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II TOKYO MORNING EDITIONS

THIS MORNING'S TOKYO NEWSPAPERS

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TOKYO MORNING EDITIONS

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NEWS

ITEM 1 PREMIER YOSHIDA STRESSES FOREIGN DEBT REPAYMENT

(Full Translation)

ASAHI SHIMBUN, 20 Aug -- Chief Cabinet Secretary MASUDA and Democratic Liberal Party Chief Secretary HIROKAWA yesterday called on Premier YOSHIDA, who is now resting in Gotemba, to report on administrative affairs.

At this conference, the Premier reportedly stressed that unredeemed foreign debts be repaid to restore foreign confidence and to induce foreign capital inflow, that the conservative merger be pushed as planned, and that subsidies on fertilizers be abolished.

(Gotemba dispatch) -- Following his conference with the Premier yesterday, Chief Cabinet Secretary MASUDA stated:

"Foreign investments in prewar electric power, machinery and other enterprises have been left intact without any disposition. The securing of external revenues is absolutely necessary in accelerating the influx of foreign capital. I have decided on a policy to dispose of foreign debts, including patent rights, totalling about 400,000,000 dollars. I intend to consult with GHQ on this issue as soon as I return to Tokyo. I also intend, if approval is obtained, to present related bills to the next special Diet session and employ administrative and budgetary measures to the satisfaction of foreign creditors.

"I hope that a sound conservative party will assume a position which will enable it to not only maintain the interest of labor in connection with labor policies and unemployment relief measures but to protect the interest of and to guide management. What I want to request of capitalists and managers is that they act most prudently so that they may not be criticized by laborers.

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ITEM 1 (Continued)

"The Socialists must afford sound guidance and protect labor and, on the other hand, a sound conservative party must assume a larger degree of leadership over capital and management."

(Odawara dispatch) -- DLP Chief Secretary HIROKAWA stated at Odawara yesterday while en route to Atami following his conference with the Premier:

"I hope to materialize immediately the conservative merger program adopted at the recent party convention, since next spring's Upper House election is drawing near and the political situation has apparently become active. Premier YOSHIDA, at today's conference, clarified this party intention again. He also reportedly obtained the impression on 17 August, when he met NARAHASHI, top leader of the anti-coalition Democrats, that the latter would follow suit along the lines of a large conservative merger.

"It is difficult to convene the next special Diet session by November if the compilation of a revised budget is considered. My party estimates that the aforementioned budget will total 70 or 80 billion yen. Of the figure, I hope to appropriate about 35 billion yen to cover deficiency resulting from tax cuts and the remaining sum to establish unemployment relief measures in a wide sense of the term to include public works and flood damage recovery.

"Furthermore, my party completely supports the understanding reached at the recent cabinet meeting on subsidy cuts of 35 billion yen. It also has decided to abolish subsidies on fertilizers. In their places, the party proposed to the Government that subsidies be given to farmers according to the amount of staple food production."

ITEM 2 SHOUP MISSION RECOMMENDATION TO BE ANNOUNCED 26 AUG

(Full Translation)

KOGYO SHIMBUN, 20 Aug -- The Shoup mission's outline of the recommendations on the tax system reform will be announced at a press conference slated for 26 August. The plan reportedly contains about 1,500 words. It is believed, however, that the formal announcement of the full text will be delayed for several days, owing to the printing situation. Dr SHOUP is scheduled to leave for the United States on 27 August.

ITEM 3 PRODUCTION LIMITATION CONSIDERED TO ADJUST STOCKPILES

(Full Translation)

NIHON KEIZAI SHIMBUN, 20 Aug -- The Government has decided fundamental measures for dealing with accumulated stockpiles, among them being the limitation of production. With stockpiles of essential commodities piling up owing to the decrease in domestic effective demand and unfavorable conditions in foreign markets, the Trade-Industry Ministry has been studying overall measures to deal with existing and future goods in stock in the hands of makers, dealers and public corporations. As a first step along the lines of this fundamental policy, export goods in stock such as binoculars, synthetic dyestuffs, textiles, electric wire, cameras, and electrolytic copper, will be dealt with. As a second step, commodities for the domestic market such as caustic soda and cokes will be taken up, and measures which fit actual conditions of these accumulated stockpiles will be adopted.

The gist of the overall measures for dealing with stocks on hand is: (1) Sure prospects of export and domestic consumption of

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ITEM 3 (Continued)

accumulated commodities will be formulated. (2) Increase of prices and elimination of controls upon commodities which have no chance of export will be considered to divert these commodities into the domestic market. (3) Production limitation will be recommended by administrative authorities for commodities which exceed domestic and foreign effective demand and accumulate in stock despite these measures. (4) Abnormal accumulations of goods in stock which have prospects of being exported or consumed in the domestic market in the future will be purchased by the Industrial Reconstruction Corporation.

The procedures of dealing with stockpiles, as a matter of principle, will be as follows: (1) In order to obtain reliable prospects of export and home demand of accumulated commodities, liaison organs between bureaus concerned with the production of these commodities, the Trade Bureau, or the Enterprise Bureau, and circles outside the ministry will be established. (a) Reliable data regarding the lines, quantities and value of accumulated commodities will be collected, and, on the basis of the collected data, prospects of export will be formulated with new conditions in foreign markets taken into consideration. In case export can be promoted by changing buyers or markets, or by decreasing floor prices, special consideration will be paid. (b) Since goods in stock which cannot be exported will be diverted into the domestic market, effective domestic demand for these goods will be estimated on an overall basis with the diversion taken into account.

(2) Commodities, the supply of which exceed domestic and foreign effective demand as the result of the project of obtaining export prospects, will be dealt with as follows: (a) If the commodity concerned is under controls, allocations for small consumers will be increased, or new allocations permitted. Wholesale abolition of controls on commodities which have little need of being controlled will be considered. (b) If the commodity concerned is under price controls, the lowering of prices or abolition of controls themselves will be considered to remove restrictions on both the distribution and price phases. (c) Measures to increase demand, especially extension of the commission merchant system, will also be considered.

(3) If all these measures are not sufficient to dispose of the stockpiles, production will be cut to the limits of effective demand. In this case, however, uniform limitations will not be imposed. Limitation will be effected by the autonomous action of producers, the readjustment of materials allocations, the strengthening of inspection, the individual revision of production programs, and the lowering of prices.

(4) Stocks financing will be vigorously pushed for commodities which come to have secure prospects of commanding future effective demand by these measures.

(5) If stockpiles cannot be successfully dealt with by these measures, all or part of these abnormally accumulated goods will be purchased by the Industrial Reconstruction Corporation and other agencies according to the cause of accumulation, the importance of enterprises which hold these goods, and the future chance of export or home consumption. Other stockpiles will be placed outside the scope of stocks financing.

According to a survey by the Trade-Industry Ministry, the total value of stockpiles of the 40 essential commodities as of the end of May is 70,369,000,000 yen, and, of this amount, abnormally accumulated stocks total 33,110,000,000 yen. Out of the 40 essentials, the following commodities will be dealt with as items which are in abnormal accumulation: coal, electrolytic copper, caustic soda, cokes, synthetic

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ITEM 3 (Continued)

dyes, alcohol, ball-bearings, Christmas electric bulbs, standard electric motors, integrating watt hour meters, spinning and weaving machines, clocks and watches, cameras, tires and tubes (bicycle), rubber-soled shoes, hose, cotton yearn, cotton cloth, rayon yarn, rayon cloth, staple-fibre yarn, staple-fibre cloth, woollen cloth, silk, and silk cloth.

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NEWS

ITEM 4 GOVT PAYMENT PROMOTION COMMITTEEMEN SELECTED

(Full Translation)

NIHON KEIZAI SHIMBUN, 20 Aug -- To speed up government payments in arrears, the Government decided to establish the Government Payment Promotion Inspection Committee some time ago and has been studying the selection of committeemen. Informal consent of candidates was obtained Thursday, and they will be formally appointed after consulting Tuesday's cabinet meeting.

The expected line-up follows: CHIGIRA Sosaburo (chairman of the National Federation of Bankers Associations); ISHIKAWA Ichiro (chairman of the Federation of Economic Organizations); NAKAHASHI Buichi (chairman of the Federation of Kansai Economic Organizations); NAKAJIMA Kumakichi (chairman of the Japan Foreign Trade Associaition); SHIMIZU Yasuo (adviser to the All-Japan Construction Enterprises Association); MIKI Takashi (president of the Japan Steel); SATO Busaburo (chairman of the Machinery Council); ONISHI Eiichi (president of the Japan Electric Power Generation and Transmission Company); ASAMA Takizo (director of the Japan Foreign Trade Association); ANDO Seitaro (chairman of the All-Japan Construction Enterprises Association); ITO Kenji (former president of the Industrial Bank); IWABUCHI Shinji (president of the Showa Airplane Manufacturing Company).

ITEM 5 0.1 SEN DROP IN BANK LOAN INTEREST RATE INEVITABLE

(Full Translation)

ASAHI SHIMBUN, 20 Aug -- Recently the problem of the reduction of the interest rate on bank loans has come to the fore in connection with the reduction of production cost of general industries and the narrowing of the gap between domestic and international interest rates. The Bank of Japan Policy Board will shortly confer with the Interest Rate Adjustment Council on the reduction of the interest rate on bank loans. The Committee deems that the current daily interest rate on bank loans, 2.8 sen, should be reduced by 0.1 sen. The reduction therefore seems to be inevitable.

ITEM 6 DEMOCRATS DESPAIR OF NARAHASHI'S UNITY DRIVE

(Full Translation)

JIJI SHIMPO, 20 Aug -- NARAHASHI Wataru, member of the Supreme Committee of the Democratic Opposition Faction, who conferred with Premier YOSHIDA, returned here yesterday evening. The Opposition Faction of the Democratic Party is to convene its Supreme Committee meeting this afternoon to hear the details of his conference with Premier YOSHIDA. NARAHASHI and some others are scheduled to start for AKITA Ken for canvassing.

Both the coalition and opposition factions of the Democratic Party still assume a cool attitude toward the unification of the party proposed by NARAHASHI, and entertain some doubts on its success. Regarding this problem, Chairman TOMABECHI Gizo of the Supreme Committee of the Oposition Faction and Director-general HORI Shigeru of the Coalition Faction declared as follows:

TOMABECHI: "The party has not been consulted regarding NARAHASHI's conference with Premier YOSHIDA. Until we confer with NARAHASHI, I cannot determine the aim of his conference. I whole-heartedly agree with the attempt to unify the Democratic Party as an independent and progressive party. However, I oppose any conservative amalgamation after the unification."

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ITEM 6 (Continued)

HORI: "The party has not been consulted regarding the conference between NARAHASHI and YOSHIDA. Therefore, I don't know the true intention of the conference. In actuality, however, it is quite probable that the efforts of NARAHASHI to unify the Democratic Party into one body will turn out to be a complete failure."

(Osaka Dispatch) — NARAHASHI left Osaka for Tokyo yesterday morning. He declared that he is planning to confer again soon with Premier YOSHIDA.

For the purpose of unifying the Democratic Party into one body, Democratic members of the metropolitan and prefectural assemblies are planning to hold a preparatory committee meeting for the formation of the National League of Democratic Party Members of the Metropolitan and Prefectural Assemblies on 27 August at the Kuramae Industrial Hall in Tokyo with OSAWA, member of the Tokyo Metropolitan Assembly, and some members of the Niigata Prefectural Assembly taking the initiative.

The leaders of this movement declares that no split exists among the members of local assemblies who make up the backbone of the Democratic Party, although the party headquarters has been split into the coalition and opposition factions. They insist that the party should be unified upon the basis of this local situation. It is surmised that this movement has some connections with the activities of NARAHASHI, who conferred with Premier YOSHIDA last Wednesday.

ITEM 7 HIGAI ASKS SPEEDY ACTION ON POLICE LAW REVISION BILL

(Full Translation)

ASAHI SHIMBUN, 20 Aug — State Minister HIGAI, at Friday's cabinet session, expressed his desire to hasten deliberation on the bill pertaining to revision of the Police Law, in order to submit it to the coming extraordinary Diet session.

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ITEM 8 GOVT PICKS ELECTION SYSTEM RESEARCH COMMITTEEMEN

(Full Translation)

ASAHI SHIMBUN, 20 Aug -- In accordance with the Premier's Office Establishment Law, the Government is determined to establish the Election System Research Committee as an advisory organ to the Premier. The permanent and temporary members of the committee will be formally chosen and their names will be published by the Government in the near future.

The mission of the new committee is to conduct research and investigations on the elections of the Diet and various local self-governing organizations, for the purpose of adjusting election laws. The committee will supply various data to the Special Election Law Revision committees of the Government and both Houses, by compiling the results of this research.

