEAS JAPANESE FIRMS GET READJUSTMENT ORDER

(Full Translation)

NIHON KEIZAI, 2 Aug -- The Government at its cabinet meeting on 22 July decided on a policy to adjust companies which have main offices in the areas previously occupied by Japan. A cabinet ordinance on the decision was formally promulgated on 1 August.

This adjustment will affect 1,120 companies and corporations which had main offices abroad and in which Japanese have at least 10 percent interest, either in investments or property holdings.

As a result of the adjustment, some of the companies will establish new firms. With regard to nearly 800 companies which cannot be adjusted separately, it has been decided that an adjustment en bloc will be conducted, with WATANABE Keinoshin, chairman of the Postwar Overseas Enterprise Policy Council, as special liquidator. Essentials of the methods of adjustment are as follows:

(1) Property to be Adjusted.

This includes all assets in Japan owned by the companies abroad; and national bonds, local bonds, debentures, and liabilities including debentures which are in foreign territory.

(2) Adjustment Policy.

Companies abroad, which are now operating approved business at their offices in Japan, and those who desire to do so, will be permitted to establish new companies by investing or transferring their assets. Companies which do not establish new firms will be liquidated.

(3) Methods of Adjustment.

Adjustment will be conducted by special liquidators who will



ECONOMIC

ITEM 118 (Continued)

be selected from among officials of the companies abroad. Liquidators will work out a plan to establish new companies after the collection of credits, settlement of liabilities, and the disposition of residual property.

(4) Priority in the Settlement of Liabilities.

Liabilities will be settled in this order: (a) adjustment expenses and taxes; (b) liabilities covered by security; (c) liabilities incurred by enterprises operated within Japan; (d) liabilities in excess of total assets of companies abroad at the time of the surrender; (e) debentures; (f) distribution of residual property.

ITEM 119 AKIYAMA BACKS RATE BOOST PLAN

(Full Translation)

ASAHI SHIMBUN, 2 Aug -- In answer to queries regarding the recently rumored freightage increase, Transportation Vice-minister AKIYAMA testified before the House of Councillors Transportation Committee on 1 August. He stated: "Due to the recent monetary stringency, the passenger fare boost in May promptly resulted in a 25 percent decline in the number of passengers. Passengers have not increased since that time although an increase was anticipated after June.

"With revenues from freight and miscellaneous sources also declining, the total annual income for the 1949 fiscal year may fall short of the goal by approximately 9.7 billion yen. I intend to submit a bill to the coming extraordinary session of the Diet revising the existing Freightage Law to enable the application of the independent account system. The bill will boost freightage rates, which are currently below costs."

The Upper House Transportation Committee also heard explanations from Chief ASHIBA of the Railway Supervision regarding measures to be taken after personnel retrenchment.

ITEM 120 TOKYO COMMERCE-INDUSTRY FRATERNITY ORGANIZED

(Full Translation)

RENGO JOHO, 29 Jul -- Designed to be an "Economic Friends Society" for smaller entrepreneurs, the Tokyo Commerce and Industry Fraternity was recently formed through the efforts of ITAKURA Yasubei, president of the Lait Store; UENO Juzo, president of the Chugai Drug Company; ORIGASA Keiji, president of the Origasa Department Store; OTSUKA Hajime, president of the Otsuka Plant; KAZUHARA Saburo, president of the Yamato Pencil Company; SUNAHASE Tetsuo, president of the Shinagawa Precision Instrument Manufacturing Company; SUZUKI Yoichi, president of the Tokyo Synthetic Resin Company; and MIYAUCHI Isamu, publisher of the "NEW ECONOMY".

The above persons will serve as permanent directors, with Mr OTSUKA representing the organization and Mr MIYAUCHI serving concurrently as chief-secretary. Since these persons are all able men despite being smaller entrepreneurs and are strongly backed by the Tokyo Metropolitan Government, much is expected of the future activities of this new smaller businessman's organization. Its office is located in ROKUROKU Hall, No 1, Nishi 3 chome, Nishi Ginza, Chuo-ku.