The first meeting of the committee is scheduled to be held at 1000 hours next Saturday at the Premier's official residence. The names of the permanent and temporary members are as follows:

Permanent Members:-

(1) Academic Circles: MIYAZAWA Toshiyoshi (Professor of Tokyo University), TANAKA Jiro (Professor of Tokyo University), UGAI Nobunari (Professor of Tokyo University), YOSHIMURA Tadashi (Professor of Waseda University), USHIODA Koji (Professor of Keio University), and OISHI Yoshio (Professor of Kyoto University);

(2) Economic Circles: NAGANO Shigeo (President of the Japan Steel Manufacturing Company), and KONDO Tetsuji (Vice chairman of the Tokyo Council of Commerce and Industry);

(3) Labor Union Circles: TAKANO Minoru (Japan Federation of Trade Unions), and HOSOYA Matsuta (Democratization League of the National Congress of Industrial Unions);

(4) Men of knowledge and experience: SEKIGUCHI Yasushi (Former member of editorial staff of the ASAHI SHIMBUN), KUSANO Hyoichiro (Attorney), ABE Shinosuke (Former advisor of the MAINICHI SHIMBUN), and WATANABE Tetsuzo (President of the Toho Motion Picture Company);

(5) National Election Management Committee: UNNO Shinkichi (Chairman of this committee).

Temporary Members:-

(1) Local Self-Governing Organizations: MATSUZAKI Kenshiro (Chairman of the Federation of the Prefectural Election Management Committees), YASUI Seiichiro (Governor of Tokyo-to), and ISHIHARA Hideaki (Chairman of the Tokyo Metropolitan Assembly);

(2) Men of Knowledge and Experience: YAMAMURO Tami (Chief of the Social Education Facilities Section of the Education Ministry), and SAITO Chie (Vice Chairman of the League of New Japan Women's Organizations);

(3) National Election Management Committee: KOSAKA Junzo, KUDO Tetsuo, and CHO Seikichi.

ITEM 9 REDS REPORT FARMERS UNIFY DEMOCRATIC FRONT IN MIE

(Full Translation)

AKAHATA, 20 Aug (Mie dispatch) -- The Mie prefectural farmers' convention, held at the Shimmachi Primary School in Tsu Shi at 1000 hours on 16 August, was attended by approximately 500 representatives of the Japan Farmers Union, the National Farmers Union, neutral unions, and the Agriculture-Forestry Ministry Employees Union. This convention was the first to effect an unification of a front beyond the framework of farmers' organizations. It also unanimously decided to carry out Communist-Socialist amalgamation as demanded by the

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ITEM 9 (Continued)

farmers, and to fight resolutely for the downfall of the Yoshida Cabinet. The meeting was attended by about 500 representatives of the Japan Farmers Union, the National Farmers Union (represented by Chairman OKUYAMA and Vice-Chairman AOKI), the Pioneer's League, a charcoal makers' union, the Agriculture-Forestry Ministry Employees Union, a farmland committee employees union (sponsors), and independent farmers' unions in Shima and Iga Gun. ADACHI Umeichi (Socialist Dietman), UMEKAWA Fumio (Communst member of the Mie Prefectural Assembly), SHIMOJI Masaomi (Pioneers' League), and AOKI Tusaburo (NFU) were elected chairmen. The convention adopted the following resolutions: (1) opposition to the malrevision of the food security law; (2) lightening of farmers' tax burden; (3) unification of the farmers' front; (4) adjustment of differences between the prices of agricultural products and those of other commodities; (5) thoroughgoing execution of the farmland reform; (6) promotion of reclamation works; (7) co-operation between laborers and farmers; and (8) overthrow of the Yoshida Cabinet.

In connection with the unification of the farmers' front, the meeting decided to form a Mie Prefectural Federation of Farmers' Organizations. ADACHI was elected as chairman, MAEDA (Farmland Committee Employees' Union) as Secretary-general, and UCHIDA (JFU), AOKI, and SHIMOJI as standing executives of the Federation. It was also agreed that emphasis be laid on organizations under the control of the federation, and that farmers joining the federation first form a farmers' union in their own city, town or village. Moreover, the meeting confirmed that all discussions would aim at and end in the overthrow of the Yoshida Administration. It was also proposed that the Communist-Socialist merger be promoted forcibly. Farmers asked ADACHI (Socialist representative), and UMEKAWA (Communist member of the Mie Prefectural Assembly) to rise up for a joint struggle. In reply to this, the two promised in the name of the convention to fight for the promotion of Communist-Socialist amalgamation, which was greeted by a storm of applause. Following this, the meeting adopted an urgent motion to the effect that a joint candidate of the Socialist and the Communist parties run in the coming election of a mayor for Ujiyamada Shi.

(Kanagawa dispatch) -- The move for the unification of an anti-government political front has become vigorous in Aiko and other areas in Kanagawa Ken. This move is likely to spread rapidly to Tsukui, Naka, Takakura and other districts. Public attention is focused on this, and on the unification move based on industrial defense now apparent in the Keihin industrial district. A mass meeting for the formation of an Atsugi district council for the unification of the democratic front was held in the council room of the Aiko district federation of the Atsugi Farmers' Co-operation Union on 15 August, with II Yashiro, Communist, attending. About 150 persons, including ADACHIBARA, mayor of Atsugi, and SHIMIZU, chairman of the Atsugi Town Assembly, attended the meeting, and held discussions for four hours. As a result, the meeting adopted a 15-point unification platform, including the following:

(1) Opposition to the dismissal of workers, closing of plants reduction of wages, and the intensification of labor. (2) All-out emancipation and democratic control of all tenant land, forests and grass lands, and the formation of land control associations. (3) Creation of precise farmland ledgers based on differences in land fertility and the democratic enforcement of the rice delivery system. (4) Immediate work on basic repairs on the Nakatsu, Kooyu and the Sagami rivers, and soil erosion prevention works on Mt Tanzawa. (5) Promotion of independent trade with China, and the rehabilitation

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ITEM 9 (Continued)

of automobile, silk, textile, and other home industries. (6) Overthrow of the Yoshida Cabinet, and the establishment of a people's government.

The meeting further published a declaration. Thus it took a big step toward the unification of the democratic front. This meeting was attended by representatives of the Koayu Mura Administrative Council, the Aiko district chapter of the Japan Farmers Union, the Kawahara Livelihood Protection League, the Yoshimura Industry Company, the Atsugi chapter of the Japan Electric Power Workers Union, the Yamato chapter of the Korean residents' league, the Tana Democratization Council, and the Atsugi District Committee of the Communist Party, and ITANAMI (former member of the Kanagawa Prefectural Labor Committee), NAKATA (member of the Zama Town Assembly), AOKI (member of the Kanda Mura Assembly), AOKI (director of the Minamimori Farmers' Co-operative Union), SAITO (director of the Nakatsu Mura Farmers' Co-operative Union), ITO (vice-president of the Kanagawa Council of the Democratic Education Association), and SAITO (chief secretary of the Atsugi district council of labor unions).

Time for Unification and Amalgamation

Statement of ITO Ritsu, member of the Political Bureau of the Communist Party follows: "Not only farmers in Mie Ken but also all laborers and farmers throughout the nation demand the unification of the democratic front. The only way to fight the treacherous and destructive Yoshida Cabinet is to join our revolutionary party. In response to the earnest demand of the people, our party will develop a joint mass struggle with the Socialist and the Worker-Farmer parties in all parts of the country. For this purpose, all party members must stubbornly fight the conservative, reactionary forces and their fifth column, the social democrats, and must be modest to the masses and the leaders of the Socialist and Worker-Farmer parties who are faithful to the masses. This joint struggle will promote the formation of an extensive united front based on the urgent demands of the masses. Moverover, the three-party amalgamation will develop in this joint struggle. Conscientious members and local forces of the Socialist Party now demand the formation of a united front, including our party. Moreover, revolutionary elements and the masses have come to demand the three-party amalgamation. This is the biggest political offensive so far against the Yoshida Government."

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NEWS

ITEM 10 INVESTIGATORS OF FUKUSHIMA WRECK REPORT PROGRESS

(Full Translation)

ASAHI SHIMBUN, 20 Aug (Fukushima dispatch) -- The investigation headquarters at Kanayagawa Mura, Shinobu Gun, Fukushima Ken, which launched a thorough investigation of the State Railway Workers Union and other unions in connection with the derailment on the Tohoku Line, began to show activity suddenly last night when the information was made available that the wife of OTA, employee of the Matsukawa Plant of Toshiba at Matsukawa Machi, predicted the accident on the previous day, and that three or four leaders of the union that carried out a 24-hour strike on 17 August disappeared after the adjournment of the unions rally held on the afternoon of 16 August and returned to the plant dormitory a few hours after the accident on the following morning. The investigation is going on in and around Matsukawa Machi. Chief ARAI of the Fukushima Prefectural Headquarters of the National Rural Police said yesterday that the search for information would be continued for a day or two. As many as 24 persons have come within the range of the investigation. Of these 24 persons, about 10 will be picked up by Chief HONDA of the Criminal Affairs Section to gather information and evidence today or tomorrow. An investigation of the angle bars and spanners left on the spot is being continued. As a result of the testimony made by railway technicians that it is possible for one man to remove 25 nails in 30 minutes if he works steadily, it is believed that about three persons are the direct culprits in the derailment case.

State Railway Workers Union Presents Demands

(Fukushima dispatch) -- Chairman TAKEDA and other representatives of the Fukushima Chapter of the State Railway Workers Union presented a request to Chief Prosecutor ANZAI and Chief ARAI of the Fukushima Prefectural Headquarters of the National Rural Police yesterday afternoon in connection with the derailment case on the Tohoku Main Line. The request includes: (1) not to wast time and delay the gathering of information on the truth of the case because of prejudice; (2) not to issue such statements in newspaper or radio as will make a political issue of the case; (3) to release immediately YABE Kanichiro, former employee of the Railway Division, who has no connection with the case. The State Railway Workers Union will give its unstinted co-operation, they further said, in the arrest of the culprits who killed companion union members. The union will also conduct an independent investigation of the case.

ITEM 11 MITAKA PROBERS FAIL TO FIND ENOUGH MATERIAL EVIDENCE

(Full Translation)

JIJI SHIMPO, 20 Aug -- With five days remaining in the detention period for the seven suspects involved in the Mitaka runaway incident, a leading official in the joint investigation headquarters stated on Thursday on the progress of the investigation.

"At the present stage of investigation, the incident may be solved with the suspect IIDA and seven other suspects who were arrested in the second round of the police raid. Therefore, no additional arrests are required. The most significant material evidence to date has been the palm print on the handle which was found in a sweet-potato field nearby. But we have not yet been able to decide whose palm print it is. We believe that the perpetrator exists among those suspects

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ITEM 11 (Continued)

now under detention. Although psychological and circumstantial evidence exist, we have no material evidence, which we are doing our best to unearth.

"However, one or two suspects might possibly be released since we have insufficient evidences on hand. But there may be supplementary arrests involving additional suspects if the future developments of the incident necessitate it. It has been determined almost definitely that the Takaso conference was to create a false alibi."

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

1. The headquarters called in four witnesses including MISONO Hamakichi (age 32), all signalmen, to hear the situation on the day of the incident. These signalmen lead the Mitaka-bound electric train into shed No.6 at 2118 hours that day shortly before the incident occurred.

2. Twelve search teams consisting of 24 members are continuing their information-gathering efforts around the station premises.

With four days left before expiration of the detention period for the six suspects, including TAKEUCHI, prosecutors assigned to the investigation of suspects are continuing their investigations and discussions late in the night.

Meanwhile, Senior Prosecutor TANAKA stated yesterday morning: "We intend to hold a joint conference among the Mitaka Joint Investigation Headquarters and the prosecutors working on the incident before Sunday to determine whether to indict the suspects or not. If it should be decided to indict them, it is our policy to indict the suspects as persons responsible for the conspiracy."

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NEWS

ITEM 12 ENGINEER ASLEEP AT CONTROLS IN OYAMA TRAIN WRECK

(Full Translation)

TOKYO SHIMBUN, 20 Aug (Utsunomiya dispatch) -- Investigation by the Tochigi National Rural Police of the run-away train case in Oyama Station on the Tohoku line revealed Thursday evening that USUI Heiji, 46, the engineer, had dozed off at the controls when the train entered the station. The police authorities made the following announcement: "Immediately after the accident Chief MATSUSHITA of the Investigation Section and his squad burried to the spot, and with the help of the Oyama Machi Police, questioned USUI Heiji, 46, the engineer, NEMOTO Tsutomu, 27 the assistant engineer, as well as NAKAMURA, and TAMURA, two conductors. The four men stated that the wreck was caused by no fault of their own. But on the spot, investigations revealed that there had been nothing wrong with the braker and the other parts of the locomotive and passenger car. The police, therefore, further checked into the daily life and work of the four men. In the end, Engineer USUI admitted that he had dozed off at the wheel, and did not know when the train entered the station. He woke up when the train crashed into the buffer and tried to stop it, but it was too late. He will be sent to the Prosecutors office on the charge of causing an accident while on duty, and obstruction of traffic. Disposition of NEMOTO, TAMURA, and NAKAMURA will be made after USUI has been sent to the Prosecutors' office.

ITEM 13 AJCWU LEFTISTS DECIDE TO HOLD CENTRAL COMMITTEE MEET

(Full Translation)

ASAHI SHIMBUN, 20 Aug -- The Central Dispute Committee of the All Japan Communications Workers Union held a meeting yesterday afternoon attended exclusively by the leftists, and it was decided to hold a Central Committee meeting for three days from 12 September. Although the site of the meeting is undecided, Kamisuwa in Nagano Ken and Atami Shi are the most likely choices.

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EDITORIALS

ITEM 14 SHOW FUTURE PROSPECTS OF ECONOMY

(Full Translation)

ASAHI SHIMBUN, 20 Aug -- The implementation of the Dodge plan has put an end to the inflationary trend since the end of the war. This is indeed a significant event. It is true that the plan has brought about a remarkable deflationary tendency, and there are even signs of a stabilization panic. This does not cancel the notable achievement of the Dodge plan in halting the inflation. The emergence of a deflationary trend was expected at the outset as a logical consequence of the Dodge policy, and it goes without saying that countermeasures must be taken as quickly as possible. Of course these anti-deflation measures must not be of such a nature as to allow inflation to return. This is the difficulty in formulating anti-deflation measures. It is regrettable for us that the inflation was not controlled by our own hands. We should, therefore, at least think out a future reconstruction program in the light of this new situation.

One of the biggest defects of our politics last year was its failure to show prospects for national reconstruction. Of course there have been government white papers on trade, agriculture and economics, but these papers only informed the people of existing situations. What we need most is an authoritative prediction about the form Japanese economy will take in the coming several years, and the level to which the people's living standard will be raised. This should not be mere survey of minor government officials, but an authoritative document which the government presents to the people on its greatest responsibility. Without this, the administration cannot be said to be carried out on the basis of a consistent principle. Without this, social unrest cannot be eliminated at this time when economic problems are the greatest concerns of the people. We have lacked an administration on the basis of consistent principle for a long time. We admit that as long as the spiralling inflation continued, it was impossible to think of anything other than the inflationary problems. We would like to point out, however, that even today when the inflationary curve has flattened out, the Democratic Liberal Party Government appears to have no clear-cut outlook on future economic reconstruction. The administration is carried on only on a day-to-day basis. Moreover, Premier YOSHIDA withhold the publication of an economic reconstruction program which was finished at the end of July after more than a year's study.

The formal formulation of this economic reconstruction program was started in May 1948 by a committee set up by the Government for the purpose of setting up a goal for the reconstruction of Japanese economy. It is nearly four years since the first tentative plan was worked out, and more than 2,000 experts in various fields were mobilized for the job. It is true that when the work was finished after many years' study by the experts, it was obsolete in the light of the real situation of the nation's economy, because the Dodge plan, which places prime importance on stabilization rather than on rehabilitation, was already functioning. However, the impossibility of the realization of the program should not be the reason for the suspension of its publication. On the contrary, when the reconstruction policy gave way to the stabilization policy, it was advisable to submit the program to the people for their criticism, thus clarifying the aim of the Government in its reconstruction program. This may contribute to the formulation of a future program, and to forecast future economic situations. The publication has great significance today, when nothing has been done to establish an outlook of the future situation.

ITEM 14 SHOW FUTURE PROSPECTS OF ECONOMY

(Full Translation)

ASAHI SHIMBUN, 20 Aug -- The implementation of the Dodge plan has put an end to the inflationary trend since the end of the war. This is indeed a significant event. It is true that the plan has brought about a remarkable deflationary tendency, and there are even signs of a stabilization panic. This does not cancel the notable achievement of the Dodge plan in halting the inflation. The emergence of a deflationary trend was expected at the outset as a logical consequence of the Dodge policy, and it goes without saying that countermeasures must be taken as quickly as possible. Of course these anti-deflation measures must not be of such a nature as to allow inflation to return. This is the difficulty in formulating anti-deflation measures. It is regrettable for us that the inflation was not controlled by our own hands. We should, therefore, at least think out a future reconstruction program in the light of this new situation.

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ITEM 14 (Continued)

This alone is not enough: more urgently needed is the formulation of a clear-cut prospect along the line of the new situation. In this connection the British people are in an enviable position. Chancellor of the Exchequer CRIPPS's statements on the prospect of economy from time to time have given the British people a clear idea of the situation of British economy, past, present and future, thus preparing them for changing situations. This is the ideal of the administration. An administration without any future prospect is not worthy of being called an administration. It seems that the Government intendsto avoid this task under the excuse that it is beyond its capability. The Government is urged to awaken from its apathy.

ITEM 15 PROBLEM OF CURTAILING SUBSIDIES

(Summary)

JIJI SHIMPO, 20 Aug -- The Government has reportedly decided to submit a bill curtailing subsidies to the forthcoming special Diet session.

An early abolition of the nation's subsidy system is necessary, as advocated by Minister DODGE, to put our economy on the right track as well as to operate the world economy on a free and equal basis. This system, however, has long been an integral part of our economy and, for that reason, should be considered realistically with respect to the extent of the slash, the items to be affected, and the order of the program. From this point of view, the reported government policy for the subsidy slash is not necessarily acceptable in the handling of individual items.

One example is the slash in subsidies for iron and steel. Apparently a reduction of approximately 15 billion yen from the planned 72 billion yen was informally decided upon at a recent cabinet session. This reduction means a blow to iron and steel dealers, who seem intent on making up the deficit with an approximate five percent raise in the prices of steel products. It is said that a consequent raise in those for secondary products is to be absorbed through reduction of production costs for such products. This calculation might be possible in a sound, progressive economy but arouses some uneasiness about its feasibility in our strongly deflationary tendency.

Attention should be draw to the stockpiles of secondary iron and steel products due to their inactive sales in both domestic and foreign markets. Under this condition, there is very little hope to be pegged upon the intended absorption through lowered production costs.

Needless to say, heavy industries engage in the production of most of the secondary products, which depend upon iron and steel for their raw materials. In order to develop these key export industries, two basic conditions are needed: technical improvement aimed at the production of quality goods at low cost and the solid economic basis for enterprise to bear up under possible upheavals in the world market. Our present-day heavy industries are lacking in these conditions, notably in the latter.

Very few of these industries, despite the passage of four years since the surrender, have yet reinforced their economic foundations. In this situation, subsidies for the basic materials of iron and steel should be handled most carefully, lest secondary product industries be driven into difficulties.

Very probably the slash in subsidies will also exert complicated effects upon fields other than iron and steel. Government authorities are urged to take realistic measures.

EDITORIALS

ITEM 16 FACTS ABOUT EMPLOYMENT OF COUNTERPART FUND

(Summary)

TOKYO SHIMBUN, 20 Aug -- The creation of the US aid counterpart funds is a special characteristic of the 1949 national budget, whose effective application is being watched with keen interest. The over-all sum of 17,500,000 yen corresponds to GARIOA and IROA, which are US aid funds for Japan. Although the sum is to be finally fixed with the completion of the US budget estimates, it is likely to be reduced to around 14,000,000 yen. As to its distribution, only two items, construction bonds--15,000,000,000 dollars for railways and 12,000,000,000 for communications--have been underwritten to date.

The Government has temporarily decided that the over-all sum of 50,500,000,000 yen, including 10,000,000,000 yen for unemployment relief public works, be used directly as industrial investments, and has taken steps to ask SCAP's authorization and to receive applications for the funds from enterprises and corporations that are entitled to the privilege. However, very few applications have been filed in spite of the difficulty in obtaining long-term construction funds. Three reasons are mentioned for this: the procedure is complicated; the definite redemption program is difficult to formulate; the interest rate is not low.

Interest rates on counterpart funds are not always uniformly fixed in France, Italy, and Greece, but subject to financial conditions. Since long-term fixed funds are not easily obtainable from city banks, it is too much for only specified industries to expect preferrential low rates of interest.

True, there is reason to sympathize with industrialists concerned regarding the second factor, but it is regrettable that there is a general misunderstanding regarding counterpart funds as reconstruction finance loans in disguise. It should not be overlooked that the counterpart funds are intended as a contribution to Japan's economic recovery and stabilization and as investments in industries when redemption is safe, especially that the funds are based on the accumulated taxation of US taxpayers.

Needless to say, the use of counterpart funds is strictly controlled, as in the case of the Marshall Plan. We must not overlook the fact that though we have passed the middle of the second quarter of this year only the aforementioned two items of reconstruction bonds have yet been underwritten.

There are various different opinions among the Government and private business circles as to the uses and effectiveness of the funds. Some circles want most of the funds invested when the role in industrial reconstruction is stressed, others are sharply against this stand when stress is placed on the role in finance adjustment; and still others desire loans for industries through reconstruction finance bonds and redemption of national bonds.

In spite of advance hopes the established sum to date is insignificant. The Government, therefore, is contemplating a short-term use of them as food securities, recognizing that counterpart funds are increasing each month. It is premature to make a conclusion at this early date as to the effectiveness of the funds--in industrial reconstruction and finance adjustment--but, generally speaking, we feel the need of deep reflection on the easygoing way of putting them in the same category as ordinary financial funds without understanding their essential character.

EDITORIALS

ITEM 17 LACK OF OPINIONS (COLUMN: CELESTIAL VOICE HUMAN WORDS)

(Full Translation)

ASAHI SHIMBUN, 20 Aug -- Dr SHOUP is noted for his silence. He has been here for 100 days since 10 May, but he has kept silent by asserting that he cannot express his opinion on the tax system until a final conclusion is reached on his survey.

The tax mission has revealed just one impression they have received of the Japanese. That is: financiers, merchants, farmers, and salary earners alike complain that taxes are high. But when asked just how much too high or how much they have to be reduced so they can bear the burden, they almost invariably reply,"I don't know exactly....." They don't have any opinions of their own. The Shoup mission considers this quite strange. To tell the truth, I myself am like that. When put in just that way, what the tax mission says appears to be quite true. Is it not true that most Japanese complain that taxes are too high with only a vague idea of what they are saying?

If we could move to some country where there are no taxes, nothing could be better. However everyone realize he must pay considerable taxes in order to deal with the aftermath of the defeat in the war and reconstruct our war-torn country. Yet no one believes that the present tax system is good, or that it is being satisfactorily operated.

Very few people have been able to compare their own financial status with the extent of the nation's rehabilitation, and formed their own opinion on how much taxes they can pay on their responsibility and still manage to keep their business going.

In Japan's public opinion surveys, the rate of non-committals is considerably high. "Taxes are high" alone cannot be called public opinion. Our people have become accustomed to the practice of racking their brains to evade taxes, but it is hoped that they will come to try and form their own opinions.

ITEM 18 HEN EGGS AND TAXES (COLUMN: GLIMPSES)

(Full Translation)

JIJI SHIMPO, 20 Aug -- That Japanese taxation is almost equivalent to confiscation is not the complaint of Japanese taxpayers, but an observation by the US National Foreign Trade Council. As a matter of fact, the people do not pay their taxes from their income, but they live on income reduced by taxes. Furthermore, when a retirement allowance or bonus is received, it is greatly less than the face amount. In this sense, retirement allowances or bonuses look big before they are received. This is true of all things. In criticizing the heavy tax burden, besides the word "confiscation," there is one which implies "prohibition." In the past, a tax was levied on cards. This was interpreted to mean the discouragement of unhealthy games. It was held then and is now that management of enterprises is difficult because of the imposition of heavy taxes. Even if the people abstain from drinking and smoking because of high taxes, no one other than the Finance Ministry would wonder. The people must work, however, and the operation of enterprises cannot be discontinued.

The National Foreign Trade Council observes that taxes in Japan constitute a threat to her people, causing them to evade taxation. This observation is correct. The fact is that the people are abiding by the present system since they recognize the propriety of the imposition of heavy taxes from the standpoint of national emergency. There is a limit, however, to their capacity in paying taxes.

ITEM 18 (Continued)

To make hens lay more eggs, it is necessary to give them good feed and care. Even if the owners endeavor to make them lay more eggs, there is a limit to their capacity. Although the owners can kill the hens and eat their meat, this would be good only once. Even children know this. Cannot the same thing be said about taxing the people beyond their means?