ECONOMIC

ITEM 121 FOOD BOARD ACTS TO IMPROVE FOOD STANDARD

(Summary)

ASAHI SHIMBUN, 1 Aug -- In order to improve the quality of foodstuffs, the Food Board has decided to raise the standards of products and to effect a stricter inspection system. The Board has set up necessary directives with regard to the following:

Responsible Inspection System

In view of the fact that improperly polished rice and discolored flour are still being distributed, despite measures to promote rice polishing and to improve the quality of wheat flour, the Board has decided to unify various inspection standards into a single national standard. The Board further has decided that an inspector's tag will be attached to each bale, to show where the responsibility lies and at the same time to prevent tampering with the standards or quality. This inspection system will be extended to secondary products, including crackers and biscuits.

Rationalization of Potato Distribution

To prevent excess distribution such as the oversupply of potatoes which swamped consumers recently, the early harvest of sweet potatoes will be encouraged. Especially the Ibaraki and Okinawa species will be harvested during September, to be distributed earlier than usual. Since early potatoes are comparatively light in weight though sweet, subsidies will be nearly doubled in order to compensate for the losses to be incurred by early harvest.

Grading System for Bakeries

Since distributed bread has been criticized as tasteless and susceptible to moulding, a grading system will be applied to the designated bakeries throughout the country. Thorough inspections will be made by prefectural governors, and inferior plants will be deprived of licenses. In addition, to make the white and fluffy bread produced in foreign countries, about 10 percent of potato-flour, which will be imported in the near future, will be added, and the present 0.7 pound of yeast will be increased to one pound per bag in the baking process.



**▽ SOCIAL**

**ARTICLES OF SOCIAL SIGNIFICANCE FROM  
NEWSPAPERS AND MAGAZINES PUBLISHED  
THROUGHOUT JAPAN**



SOCIAL

	Item No.
Scholarship System to be Expanded.....	YOMIURI 122
Medical Assn Reaffirms Facts on Shimoyama Case.....	YOMIURI 123
SRWU Lower Echelons Support Union Unity.....	AKAHATA 124
Special Social Workers for Red Cross Hospitals.....	TOKYO TIMES 125
Second Wall Gazette Case in Moriguchi Shi.....	ASAHI 126
Sendai, Kokura Ry Workers Reject Directive Zero.....	AKAHATA 127
AJCWU Tuberculars Go on Hunger Strike.....	ASAHI 128
Personal Criticism of the University Strike.....	ZENSHIN 129
Religion and the Communist Party Need Conflict.....	JIMMIN SENSEN 130
Highlights of Press Interviews with Repatriates.....	KOCHI SHIMBUN 131

ITEM 122 SCHOLARSHIP SYSTEM TO BE EXPANDED

(Full Translation)

YOMIURI SHIMBUN, 30 Jul -- The number of entrants into teachers' and liberal arts departments of colleges and universities which were inaugurated this year under the new educational system has been obtained by the Education Ministry. The number of applicants throughout the country for the teachers' course has decreased markedly, with the figure being less than 53 per cent of the newly established enrollment quota.

Prompted by this finding, the Education Ministry has decided to begin recruitment of teachers by expanding application of the scholarship system where by students will be given loans to cover their school expenses.

The number of applicants this spring was only 60 per cent of the established enrollment quota. The number of entrants decreased to 53 per cent, or 13,000, because some failed in their examinations. Only Tokyo Teachers' College had applicants exceeding its enrollment quota. If things continued at this rate, it will be impossible to fill vacancies, let alone train 26,000 teachers annually as previously planned.

Deeply concerned over this situation the Education Ministry will work out a plan to loan scholarship funds to students of teachers and liberal arts departments at new system colleges and universities. The ministry also plans for the inclusion of an appropriation of 527,000,000 yen in the supplementary budget to be presented to the next Diet session. If the budget passes, every student of these two departments will be provided with school expenses of 3,500 yen monthly. The sum can be repaid in yearly installments over a period of 35 years after graduation. In place of the scholarship payment system at normal schools which ceased to exist this spring, this system will be a great boon to students aspiring to become teachers and will make it possible for them to continue their schooling without working part time.