ITEM 19 DIFFICULTY IN FIXING RICE PRICE

(Summary)

NIHON KEIZAI SHIMBUN, 20 Aug -- The producer price for this year's rice is to be fixed through deliberations by the Rice Price Deliberative Council in the near future. The Price Board has worked out a draft setting the new rice price at 4,209 yen, while the Agriculture-Forestry Ministry has prepared a 4,616 yen draft. On the other hand, farmers' organizations insist that the price be fixed at 5,000 yen at the lowest. Difficulties are customarily attendant on the fixing of the rice price every year, and it is anticipated that a more serious conflict of opinions than last year is in store this year, especially in view of the fact that a fundamental question of how to settle the relationship between the rice price and prices of mining industry products has come to the fore this year. Heretofore, the unbalance between the rice price and the prices for mining industry products has been covered somehow by blackmarket prices. But, with the intensification of the control over quota delivery and blackmarket transactions, and with the change in the food supply and demand relation, such makeshift has become unavailable. Such being the case, the question of where and how to fix the price of rice now calls for careful study on the stand Japanese agriculture should take, by going a step further from the fundamental method of simply fixing the price of rice.

The Price Board draft for 4,209 yen was worked out by the so-called parity calculation, and the Agriculture-Forestry Ministry draft for 4,616 yen is based on the arithmetic mean of figures obtained from the parity accounting and the unit production cost calculation, while the price proposed by farmers' organizations is based on the production costs calculation. Some of these methods of calculation have the same name, but differ in substance, with the resultant disparities in the final figures. The parity formula of the Price Board, the production cost formula of the farmers' organizations, and the compromise or medium formula of the Agriculture-Forestry Ministry reflect their respective stands, and cannot necessarily be considered unreasonable. But we cannot deny that each of these formulas is not free from defects, making it difficult to be adopted as it is. It therefore follows that the so-called reasonable price is not the question of technical formula of calculation, but it must rather be taken up as a question of policy of whether the Government will maintain a policy of high rice price or low rice price.

Although what is meant by the terms "high rice price policy" and "low rice price policy" is not necessarily clear, briefly, it means that the Government intends to raise rice price or to lower it. Such a policy must be established not simply from the agricultural standpoint but from a broader viewpoint of not only the Japanese economy as a whole, but also of the international economic situation. If rice price is to be fixed from this standpoint a high rice price policy cannot be adopted at least at the present time. It is quite impossible for present-day Japan to heighten the farmers' purchasing power by maintaining the prices of agricultural products at a high level, as is done in the United States. It is likewise difficult

ITEM 19 (Continued)

to lower the rice price to such an unreasonably low level as to prevent agricultural reproduction and to lower the farmers' purchasing power. Moreover, we must avoid taking a policy which makes farmers alone bear the burden of the difficulty and contradiction in the nation's economy. It is impossible to expect agricultural renabilitation only on high rice price. The contradiction as seen in the promotion of land and agricultural labor productivity, the influx of surplus population into farm villages, the difference in conditions between single crop areas and rotation crop areas, and similar contradictions and difficulties inherent in the Japanese agriculture may be considered as inevitable. Inasmuch as the rice price is to be fixed on the basis of this basic characteristic, nothing is further from our expectation than to realize a high rice price policy fully satisfactory to farmers.

EDITORIALS

ITEM 20 OPEN EYES TO TOURIST TRADE

(Summary)

MAINICHI SHIMBUN, 20 Aug -- For Japan to survive there is no other choice but to promote foreign trade. It is imperative for us to obtain as much foreign currency as possible, in order to buy food and raw materials. Nevertheless, the recent trend is discouraging, with contract cancellations and complaints hurting our export industry. The only ray of hope is the tourist business. The total number of foreign visitors to this country last year was 6,310, and they spent 3,440,000 dollars. With the advent of spring this year, many Japanese-Americans visited us. During the half-year period up to the end of June this year, the total number of tourists has registered as many as all last year's figure. The upward trend has continued through July and August, and a great number of applications are coming in. Under these circumstances, it will not be difficult to take in 10,000,000 dollars this year. It appears that the tourist business is the champion dollar-earner. The importance of the tourist business has long been loudly voiced. Due particularly to the various conditions following the end of hostilities, it was imperative for Japan to invite tourists, especially from the United States. With things as they are now, it is necessary to have foreign visitors come to see the products of this country. There may be many products which can be sold abroad that we are not aware of. As the Japanese are unable to advertise their products on the world market, it is essential that as many foreigners as possible come to this country. For this purpose, the most important problem is to prepare cozy hotels and good roads.

A Tourist Industry Council was formed last summer under the Ashida Cabinet. The council submitted to the Government a five-year plan centering around the building of hotels and repair of roads. Because of the sudden political change that followed, as well as the strict enforcement of the Dodge policy, however, the recommendation of the council was not incorporated into the fiscal budget. In accordance with a GHQ directive, however, part of the tourist high-ways are now under repair, under the Industrial High Ways Repairing Program. The remaining problem is the preparing of hotels and hostels. Unless this is solved, Japan's scenic beauty and her natural resources will not be of any avail. In Britain 10 percent of the expenditures of the tourist industry are earmarked for publicity. A foreigner has reportedly advised that Japan establish tourist agencies in larger cities all over the world, for the purpose of publicity. This will be an investment conducive to the acquisition of foreign currencies. The Government should stop saying that no matter how excellent a plan may be, it is no good if it costs too much money, and should take proper measures from a wider point of view.

ITEM 21 RULING CLASS AND SPORTS

(Full Translation)

AKAHATA, 20 Aug -- Bourgeois papers daily devote their front pages to write up the activities of FURUHASHI and HASHIZUME in Los Angeles. The papers use the highest terms of eulogy such as "the sealization of mankinds' dream" (ASAHI), "praising the great record" (MAINICHI) and "an inspiring achievement for peaceful Japan" (SEKAI KEIZAI); their activities are also broadcast by radio as special bulletins. Newspapers and radio excite the people as if the activities of FURUHASHI and HASHIZUME have dispelled such dark clouds hanging over the present situation of Japan as unemployment, inflation and government pressure.

EDITORIALS

ITEM 21 (Continued)

The achievements of the Japanese aquatic champions now in the United States may be unprecedentedly great. However, we are afraid that these champions are being made a tool of the governing class to separate the people from the actualities under bourgeois commercialism and the star idolatry as in the prewar sports circles of our country. Sports must be something that working people can enjoy freely and equally so that they may cultivate a sound spirit and a stout constitution. If sports should be monopolized and misused, by a part of the rich to make the people dobtish, we must struggle against it.

In prewar days most sports champions were reactionary and militaristic. This is only natural considering that they were protected by the star system and given special considerations by the governing class. On the other hand, the militarists, bourgeois classes and landowners misused sports to stimulate racial hostilities and implant in the people's minds the contemptible idea that the Japanese people were the selected race. This is illustrated by recalling the propaganda the bourgeois class circulated and how they stimulated the people's self-admiration at the time of the Berlin Olympic Games.

Have the prewar sports circles of this country been democratized? At present big companies such as the YOMIURI SHIMBUN, the Hankyu Electric Railway Company and the Hanshin Electric Transportation Company engage baseball teams at high wages for advertising purpose. However, workers employed by these companies are suffering from low wages and overwork. They can neither play baseball because of the lack of sporting equipment nor see professional baseball games because of the high admission fee. Labor unions and agricultural communities have no sports facilities whereby workers can freely enjoy sports. As repatriates say, the sports world of this country cannot bear comparison with the democratized condition of sports in socialistic Russia.

From middle schools to universities various sports are encouraged and a large amount of funds are collected monthly from students. Nevertheless, sports are monopolized by a few champions and general students are shut out.

It is still taught that the aim of sports is not to elevate the people's physical level but to establish a new world record time for a certain company, school or the Japanese race. For example, at present a physical training office exist in each prefecture to encourage sports. However, as in former days this office directly aims to gain the Emperor's Cup and gives no consideration to the democratization of sports and the elevation of the physical standard of people living in the prefecture.

In a capitalistic society, sports are treated as commodity. Prominent champions are highly valued and mistaken racial egoism is implanted in the people's minds by connecting such champions with racial superiority. In order to produce great champions, the people are shut out from sports and become so excited about the glory of the nation that they forget their living difficulties.

It is apparent that the recent sports encouragement policy on the part of the governing class is to lead the people to false racialism, reaction and militarism and to make sports a stimulus for the life of austerity. In other words, the governing class attempts to increase war-like fervor by making the people consider that the victories of FURUHASHI and HASHIZUME means that Japan has defeated the United States. This is proved by the fact that newspapers are going all-out on the activities of HASHIZUME and FURUHASHI. However, working people must not be deceived by this.

Now when all sports are in great vogue, it is essential to expose, the governing class' tricky program, and reconstruct sports for working people at the sacrifice of capital in order to improve

ITEM 21 (Continued)

the people's physical level and brighten their livelihood Accordingly, in order to systematize sports for workers we must connect the movement with the daily struggles against the governing class regarding working conditions.

ITEM 22 REQUEST SELF-REFLECTION IN STUDENT ACTIVITIES

(Full Translation)

TOKYO SHI BUN, 20 Aug -- The All Japan Federation of student Councils, which has a membership of 2,226,000 students in 226 schools, has been placed within the scope of the Organization Regulation Ordinance. This is not good news to the more than 2 million students. The fact that students' organizations are now to be given the same treatment as political organizations means simply that they have been overstepping the bounds of students organizations. History has proven that political campaigns by people with little social experience are bound to be dangerous. It is recalled Bertrand Russell once stated that the more a nation's politics is occupied by students, the more colonial in nature the country is. His words might be well exemplified by events which happened in parts of the Near East, the Balkan countries, and the Far East. It is well and good for students to present opinions regarding such matters as may affect their lives, such as the State School Establishment Law and the Teachers License Law. It would be obviously overstepping their bounds, however, to exert pressure on political affairs, with recourse to demonstrations and strikes. The application of the Organization Regulation Ordinance to student bodies demonstrates on the one hand, that there have been such extreme activities and, on the other, means that students themselves have stripped themselves of their proud traditional position as a result of their own activities. If students think this was caused by the alleged reactionary nature of the Yoshida Cabinet, it would mean the lack of logical deliberation on their part.

Even if Japan at present may be classified as a fourth-rate nation, there is no need for the students on whose shoulders depends the future of Japan to engage in such colonial activities. There is a saying, "Be noble, though poor." How do these words sound to the students? The day they return to their role as students, thus eliminating the need for the Attorney General's office to apply the Organization Regulation Ordinance to students' groups, will be a happy day for Japan.

EDITORIALS

ITEM 23 MISSION OF WU'S VISIT TO JAPAN

(Summary)

TOKYO TIMES, 20 Aug -- China's State Minister WU Tieh-cheng of the Yen Cabinet, who is now visiting Japan, recently expressed his views on Sino-Japanese relations and on the situation in this country. WU was mayor of Shanghai when Sino-Japanese relations were very strained due to the wayward behavior of Japanese warlords. He is well remembered for having worked hard for the amicable adjustment of Sino-Japanese relations. His recent statement is almost completely in agreement with our views.

Following the end of the war, CHIANG Kai-shek admonished the Chinese people not to return violence with violence, deeply impressing the Japanese. The Chiang-led Nationalist Government now faces a downfall and this has brought about a serious change in the Sino-Japanese relationship.

Minister WU stated: "The reconstruction of China has been hampered by the rebellion of the Chinese Communist Army. As a result, the Chinese people are suffering as much as they did during the war against Japan. China has lost its social and economic stability during the past eight years of hostilities. The Chinese Communists took advantage of this situation. It may be said, therefore, that the Japanese military clique is indirectly responsible for the present situation in China."

We are in no position to deny these remarks.

Minister WU, while in China had stated, "The Nationalist regime has committed various blunders during its tenure of office, and the greatest of these was its compromise with the Chinese Communists." These words are the true confession of the Nationalist Party and will serve as a whip to spur them on to stabilization.

In conclusion, he stated that Communism, viewed from the moral point of view, cannot be adopted by Asiatics. The "Red peril" in China will be equally dangerous to Japan, for she has a vast market there. The rehabilitation of Japan's industry will be difficult without the peaceful unification of China.

Minister WU did not refer to the problem of Japan's participation in the projected anti-Communist front. This may be justified inasmuch as Japan is now under Occupation and she has not yet regained the status of an independent nation. Further, we cannot agree to Japan's entry into an international anti-Communist front of a military character because she has been reborn as a completely unarmed country.

The real purpose of Minister WU's visit to this country has not been bared, but he must have come here to find out "various possibilities" of Japan's stand and the Far Eastern anti-Communist front by inspecting the actual situation in this country.

In view of the 1,000-year-old relationship between Japan and China, no Japanese may oppose the idea of reviving friendly relations with unified China. We pray and look forward toward the time when the desire of the Chinese people unify their country is realized and the freedom, friendly relations and prosperity of the Far East as a whole is promoted.

III POLITICAL

ARTICLES OF POLITICAL SIGNIFICANCE FROM
NEWSPAPERS AND MAGAZINES PUBLISHED
THROUGHOUT JAPAN

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ITEM 101 DIRECTOR-GENERAL SAITO AND THE POLICE LAW

(Extracts)

JIJI MONDAI KENKYU (Monthly Magazine), Aug 49 -- The government has been seriously deliberating the "declaration of a state of emergency" due to the present social unrest as seen in the SRWU "August offensive" in opposition to the large scale dismissals, the recurrence of unlawful acts, and the mysterious death of President Shimoyama. In this connection Premier YOSHIDA invited Chairman of the Public Safety Committee TSUJI to confer with him on 6 Jul, and expressed his dissatisfaction over the operation of the police system and his intention to replace SAITO, Director-General of the National-Rural Police.

At a press interview the following day, Secretary-General MASUDA declared that the decision to declare a state of emergency was entirely up to the Premier, consequently advice from the State Public Safety Committee was not absolutely necessary in such a case. He also revealed the firm government stand that, although the appointment and dismissal of the Director-General of the National-Rural Police rested with the State Public Safety Committee, the Premier as the administrative head of the Government possessed the same authority.

A conference was held by the State Public Peace Committee the following day, where it was unanimously decided not to conform with the demands of the Government.

The Government on the same evening published a statement to the effect that, due to the inexperience of Director-General SAITO in the police field, he was not qualified for his position under the present condition of national affairs. The statement continued that he was also very unco-operative towards the government in presenting plans and information regarding public safety.

Chairman TSUJI of the Public Safety Committee on the morning of the 9th made a detailed refutation of the Government's statement, attaching political significance to the problem of Director-General SAITO.

The origin of this affair appears to have centered around the personal feelings of Secretary-General MASUDA and others. The Government declares Director-General SAITO to be unco-operative in the matter of gathering information on public safety; but under present laws and systems how much information can the National-Rural Police be expected to gather? To place the responsibility of the Hiroshima, Taira and Shimoyama Incidents entirely upon Director General SAITO reveals insufficient knowledge of the new Police Law.

The Communist Party has spread its intelligence advance guard throughout the country and is attempting to find loopholes in the police and capitalist offensive, in preparation for the revolution.

ITEM 101 (Continued)

Under the present divided system of an Autonomous Police and National Rural Police, it is clear that sufficient counter-measures cannot be devised. For instance, the small autonomous police systems of southern Fukushima Prefecture centering around Taira had encountered communist difficulties at various times individually, but had not informed each other. If this information had been exchanged, the Taira Affair might have been prevented.

Why does not the Government vigorously reform the police system before blaming Director-General SAITO? For the Government to demand his dismissal from the State Public Safety Committee and then to enforce this reform is, as Professor TANAKA Jiro of the Tokyo University stated in the ASAHI SHIMBUN on 11 Jul, "legally exceeding one's authority and politically leaving the root of future evil."

Professor Tanaka continues, "The Government should respect the position of the police and strictly refrain from interfering in the personnel affairs of the police. To do otherwise constitutes overstepping its own authority and initiating the mal-practice of utilizing the police for the Government's own political purpose."

If, through the problem of Director-General SAITO, the opportunity for re-examination of the police system is provided, it is indeed a matter for rejoicing.

ITEM 102 SP RECONSTRUCTION IN KOCHI NEAR SOLUTION

(Full Translation)

KOCHI NIPPO (Kochi), 12 Aug -- The Socialist Party Reconstruction Preparatory Committee, which aiming at the revitalization of the Socialist Party in Kochi Ken, had been deliberating on and preparing concrete measures, recently completed a reconstruction plan. In accordance with the plan, the Committee is expected to call a meeting on 15 August, to dissolve the Committee and organize a preparatory committee for a Socialist Party Reconstruction Convention, which is scheduled to be held in early September. The present prefectural Socialist Party is expected to be dissolved at that time and a fresh start planned as a "reconstructed" Socialist Party.

Since SP chapters show little interest in this plan considerable trouble is expected in its realization. But the SP reconstruction question in Kochi Ken is on the road to final settlement.

ITEM 103 CONDITIONS IN OKINAWA DESCRIBED

(Extracts)

YOMIURI SHIMBUN, 15 Aug -- TOMIYAMA Shoichi, born in Sakushiki Mura, Chinen District, Okinawa Island, who recently came to Japan to study at the Showa Medical University, commented as follows on the situation in Okinawa:

"The capital of the Okinawa Citizens' Government is presently situated in the Chinen District, but it will soon be moved to Naha Shi. The Government is composed of the Secretariate and the General Affairs, Police, Public Sanitation, Economy, Education, Finance, Engineering and the Justice Bureaus. The Governor is SHIKIYA Takanobu, 67 years of age, who graduated from Hiroshima University of Literature and Science, where he had majored in mathematics. Before Japan's defeat, he was the principal of Kainan Middle School. The Governor was not elected publicly, but was appointed by the US Military Government. The people in general have little interest in politics.

ITEM 103 (Continued)

"The Socialist Party, the Democratic League and the Peoples Party are the opposition parties to the Citizens' Government, and no conservative party has been formed as yet. Parties that have been formed have little influence. The Socialist Party, headed by OGIMMI Tomonori, is the most conservative party and advocates pro-American policies. The modertate Democratic League is led by NAKASONE Motokazu, who seceded from the Communist Party. This party's objective is national independence.

"The Peoples Party, which is the furthest to the left, is headed by KANETSUGU Saichi, and its policies are radical. The Socialist Party and the Democratic League are like the Socialist leftist faction in Japan and the Peoples Party is like Japan's Worker-Farmer Party.

"The Communist Party in Okinawa Island is not as influential as Japanese rumors would have it, although TOKUDA Kyuichi was born on the Island. Of late, the Japan Communist Party is distributing the Akahata and other pamphlets on Okina Island and Amami Oshima. Since the islanders are having a difficult time in making a living, if the Government policies are bad, Communist influence will grow in the Islands.

"The US Military Government has exerted great efforts to rehabilitate Okinawa. In the budget for 1948, it appropriated 28 million dollars for rehabilitation and six million dollars for relief totaling 34 million dollars. The appropriation for 1949 may increase. In prewar days, a 5,000-ton ship could hardly enter Naha Port, but, today, a 10,000 ton ship can easily enter the port. Public order is maintained well, and there are no murders or robberies. However, juvenile delinquency and petty thievery have increased since the war.

"The 6-3 educational system was enforced in Okinawa immediately after Japan's defeat, prior to Japan's enforcement of the same system. However, since school facilities are insufficient to meet the demands of the new system, many schools are closed on rainy days. An Okinawa university will shortly be established in Shuri-Shi, but, it will be difficult to obtain good professors. Textbooks and stationery are also scanty. Since the Okinawa language is a dialect, every school uses textbooks written in Japanese.

"The Military Government is striving for the social and cultural development of Okinawa. It has sent 100 students to Japan at an annual expense of 90,000 yen per person. These students will return to the Island after three years and will be given specified jobs for Okinawa's rehabilitation. In addition, six students are studying in Hawaii and two more students will shortly go to the United States. The youth of Okinawa are filled with hopes.

"As a result of Japan's defeat, Okinawa has been severed from Japan's territory at 30 degree parallel (N). Amami Oshima formerly belonged to Kagoshima Ken. Okinawa was a Japanese territory for a long time, and the islanders have been assimilated with the Japanese racially and culturally. Economically, the island is inseparable from Japan. Since the islanders have a deep attachment to Japan, if a plebiscite were permitted, more than 90 percent of them would vote for annexation to Japan."

POLITICAL

ITEM 104 THREE "BLACKGUARDS" OF EXAM COMMITTEE BARED

(Summary)

SEIKEI JOHO, 11 Aug -- A human being sometimes reveals more than he thinks he does. If he is innocent of a misbehavior he is accused of, he laughs it off saying, "That is a false report." However, if he is touched on a sensitive spot, he flares up at once.

When the Lower House Examination Committee meeting on 8 August investigated the strike at the Hiroshima factory of the Japan Steel Manufacturing Company, Committeman OHASHI (Democratic Liberal) used the words "blackguards of the Communist Party." Perhaps because this touched a sensitive spot, KAMIYAMA Shigeo (Communist), one of the so-called three blackguards of the Examination Committee-AKAMATSU (Socialist) and OHASHI (Democratic Liberal) can be considered the other two -- immediately rushed to the chairman's seat and attacked him. Then he left the hall with Committeeman KIKUNAMI (Communist) gesticulating wildly as an indication of his indignation.

As previously reported KAMIYAMA's and AKAMATSU's words and actions on the Examination Committee are too vulgar for people of good sense. If you think this accusation is injust, please examine stenographic records. However, if the stenographic records have been corrected on the orders of Chairman KAJI, I have no more to say.

KAMIYAMA uses crude forms of expression that the democratic people of Japan have forgotten. Since daily newspapers do not report the details of the discussions (perhaps because there are no printing types suited for the above words), the readers do not know how excessivly vulgar the committee's proceedings are.

If we should want to study these crude forms of the Japanese language which have been forgotten by present-day Japan, it would be best to record the conversation of the Examination Committee for one hour before the meeting opens and broadcast the result. It goes without saying that this must be done without the knowledge of the committeemen.

Although we thank the committeemen for their hard work in the heat, we desire that the vulgar expressions be stricken from the record.

ITEM 105 SAITAMA VICE-GOVERNOR CANDIDATES NOMINATED

(Full Translation)

MAINICHI SHIMBUN (Saitama edition), 14 Aug -- For the still vavant Saitama vice-governorships which every one has been watching since Governor OSHIMA took office two months ago, the governor has apparently decided to pick both vice-governors at once, and he is expected to recommend two candidates for approval -- Chief IIZUKA Eisuke of the Akita Prefectural Office Liaison Bureau, and Lawyer MATSUYAMA Yoshio of Urawa Shi -- to the August session of the Saitama Prefectural Assembly slated to convene on 17 August.

The governor believes that if only one is chosen when two can legally be appointed, trouble will arise continually for sure over the remaining vacancy. This is why he plans to appoint both vice-governors at the same time.

The Governor's first selection is MATSUYAMA, a fellow alumni of Chuo University who acted as his adviser in the recent gubernatorial election. The other is IIZUKA, who entered the picture when on 9 August Chairman KOBAYASHI of the DLP Saitama Prefectural Chapter, also a member of the House of Councillors, called on the prefectural

ITEM 105 (Continued)

governor (Chairman NAKAMURA of the Prefectural Assembly was also present there) and told him that the DLP was going to recommend Chief IIZUKA Eisuke of the Liaison Bureau of Akita Prefectural Office, also endorsed by Chief Cabinet Secretary MASUDA.

On hearing this, Governor OSAWA replied that he would first like to consult with Chairman ARAI of the Saitama Ken Town and Village Mayors' Council, which had been his mayor election backer. This organization thereupon called a conference of its chairman, vice-chairman, and chiefs of each Gun chapter on 11 August and decided to leave the matter entirely to Chairman ARAI.

Chairman ARAI had a talk with Governor OSAWA and the two came to an understanding that IIZUKA and MATSUYAMA would be referred to the Prefectural Assembly as the vice-governor choice of the DLP headquarters and the Prefectural Town and Village Mayors Council respectively.

ITEM 106 OPPOSITION PARTY OFFENSIVE PROVES FIASCO

(Summary)

TOKYO SHIMBUN, 14 Aug -- The Socialist proposal for the leaders of opposition parties to meet with Premier YOSHIDA in order to promote an early Diet convocation became another opposition fiasco when the premier summarily rejected the proposal. This was a serious blow to the Socialist Party (which is regarded by the people as a possible successor to the current government) because it clearly showed up its weakness. The fact is that if the party has not influence enough to push through a demand for an early Diet session, it will be powerless against Government measures when the Diet is convened. This means that labor, farmers, intellectuals and the petit bourgeoisie cannot anticipate any help from the opposition and ultimately cannot retain any hope in politics as such.

On 27 June the Central Executive Committee of the Socialist Party decided to demand an early Diet convocation and proposed to the Communist and Worker-Farmer parties, the Opposition Democratic faction, and the New Politics Council that they meet to discuss the question. However, in the face of the opposition of the New Political Council and the Opposition Democratic faction, the Socialists were obliged to withdraw their bid to the Communist Party. For this reason the other four opposition parties were barely able to scrape up a total strength of one-fourth of total Diet seats in their demand for a Diet convocation.

When the Government flatly disregarded the demand and stuck by its original decision to convoke the Diet in mid-September, the Socialist Party started out on another track.

On 9 August, YASUHIRA, a Socialist leader, visited leaders of the other three parties and proposed that the four party leaders conference meet the premier on 15 August to demand Diet convocation. However, the Worker-Farmer Party opposed the exclusion of the Communists and stressed the need to develop a movement to overthrow the Government, and the Opposition Democrats asserted that a liaison council of the opposition parties rather than the Socialist-proposed meeting should be held.