A plan is being studied to sustain the quality of teachers by granting assistant teachers of elementary and junior high schools temporary teachers' certificates after one year of special training. At present, assistant teachers number 90,000, or 20 per cent of the total number of elementary and junior high school teachers. Every available means is being used to recruit applicants.

KUMURA Toshio, chief of the Teachers Training Section, College and University Art and Science Bureau of the Education Ministry, stated, "With the recent institution of the table of personnel organization system, the number of teachers, far from being insufficient, has exceeded the quota. However, we planned to gradually elevate the quality of teachers which has been on the decline by replacing the poorer teachers with new system college and university graduates. We are now in a quandary because the number of entrants is approximately half of the possible enrollment quota. In order to invite a sufficient number of students, we cannot depend only on scholarship funds; we must improve working conditions for teachers in general."



SOCIAL

ITEM 123 MEDICAL ASSN REAFFIRMS FACTS ON SHIMOYAMA CASE

(Summary)

YOMIURI SHIMBUN, 31. Jul. -- In view of the divergence of opinion on the results of the autopsy to determine the cause of the death of President SHIMOYAMA of the State Railway Corporation, the Japan Legal Medicine Association held a meeting of directors and councillors residing in Tokyo on 30 July in the auditorium of the Medical Department of Tokyo University.

Inspector YASOJIMA of the Tokyo Metropolitan Office, Lecturer KUWAJIMA of Tokyo University, Assistant Professor TSUKAMOTO, and Professor AKIYA of the same university made detailed reports on the results of their examinations of the body of President SHIMOYAMA from their respective angles, with the use of magic lanterns and diagrams.

Professor NAKADATE of Keio University and a few others who attended the day's meeting also presented their views in connection with the case.

Various facts concerning the mysterious death of President SHIMOYAMA were brought to light as a result of the meeting, and the following three points were more clearly reaffirmed: (1) SHIMOYAMA was already dead when he was run over; (2) the time of his death was around 1130; and (3) his death was due to shock resulting from beating of his testicles.

Present at the meeting were Professor MURAKAMI of Tohoku University, president of the association, Professor FURUHATA of Tokyo University, director-general of the same association, and 60 others, including four prosecutors:

Professor NAKADATE said that internal hemorrhage of the testicles was discovered in the remains of three of six persons killed in the Mitaka case, but Tokyo University authorities are of the opinion that victims in the Mitaka case were crushed to death while the dead body of SHIMOYAMA was run over by a train.

Highlights of the "new facts" clarified at the meeting by authorities in legal medicine at Tokyo University are:

(1) That SHIMOYAMA was dead when he was run over by the train was confirmed from the fact that no internal hemorrhage was discovered except in the testicles. If he was alive when run over, internal hemorrhage should have been discovered in all of his wounds.

The thought that blood might have been washed away by the rain was proved unlikely from an experiment showing blood drawn while alive will coagulate and remain even when drenched by rain. The rainfall on the night of the disaster was not strong enough to wash away coagulated blood.

(2) The PH curve method was applied for the first time in determining the time of his death. In other cases this method has proven to be surprisingly exact. For example, in a recent murder case in Tokyo the time of the death of the victims derived by this method coincided with that confessed by their murderer.

(3) Judging from the amount of internal hemorrhage in his testicles, the shock given to the testicles was severe enough to cause instant death. However, caution is being taken in regarding this as the direct cause of death.



SOCIAL

ITEM 124 SRWU LOWER ECHEIDONS SUPPORT UNION UNITY

(Full Translation)

AKAHATA, 31 Jul -- Success or failure of a plot to take over the State Railway Workers Union by malicious members of the Democratization League, such as HOSHIKA, depends entirely upon whether or not central committee members belonging to the Democratization League can succeed in holding a central committee meeting without the attendance of the dismissed central committee members.

In coping with this situation, the leftist unification faction composed of Reformists and Communists, clarified their attitude that they would reject "directive zero" and refuse to attend the central committee meeting which the Democratization Leaguers hope to hold. Responding to this call by the leftist faction, such subordinate organizations as the Sapporo and Sendai chapters, as well as the Tokyo main office Kozu and Yokohama chapters in and around Tokyo, have raised objection to the Democratization Leaguers' directive and voiced support of the cause of the leftist unification faction.