Then, the Socialists suddenly changed their proposal and decided to hold a liaison council of the opposition parties on 10 August. However, on 10 August, the Worker-Farmer Party formally delivered its refusal to participate in the liaison council while

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the New Political Council, which is divided into various factions, also decided to stay out. The last stage of the Socialist failure came on 11 August when the party received a telephone call from MASUDA, Chief Cabinet Secretary, stating that the Premier had no intention of meeting the four party leaders.

Thus, the original objective of the Socialist Party to apply pressure on the Government by creating a unified front of opposition parties contrarily resulted in an inter-opposition conflict, caused the alienation of the Worker-Farmer Party from the Socialist Party, and accentuated the internal conflict of the New Political Council.

ITEM 107 REPATRIATES BEHAVIOR TO BE EXPLAINED

(Full Translation)

MAINICHI SHIMBUN (Yamagata edition), 13 Aug -- These notes on conditions behind the iron curtain were written by TAKEDA Shinsaku, 34, who returned from the Soviet Union on the first repatriation ship, the Takasago Maru. TAKEDA now lives at Kamiyamaga, Suzukawa Machi, Yamagata Shi. He intends to publish his detailed notes in the near future to give the people, especially the intelligentsia, an understanding of the repatriates' behavior.

After graduating from Rissho University in 1941, TAKEDA became a professor at Daido College in Manchuria. Up to 11 August 1945, four days before the end of the war, he was Vice-president of the Iran Senior High School in North Manchuria. He was then called to the colors and after the surrender, he was held as a prisoner-of-war by the Soviet Union and interned at Krasnoyarsk, Rupsovka, and Nahodka.

In explaining his decision to publish his notes, he said, "In the one month following their return to Japan, repatriates who had been subjected to biassed Soviet propaganda have found many differences between actual conditions in Japan and what was told them during their internment. They are now reconsidering their rash actions immediately after their disembarkation. It is not good either for the repatriates or the people at large to retain the impression of the repatriates that resulted from their behavior of the first few days."

In his account of conditions in the Soviet Union and his impressions of Japan, TAKEDA says, "What is called public opinion in the Soviet Union is nothing but directives issued from the guidance section of the Bolsheviki. Because of the section's clever handling, these directives appear to be the true views of the people. Soviet workers in Siberia are leading a miserable life. They get only 400 to 500 roubles a month. To make both ends meet, they resort to petty thievery and illegal sale of the national forestry products. Japanese internees receive 400 roubles a month. When they competed with Soviet workers in digging holes, Japanese internees did better (36 percent of the norm) than the Russians (25 percent). In factory work Japanese internees usually finish 200 percent of the norm. Soviet workers asked Japanese internees not to work too hard, for this would raise the norm.

"In the Soviet Union, LENIN and STALIN are revered. It is possible to say that Leninism and Stalinism are Russian religious sects.

"At first the Japanese were treated as prisoners-of-war. They were divided into three classes in accordance with the individual

ITEM 107 (Continued)

differences in working efficiency and physical condition. Later, under the name of international solidarity of the proletariat, they started a thorough educational program. They said that to work for the Soviet Union constituted a direct service to the Japanese people. Although they did not punish us physically, driven by education and intimidation, we worked hard in an effort to return to Japan as early as possible. After all, I believe that STALIN wanted to rebuild the country, damaged by the German invasion, by the best available means.

"What has impressed me most since my arrival in Japan is that the Russian propaganda was completely biassed. Contrary to what we were told, the difference between the living standard of the rich and poor has become very slight in Japan. The delivery quotas for farmers are not as heavy as we were told in the Soviet Union. These facts indicate that the Soviet Union and the Japanese Communist Party are making the great mistake of disregarding reality, thus causing their theory to contradict reality."

ITEM 108 SOCIALISTS DISAGREE OVER TWO-FRONT STRATEGY

(Summary)

NAIGAI TIMES, 12 Aug -- In early July, when the dismissal of nearly 100,000 State Railway workers began shaping up, the relations among the Democratization Leaguers, the Unification Leftists, and the Government became greatly aggravated. Socialist Party Secretary General SUZUKI, who had been anxiously watching the moves of the SRWU and the Government, announced through AKAMATSU, his spokesman, that the Socialist Party would advance with an anti-Communist-anti- DLP two-front campaign as its basic policy to overcome the critical political situation.

What is this two-front campaign? Within the party, principally among its leftists, there exist two different interpretations. One group advocates a simultaneous drive against both the extreme-right and the extreme-left and the fulfillment of socialism through their defeat. The other group, however, advocates smashing the extreme-left first and attacking the extreme-right later. In this fight against the extreme left, this group even advocates a temporary compromise with the rightist camp.

Which interpretation the party will decide to adopt will depend on the situation and the conditions at the time. SUZUKI insists on adopting until next March the latter interpretation which lays emphasis on anti-Communism in order to expel the Communist influence from the labor unions. SUZUKI's opinion generally represents the views of the bulk of the leftists. However, the self-styled Pure Leftists, including Dietmembers ADACHI Umeichi and NARITA Tomomi, and former Dietmember SUZUKI Yuji, insist that the party put most of its weight behind an anti-DLP struggle, and they even threaten to bolt if their contention is not accepted.

Moreover, leftist-led SP prefectural federations in Hokkaido, Ibaragi, Gumma and Saitama prefectures are forming partial joint fronts with the Communist and Worker-Farmer parties in disregard of the anti-Communist struggle policy adopted by the party headquarters.

The rightists, for the most part, seem indefinite toward the leftist-advocated two-front operation. Rightists MIZUTANI Chozaburo and NISHIO Suehiro, however, are openly opposed to it, arguing that there has never been a two front operation that succeeded and they advocate an anti-Communist one-front battle.

ITEM 108 (Continued)

Rightists Doubt SUZUKI

The rightists' hesitance regarding the Suzuki-advocated two front operation is due partly to the sentimental feud between the right and left wings but more fundamentally it is based on doubt as to SUZUKI's actual will to fight Communism. About the middle period of the Taisho era, SUZUKI had joined the Communist movement together with KATAYAMA Sen and IMATA Tsunao. Although he later bolted the Communist Party, he was still regarded as a pro-Communist within the Socialist Party until just after the surrender, after which he became anti-Communist. It is unthinkable, however, that SUZUKI, merely because of his varied past, may, as the rightists fear, again turn to Communism.

The rightists' efforts to tone down the party's attack against the DLP by finding fault with SUZUKI's anti-Communism are based in part on the consideration to conduct the anti-Communist move in the most effective way possible, but principally it is reportedly based on the rightists' desire to curry favour with YOSHIDA, who has announced his intention to help develop a sound Socialist Party.

Also, regarding the next cabinet, MATSUOKA Komakichi and other rightists have indicated that they may participate, depending upon the circumstances, while the leftists have decided not to participate until the work of party reconstruction has been completed. Thus, the rightist and leftist factions are aiming at different political courses. Such being the case, apart from the anti-Communist struggle, much doubt is expressed as to what extent the party will be able to carry out its anti-DLP struggle.

ITEM 109 COMMUNIST COUNCILMAN SUSPENDED FOR TAX DISCLOSURE

(Full Translation)

SEIBU ASAHI SHIMBUN (Chikuho edition), 11 Aug -- The Iizuka City Council (Fukuoka Ken) on 9 August held a disquiet session over the disclosure made by the Communist organ AKAHATA, that the 1948 fiscal year city residents tax for five of the city councilmen had been extraordinarily low, like the 256 yen for Councilman OKA.

At this session, OKA made a motion demanding disciplinary action against Councilman YOSHIHASHI (Communist) for looking up information at the city tax office as to the amount of city residents tax levied and relaying this information to the AKAHATA. The motion was passed, and it was debated whether or not to refer YOSHIHASHI to the Disciplinary Committee. In the end, it was decided to enter into closed session, whereupon the council subsequently voted 10 to seven to suspend Councilman YOSHIHASHI for the next 16 months until his term of office expires next spring (sic).

Councilman ASANO, who did not attend this session, stated: "It is not an exaggeration to say that the immediate action taken by the council without proof of whether or not YOSHIHASHI did pass out information or without referring him to the Disciplinary Committee set up for such purposes was a sheer abuse of numerical force and highly improper. On the other hand, if YOSHIHASHI actually did relay information from his tax findings to a certain quarter, it is regrettable that he, as a councilman, was so imprudent. If upon investigating, he felt that certain amounts levied had been improper, it would have been more his duty as a councilman to bring the matter up at the city council meeting and demand a formal investigation."

ITEM 109 (Continued)

Meanwhile, the Iizuka-Kaho District Labor Unions Joint Struggle Committee staged an outdoor meeting on the west side of the City Hall the same evening "to reveal the facts concerning the city council," featuring Councilman YOSHIHASHI. Disclosure that the city residents tax for some city councilmen averaged about 750 yen for the current fiscal year and about 240-250 yen for the 1948 fiscal year drew the attendance of office-workers on their way home and people out for an evening stroll, creating such a crowd that the police had to be called to direct traffic.

After the meeting adjourned, a demand was forwarded to Mayor ISHIZAKA and the other city authorities to explain to the public the standard on which the tax levies were based.

ITEM 110 PERSONNEL CUT PROGRESS REPORT

(Full Translation)

MAINICHI SHIMBUN, 17 Aug -- At the 16 August Cabinet meeting, State Minister HONDA and Vice-chief Cabinet Secretary KORI gave their first progress report on the Government's personnel reduction program. They said that the Government believes the program has now passed its critical point with the reductions in Japan State Railway and the Communications Ministry almost completed. But they said the Government intended to carry on its program prudently because workers in some ministries, incuding the Agriculture and Forestry Ministry, are expected to protest reductions strongly. The gist of the report follows:

Among the discharged workers there were a considerable number who were relieved of their post at their own request. The program is proceeding without a hitch, and it will be near completion by the end of August, but the severance of some who voluntarily resigned but have not been officially discharged yet will be completed through September. The reductions as of 15 August follow (total dismissal figures in parentheses):

Premier's Office, 1,780 (3,000); Foreign Ministry and Attorney General's Office, almost completed through shuffling within the ministries; Finance Ministry, 5,400 (6,000); International Trade and Industry Ministry, almost completed (3,000); Education Ministry, 400 (600); Transportation Ministry (main office), completed (2,500); Postal Administration Ministry (20,000) and Telecommunications Ministry (10,000), almost completed; Labor Ministry, completed; Construction Ministry, completed, with some local offices scheduled to complete reductions through September; the Economic Stabilization Board (1,300) including the Price and the Economic Investigation boards will be near completion by the end of August; and the State Railways has 500 more workers to discharge. The Monopoly Corporation is an exception and will increase rather than decrease its personnel.

ITEM 111 NAGANUMA SAYS DIET CALL ON 15 OCT DIFFICULT

(Full Translation)

HOCHI SHIMBUN, 17 Aug -- Vice-minister of Finance NAGANUMA on 16 August in commenting on the question of the supplementary budget said that it may be difficult to convene the extraordinary Diet session even by 15 October. His comment follows:

"The supplementary budget is to be compiled with reduction of subsidies as a basic premise. If the extraordinary Diet is to be

ITEM 111 (Continued)

convened on 15 October, even if preparation of the supplementary budget should begin on 1 September, it will be necessary to reduce to 20 days the time allocated for the expression of views from the various ministries; to seven days the time for rehabilitation demands; to 10 days the time for negotiations; and to eight days the time for printing. Even negotiations with quarters concerned will take more than 10 days to complete. Thus convocation of the extraordinary Diet on 15 October would be difficult."

ITEM 112 CRISIS IN LOCAL AUTONOMY by MITANI Tatsuhiko

(Summary)

CHORYU (Monthly magazine), Aug 49, -- In the 10,628 cities, towns, and villages throughout the country, 2,179 mayors and village headmen were dismissed or recalled up to May, in the majority of cases as a result of issues involving the budget for the 6-3 education system, school building sites, delivery quota, increase in residents tax, to say nothing of scandals. All these incidents are merely the results of instability of local finance. The financial foundation for an ideal management of the local self-governing community is not only undermined, but the burden of taxation is also cast onto the shoulders of the working classes by the monopolistic capitalists.

It is a definite fact that the exploitation of the people by the monopolistic classes has been accelerated with the progress of the revisions of the Local Autonomy Law, which in reality threatens to become a mere scrap of paper. The decrease of approximately 80 billion yen in the local annual revenue from the government indicates the intensified exploitation by the monopolistic capitalists.

As a result local autonomous administration under this policy of the Yoshida Cabinet is aggravating the opposition between the government and those in charge of local autonomy such as governors, prefectural, municipal, and town assemblies. The more successful the local governments are in making themselves obvious as lower echelons of the Government, the more unstable their position becomes. Moreover, since they are receiving state aid, they are not in a position to voice the demands of local inhabitants.

At present, the basis of economic requests of laborers is closely related with various problems of local society. Whether or not they can succeed in regional struggles, taking advantage of the commotion and confusion of local governments, depends solely upon the manner in which they systematize various daily requests of citizens, farmers, students, and industrial capitalists for the struggle against local authorities.

IV ECONOMIC

ARTICLES OF ECONOMIC SIGNIFICANCE FROM
NEWSPAPERS AND MAGAZINES PUBLISHED
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ITEM 113 SANGYO KEIZAI SURVEYS JULY ECONOMIC TRENDS

(Full Translation)

SANGYO KEIZAI SHIMBUN (Osaka), 10 Aug -- One month after the Diet adjourned, the Government, setting out on a course to implement the Dodge Plan, launched upon the task of cutting down the State Railway staff.

Against this first-round action, the fiercely-resistant State Railway Workers Union resorted to forceful tactics and placed the Government in a difficult position. However, the unexpected death of SHIMOYAMA under mysterious circumstances on 5 July, the day following the announcement of the railway retrenchment order, took the edge off the workers' will to resist the action.

On 15 July, while the authorities were still hopelessly undecided over whether murder or suicide caused the death of SHIMOYAMA, another incident, the so-called Mitaka case, hit the headlines and took public attention away from the Shimoyama case.

During this period the application of part of the counterpart fund was authorized, and the operation of the Bank of Japan's high interest rate system was somewhat relaxed. However, since only the future can tell what effects these measures will have, business activities have remained at a low ebb. Undoubtedly, the summer slack season has a lot to do with the sluggishness.

Generally speaking, Japan's economy has arrived at a decisive crossroads, one path leading to the aggravation of deflation and the other, to stabilization. The situation was discussed at the regular meeting of the Annual Ring Club (NENRIN KURABU), attended by the following persons: YUTORIYA (the Fujinami Securities Company), YAMANAKA (Nihon Cotton Spinning), OUCHIYAMA (Osaka Bank); SENOO (Bank of Japan); IKEMOTO (Bank of Japan); MOROHOSHI (Nihon Construction); NAGATA (Mitsubishi Electric); TSUGAWA (Mitsubishi Electric); OUCHIYAMA (Nihon Insurance); TAKAHASHI (Kansai Friends Society); KITO (Hitachi Ship Building); and ISHIKAWA, TODA and KUBO (SANGYO KEIZAI). Their opinions follow.

Production

Every year, production invariably slackens during the period between July and September because of a drop in the hydro-power supply. This year production has dropped seriously, not because of the usual summer slack, but primarily because of the monetary stringency brought on by the export slump and the prevailing deflationary trend.

Coal output decreased by 200,000 tons for seasonal reasons, but other commodities, with the exception of some items, maintained almost the same production level as that of the previous month.

Among those registering a decrease are cotton yarn and cloth, rayon yarn and cloth and ammonium sulphate. The decrease in textiles output is due to the export slump, and ammonium sulphate to the explosion which occurred in the Showa Denko's Kawasaki plant.

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However, the combined index for fertilizer remained constant, since the output of super-phosphate increased greatly by 12 points, offsetting the deficit in the former.

Motive Power and Labor Power in Transportation

In the field of motive power, outside the increase in coal output, electricity dropped off by 23 points for seasonal reasons. The decreased electricity is not reflected clearly in the aspect of production, which can be explained by the fact that there is a time discrepancy between actual production and production reports, and that a comparatively small number of items were covered by this survey.

The shipment of coal to the Kinki district increased by nine points, and the total shipment decreased by only seven points.

Freight transportation has shown signs of a summer slump; freights handled by the Osaka Railway Bureau registered 1,066,000 tons, or a decrease of 25,000 tons from the previous month. Therefore, the actual transportation rate becomes 130, since four points are added.

Job-hunters opportunities for employment have both increased, but the former far more than the latter, making the finding of positions more difficult.

International Economy and Trade

President Truman's new economic policy has helped the American market, which is currently registering an upward trend. However, wheat alone dropped by six points.

Export contracts in July amounted to 33,747,000 dollars, or an increase of 4,000,000 dollars over the previous month's figures; this, however, cannot be regarded as indicating improvement in exports. No improvement has been witnessed so far in the purchasing power and import restriction overseas.

About three months will be required before the new agreement with the sterling bloc begins functioning. This is one of the major reasons why the current export situation is so dark.

The increase in export contracts for July is attributable chiefly to the special phenomenon that the export of iron and steel products increased temporarily, as a result of the reduction of their floor prices. Textiles were very sluggish in every branch; the July exports are expected to be about 14.2 billion yen and the imports 26 billion yen, registering an unfavorable balance of about 12 billion yen. These figures indicate that both exports and imports increased to some extent.

The export in May and June was sluggish, with 24 and 39 million yen respectively (Providing that the yearly target is 600 million yen, the May figure is 50 percent of the monthly average and the June figure, 60 percent.)

Textile goods were the leading item for export, and cotton cloth headed the list of exports. In July, 2,424 bales of silk, or 859 bales more than the previous month's figure, were exported. Of the total, 120 bales were shipped for America three months after the previous shipment.

Iron and steel products, for which orders were put, one after another, at the beginning of the month, were shipped during the last 10 days of the month, increasing the exports for the month.

In the case of imports, in addition to American, Indian and Egyptian cottons, Uganda, Sudanese and Iraq cottons were also imported.

ITEM 113 (Continued)

Cotton and foodstuffs are the two leading import items, followed by rubber, mineral oil and hemp, which were all imported without difficulty.

Financing

As for the public finance for July, the revenues were 46.7 billion yen in the general account and 83.5 billion yen in special accounts - the total 130.2 billion yen. The expenditures were 44.1 billion yen in the general account and 80 billion yen in special account - the total 124.1 billion yen.

This means that the Government reabsorbed 6.1 billion yen from circulation, which is almost the same amount as the previous month's figure. This favorable balance in the public finance is attributed to the facts that tax receipts amounted to 43.4 billion yen, since July was the month for paying income tax assessed on taxpayers reports, tax on sake and corporation tax, and that the disbursement for occupation expenses was only 7.1 billion yen.

On the other hand, Bank of Japan loans shrunk by 5.6 billion yen, since the bulk of the 10 billion yen - the total sum of designated deposits for July - was applied to the repayment of the Bank of Japan loans. As a result, Bank of Japan notes in circulation as of the end of July registered 295.4 billion yen. or an decrease of 6.1 billion yen from the previous month's figure. Thus, currency circulation is dropping.

City bank deposits have not increased satisfactorily because of declining currency circulation. The balance of the Osaka Bankers Association accounts as of the end of July was 78.9 billion yen, or an increase of 2.8 billion yen over the previous month's figure. This increase in deposits is attributed to the fact that deposits which had continued to decline increased at the end of the month, due to the concentration of transaction deposits. However, this amount of increase is far below the June figure of 6.3 billion yen.

Loans increased greatly when compared with deposits, registering the balance of 84.3 billion, or an increase of 6.7 billion yen over the June balance, which, in turn registered an increase of 7.3 billion yen over the May figure. Of the deposits, the balance of general deposits as of the end of July was 75.3 billion yen, or an increase of 3.1 billion yen over the previous months figure.

Of the loans, 3.2 billion yen was extended to 10 cotton spinning companies to facilitate funds for purchasing raw cotton, and the bulk of the remining loans were for five rayon companies. This fact indicates that loans have still been concentrated in larger enterprises.

Commodity Prices

Reflecting sluggish sales and monetary stringency, commodity prices have been on the decline. Although official prices were hiked somewhat, free prices fell off below the June level, bringing a decline in effective prices. This trend is indicative of the continued intensification of the deflatinnary development.

Future Prospects

Public finance figures for August are expected to be as follows:
Revenues - the general account, 32.5 billion yen (tax receipts, 29 billion yen); special accounts, 81 billion yen; and the total, 113.5 billion yen.

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Payments in yen -- the general account, 34.9 billion yen; special account, 80 billion yen; and the total, 114.9 billion yen, resulting after all in excess payment of 1.4 billion yen over the total income.

Of the disbursement, 16 billion yen applied toward the redemption of food stuff bonds (RYOKEN) will flow directly into the RFB and closed institutions without increasing funds of city banks. Therefore in its effect the disbursement would be tantamount to a budgetary surplus of 14.6 billion yen. Moreover, since there is little hope of covering this balance with the disbursement from the aid counterpart fund, the alleviation of the monetary stringency from the aspect of public finance will be hopeless, and the tight monetary situation can be expected to increase.

Heretofore, coal, electricity and raw materials were the major determinants of production, but recently production has become more subject to market and financing conditions. The future production will depend entirely upon the market situation. In this sense, we should pay special attention to the future of the export trade.

Although the conclusion of contracts for cotton goods so far has not shown any sign of improvement, the future of the export trade is not necessarily pessimistic, since textiles amounting to 340 million yards are expected in the latter half of the fiscal year when the commercial agreements, which are now being negotiated between Japan and the pound bloc, Central and South America, and Pakistan, are concluded.

The amount of exports constitutes an important problem, but where will the falling prices stabilize constitutes another important problem. The adverse margin of American cotton has recently been narrowed remarkably, which is attributed to the fact that authorities have come to the conclusion that price policies will stabilize during the course of the coming year.

Policies for the coming cotton year are not decided as yet, but the problem depends upon the amount of financing and cotton acreage. Hence, the cotton market will continue to be dull for a considerable period in the future.

Japanese rayon lost of late its two large markets in China and India, and it is also reported that India holds rayon stocks corresponding to two year consumption. If this report is true, even if any trade agreements are concluded, Japan cannot hold any optimism.

The Government is contemplating the release of rayon and staple fiber to domestic markets. Hence, the sluggish export of rayon will not necessarily result in the curtailment of rayon production. Production of other goods is also expected to remain unchanged. The so-called August crisis will possibly be delayed to some extent.

July Indices Compiled by the Federation of Economic Organizations (Taking the monthly figure or the average at the end of month at 100):

	July	June	July of last year
Production			
Producer goods	312	311	179
Consumer Goods	203	206	149
Average	257	259	164
Motive power			
Coal production	136	145	120
Power generation	101	124	107
Coal shipment to Kinki District	189	180	146
Combined	142	147	125

ITEM 113 (Continued)

	July	June	July of last Year
Transportation			
Ship freight	179	179	163
Railway freight	93	95	101
Railway actual transportation rate	130	126	91
Labor			
Osaka, offerers of employment	42	34	93
Osaka, job hunters	413	324	238
Labor disputes	---	151	90
Financial Circulation			
Bank of Japan notes	205	209	167
Bank of Japan loans	149	165	116
City bank deposits	865	829	376
City bank loans	489	449	209
Department stores' sales	670	645	380
Bill exchange	655	672	298
Commodity price			
Osaka Chamber of Commerce and Industry retail	151	154	148
Bank of Japan, producer goods	155	164	163
Bank of Japan consumer goods	145	145	147
Free, average	150	154	153
Bank of Japan, official	467.	466	275
Effective price	277	279	202
Stock price			
Textile stock	163	178	386
Chemical stock	513	510	265
Transportation stock	332	322	157
Basic industry stock	329	388	172
Commercial stock	73	81	69
American market			
Industrial stock, 30 kinds	98	93	103
Steel stock	94	89	109
Ana copper stock	77	71	101
G.M. stock	102	93	105
New York raw cotton	93	95	96
Chicago, wheat	67	81	88
Trade			
Exports	275	277	169
Imports	182	196	90
Balance of trade	137	155	51

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ITEM 114 CHANCE SLIM FOR MINIMUM WAGE THIS YEAR

(Full Translation)

TOKYO SHIMBUN, 15 Aug -- Following the slash of industrial subsidies, the question of a minimum wage system has come to draw special attention.

Through the enforcement of economic stabilization policies, the average of industrial wages began to fall and dropped to 8,329 yen in April and 8,060 yen in May.

Since the workers' plight is further accentuated by the gradual decrease of real wages and increase of real living cost, Labor Minister SUZUKI declared at the ministerial conference on 9 August that the time has now come when we must consider the minimum wage system.

We shall see below whether this system can be realized soon.

1. A minimum wage system as viewed from the general economic situation.

The stabilization panic gives rise to a temporary depression in general industries, as a result of which workers must generally suffer from lower wages. Wages inconsistent with the value of labor threaten workers' livelihood and cause the labor efficiency to drop. Herein lies a reason for necessity to set an adequate minimum wage system.

It is stipulated in Article 28 of the Labor Standard Law that, when deemed necessary, the government office may fix a minimum wage for workers engaged in a specific enterprise or profession. Articles 29, 30 and 31 of the same law provide for means to set up this wage system.

The fact that a minimum wage system has not been adopted despite the elapse of two and half years since the promulgation of the Labor Standard Law proves that the economic situation did not warrant its establishment.