Because the Democratization Leaguers were upset by this move among subordinate organizations and also by the step taken by the unification faction's central struggle committee to dispatch its members to local districts to clear the way for solidifying its influence among local chapters, they are believed to have dispatched members to local chapters in an attempt to win 87 seats which is the quorum in holding a central committee meeting.

(Kyushu dispatch) -- The Nackata sub-chapter of the State Railway Workers Union held an emergency meeting of representatives on 25 July which 38 representatives attended. The participants rejected by a vote of 27 to 11 the non-confidence motion submitted by the conductor's office and railway maintenance office sub-chapters and the urgent motion on the en-bloc resignation of representatives and struggle committee members.

OTA Mitsuo (a conductor's office representative and member of the unification faction) was elected to fill the post of secretary-general and ITO Hirotaka (former conductor's office representative and member of the Communist Party) as struggle committee member, and the unification faction over-whelmingly dominated the meeting.

(Shizuoka dispatch) -- The Shizuoka electric-car office sub-chapter, at its workshop rally held on 26 July, decided: (1) to acknowledge workers dismissed in the administrative retrenchment program as union members; and (2) to give complete support to the members of the present central struggle committee (in existence before the personnel cut program) as well as the present chapter committee.

ITEM 125 SPECIAL SOCIAL WORKERS FOR RED CROSS HOSPITALS

(Extracts)

TOKYO TIMES, 30 Jul -- The Japan Red Cross Society has decided to undertake social work in the medical field beginning 1 August by assigning special workers to Red Cross hospitals throughout the country.



SOCIAL

ITEM 125 (Continued)

This is an epoch-making project in this country, being designed to diagnose and cure ailments not only from a medical but also from a social standpoint. The new method, after being experimented with at several Red Cross hospitals, will be extended to all the Red Cross hospitals throughout the nation.

Heretofore, Japanese hospitals have neglected to pay due attention to the patient's home life and various social factors. Under present hard times patients in need of medical care often cannot receive treatments solely for economic reasons.

Social workers, who have been training since May at the Central Social Works Society, will visit patients' homes to inspect their living conditions along with their economic circumstances. They will also offer medical advice in collaboration with physicians and nurses. If patients are in needy circumstances, these workers will help them to receive relief and other benefits with the help of various social work organizations and local welfare committees.

ITEM 126 SECOND WALL GAZETTE CASE IN MORIGUCHI SHI

(Summary)

ASAHI SHIMBUN, 2 Aug (Osaka dispatch) -- The police of Moriguchi City Osaka Fu, at about 0700 hours on 1 August arrested GOTO Matsuo, 40, (Moriguchi Shi Higashi Hashiba 910) company employee and leader of the Japan Communist Party Moriguchi Gun Cell on suspicion of having violated Imperial Ordinance No 311. He is suspected of having directed the posting of wall gazettes the contents of which though different from that of the Osaka Mimpo case nevertheless are likely to incur distrust of the Allied Forces.

ITEM 127 SENDAI, KOKURA RY WORKERS REJECT DIRECTIVE ZERO

(Full Translation)

AKAHATA, 2 Aug (Sendai dispatch) -- The Sendai Railway Sub-division chapter of the State Railway Workers Union, where the Democratization Leaguers and the Socialists are said to make up 80 percent of the members, held a committee meeting on 29 July with many discharges attending the meeting.

In opposition to the pernicious elements of the Democratization League who schemed to force the meeting to approve directive zero, the conscientious elements within the League, jointly with the unification faction comprised of Communists and Reformists, claimed that the vital question was how to safeguard the State Railway Workers Union and that the question of directive zero was of no importance.

Those belonging to the HOSHIKA faction of Democratization Leaguers were overwhelmingly overruled by their opponents and the motion to force the meeting to accept the directive was rejected. The meeting also decided that the discharges fully possess the right to vote and the eligibility for election in the next chapter meeting.

MEGURO, MIURA and other Socialists, at the meeting, emphatically insisted that all members should be urged to read the No 74 issue of the KOKUTETSU SHIMBUN, the State Railway Workers Union's organ paper. Their suggestion drew much attention from the participants.