2. Legislation concerning a minimum wage system in other countries.

As a part of over-all policies for the protection of workers, a minimum wage system has already been adopted in many other countries, including the United States, Britain, France, Belgium, Ireland and New Zealand. In Britain, a law provides that all industrial workers be allowed to keep up a proper standard of living and be awarded as much wages as each enterprise can sustain.

In the United States, this system has also been legalized and a minimum wage of 40 cents per hour is guaranteed currently. There is a move among labor unions to raise this limit to 75 cents. From a neutral point of view, however, a raise to 60 cents is said to be possible.

3. Legislation governing the establishment of a minimum wage system in Japan.

To establish a minimum wage system in Japan, the Labor Ministry must first organize a Central Wage Commission in Tokyo and local wage commissions in each prefecture, in accordance with Article 29 of the Labor Standard Law.

The Central Commission will be composed of five delegates each from labor, management and neutrals, and in prefectures, of three delegates each.

The Commission will make recommendations as to a minimum wage and the number of workers engaged in a specific enterprise or profession, and the Labor Minister will be required to seek its advice prior to fixing a minimum wage (Art. 30).

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When a minimum wage has been set through the above procedure, an employer will be prohibited from hiring workers under the established minimum (Art 31). But, unhealthy and unskilled workers will be excluded from the application of this article.

4. Methods of working out a minimum wage.

How to establish a minimum wage is a question in itself. Some time ago, the National Congress of Industrial Organizations filed a demand with the Labor Minister, stating that a minimum wage should be such as to allow a worker to keep up a proper standard of living. However, the amount of a minimum wage varies according as it is based on a theoretical living cost or a real living cost.

If it is based on a theoretical living cost, the figure worked out will not be in keeping with the actuality. Ultimately, the amount of a minimum wage will have to be based on a real living cost, after due consideration has been paid to the solvency of the enterprise involved and the theoretical living cost.

5. A minimum wage system as viewed from the budget.

Labor Minister SUZUKI's declaration, in the midst of deflation, that a minimum wage system should be considered may be prompted by a desire to demonstrate that even the Democratic-Liberal Cabinet is preoccupied with the protection of workers.

To establish a minimum wage system, however, a budgetary appropriation of about eight million yen and legislative steps for the enactment of a Minimum Wage Law are considered to be necessary, apart from the procedure described above. Moreover, certain influencial quarters are voicing opinion that a minimum wage system promotes inflation.

For these reasons, we may safely conclude that the chance of realizing this system within this year is quite slim.

ITEM 115 ROUND TABLE CONFERENCE ON POWER DEVELOPMENT

(Summary)

JIJI SHIMPO, 14 Aug -- (Participants in the round table conference on electric power development, summarized below, were OYAMA, Matsujiro, professor of Tokyo University, chairman of the Power Business Democratization Committee (DENRYOKU JIGYO MINSHUKA IINKAI), and author of the Oyama tentative plan; SHINDO, Buzaemon, director of the Natural Resources Board, former vice-president of the Kanto Power Distribution Company, and former vice-president of the Japan Power Generation and Transmission Company (Nippatsu); OGAMI, Hajime, vice-president of the Yamaichi Securities Company; ONISHI, Eiichi, president of Nippatsu; SAKURAI, Tokuzo, vice-president of Nippatsu; and KIMURA, Masuzo, Investigation Section chief of Nippatsu--Editor).

JIJI PRESS: SCAP has recently granted approval for the first time on the project of developing hydroelectric power sources. The Japanese Government subsequently issued construction orders. There must have been various developments preceding this latest order.

ONISHI: For one thing the shortage of power has been recognized by the authorities. Also, the necessity for power source development was felt in the course of drafting the five-year economic reconstruction plan.

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KIMURA: Permission was given on 3 June for the development of hydroelectric power sources at 33 spots, capable of generating 1,280,000 kilowatts. Of these, work at 30 spots generating 1,130,000 kilowatts will be undertaken by Nippatsu (Japan Power Generation and Transmission Company). Twenty-seven of these projects, with an output capacity of 535,000 kilowatts, will be completed by 1953, increasing the power generating capacity by 2,700 million KWH.

The power company, however, has to raise necessary funds and materials by its own efforts.

PRESS: What about the supply and demand of power?

ONISHI: In 1948, power generation by Nippatsu was 26,700 million KWH; the supply from other plants was about 800 million KWH, totaling 27,500 million KWH. Including the supply by power distribution companies, the total was 32,500 million KWH, a record since the inauguration of the power industry in Japan.

SAKURAI: The power supply in 1948 in the USA was 240,000 million KWH, which is 10 times Japan's output of 24,000 million KWH. Since America's population is twice as large as Japan's and the power supply is tenfold, the supply per capita is five times larger in the USA. The power source development now under planning is far too insufficient to raise the per capita supply in Japan to the level in the USA.

PRESS: Are there any terms set for the method of consuming the power to be generated by the new plants?

KIMURA: There aren't. But the reconstruction of Japan will be greatly furthered if the power to be generated by the new equipment is consumed as much as possible for the production of goods.

PRESS: The problem of raising funds must be of greatest importance in carrying out the development plan.

ONISHI: We has originally estimated that in 1949 29,000 million yen would be required for expanding equipment, and 43,000 million yen for repairing. Of this amount, Nippatsu will require about 25,800 million yen. However, the framework of the US Aid Counterpart Fund accounts was gradually reduced. The total appropriation for the power industry is now cut to 14,500 million yen. Of this, the amount for Nippatsu is reported to have been set at 11,000 million yen. Nippatsu now plans to use 9,000 million yen for the expansion of equipment, and 2,000 million yen for repairing.

PRESS: Mr SHINDO, what is your opinion as to the application of the US Aid Counterpart Fund accounts?

SHINDO: The US Aid Counterpart Fund accounts alone will be insufficient to overcome the situation. The Nippatsu company should exert all-out efforts to raise its own funds.

PRESS: Are you confident that the company will be able to raise its own funds?

SHINDO: The most important thing is to place the company's management on a sound basis, so that it may raise substantial funds. For another thing, since the business of the company is a big public utility project, I believe the Government should give some support until the company becomes self-supporting.

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PRESS: If the company has to raise funds by itself, the quotation of its stocks is likely to be greatly affected.

OGAMI: The current quotation of 62 to 63 yen is too low. It must be at least 80 yen. Although the stocks of the Nippatsu Company advanced as high as 150 yen early this year, the quotation started to drop when newspapers reported the uncertain outlook for the anti-excessive economic concentration measures, and the need for the increase in capital was clearly felt.

If stocks are to be bought by the general public, it is desirable that the authorities take proper measures to enable the company to pay dividends. This point, if left unsolved, will continue to keep stock quotations low in the future. It is desirable that the five central major banks and local banks hold stocks of the power company.

PRESS: Can the Nippatsu company pay dividends of its own accord?

ONISHI: The electricity rates are fixed by the Government through cost accounting. While the operation rate of other industries is only 50 to 60 percent of the prewar standard, that of the power generation industry is over 100 percent. The authorities should therefore fix the electricity rates at a level which will enable the company to pay dividends.

PRESS: Mr SHINDO, what about the dividends?

SHINDO: We intend to permit dividend payments.

PRESS: Formerly, the authorities permitted dividend payments even before generation plants started operation. These dividends were called construction dividends. What do you say, Mr OGAMI?

OGAMI: Under the circumstances, it is particularly necessary to pay something like the construction dividend.

OYAMA: Dividends don't amount to much, do they? Is there something hindering the dividend payment?

SHINDO: I am not opposed to the dividend payment, but it is a question of whether the company's application for dividend payment will be approved to the full extent.

OYAMA: The operators should take a decisive step to pay dividends, no matter how small they may be.

ONISHI: The existing rate is too low to permit such payments.

PRESS: The Government guaranteed dividend payments when the power company was inaugurated in 1939.

KIMURA: Even now, the Power Generation and Transmission Company Law (HASSODEN HO) is in effect. The law stipulates that dividend payments shall be guaranteed for 10 years, but the dividend payment has actually been discontinued since 1945.

SAKUPAI: Electricity rates in Japan now average 1.8 yen per kilowatt hour. They are far cheaper than the rate of 1.79 cents in the

ITEM 115 (Continued)

United States. This clearly shows the unbalance between the price of industrial products and electricity charges in Japan. The stock price of our company reached its peak when the newspapers reported that the reorganization order for the company might be cancelled. Then, it dropped sharply when rumor circulated that the company would be split into seven firms. This trend of stock prices proves that general investors still fail to understand the importance of our company. The fixed assets of the company are currently estimated in book price at nearly 100 billion yen. But when revalued, they will obviously amount to more than 400 billion yen, and in some case even to 470 to 480 billion yen. Even if the company is split, its assets value will be far larger than that of power distribution companies which now possess only power distribution equipment.

ONISHI: Power distribution companies doubled or tripled their capital last year. I cannot understand why the stock price of our company, whose capital has not yet been watered, stays on an equal or somewhat lower level than that of the power distribution companies.

OGAMI: I think the low price of the company's stock is caused by the investors' speculation over currently pending problems.

PRESS: How about the prospect for reorganization of the company, which is designated under the Anti-economic Concentration Law?

OYAMA: I introduced sometime ago a tentative plan for reorganizing the Japan Power Generation and Transmission Company, which was agreed on by the government sponsored Power Enterprise Democratization Committee. I proposed in this plan that power generating equipment in Hokkaido and Shikoku should be taken over by new independent firms, which can replace the existing power distribution companies. Power supply should be adjusted in closer consideration of the geographical conditions of industrial plants. The development of water power sources must be undertaken to boost the amount of power with less funds and materials. The split of the company should be deferred for the next three or four years. By that time, the picture of demand and supply will be clearer.

PRESS: Mr SHINDO, what do you think?

SHINDO: Actually, it is difficult to predict how the reorganization order for the company will be settled.

OYAMA: One thing is clear. A split of the company will gain nothing.

PRESS: Now, the next question is the interest rate on loans from the US Aid Counterpart Fund. I am told that a 10 percent interest rate will be applied to private enterprises and key industries such as shipbuilding and power.

ONISHI: Generally speaking, I should like to see the interest rate fixed around 5.5 percent, as now applied to such public enterprises as communications and railways. If this is realized, the cost for developing water power sources can probably be met with increased revenues from power charges. A 10 percent interest will result in another 30 to 40 percent hike in power charges.

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KIMURA: The fixing of a 10 percent interest will cost the company another 2,700,000,000 yen in carrying out its scheduled 31 water power development projects. Therefore, I hope for a lower interest rate.

PRESS: What is your opinion, Mr SHINDO, as director-general of the Resources Board?

SHINDO: The electricity enterprise, as a public enterprise, should be given the benefit of lower interest Of course a balance with other money rates must be considered. Judging from the present situation, money rates will gradually drop hereafter.

SAKURAI: I rather hope for a 5.5 percent interest.

Electricity Rates Should Be Doubled

PRESS: How much time will be allowed for the repayment of debts?

SAKURAI: That is still to be decided on. But the Finance Ministry will likely permit considerable time for debt repayment because our enterprise requires a long period to fix the assets. The repayment of debt will be deferred until the power generation plants, for which money was lent, are completed. We are now negotiating with Finance Ministry authorities for an early settlement of this problem because development works must be started immediately in Hokkaido and other snow districts.

OGAMI: At present, the interest rate on general deposits is more than 10 percent. Some business firms pay a dividend of from 15 to 20 percent, and in some case as much as 30 percent. Therefore, if the company pays a construction dividend, its rate will have to be increased to at least 10 percent rather than kept at a low five percent dividend. These matters should be studied at once.

OYAMA: I think so, too. The company should pay a dividend of at least eight to 10 percent.

PRESS: How about the proposed hike in electricity charges?

ONISHI: It is desired that power rates should be doubled. If this is realized, the company, as it now plans, can set aside a sinking fund of nearly seven billion yen every year.

PRESS: If a 10 percent interest is applied on the US Aid Counterpart Fund, how much will power charges have to be raised.

ONISHI: Power charges are not 1.10 yen per kilowatt. We can make ends meet if electricity rates are raised up to around 1.70 yen and a 5.5 percent interest is applied on our debts. If the interest rate is raised to 10 percent, power charges must be hiked further to 2.20 or 2.30 yen.

PRESS: Will the payment of dividends affect electricity charges?

SAKURAI: No, the appropriation for divident payment will account for only a small proportion of the company's total expenditures.

ITEM 115 (Continued)

KIMURA: How about tax?

ONISHI: The company will pay taxes totalling 300 million yen, if it pays a 10 percent dividend after increasing its capital. But this sum will be only one percent of the company's annual income of 35 to 36 billion yen, after electricty rates are raised.

Efficiency of Laborers Drops

PRESS: What is the prospect for the water power development project?

ONISHI: I think that the program will progress smoothly because it is not so difficult either to undertake public works at the moment or to procure such materials as cement and machinery. But the problem is a decline of labor efficiency. Skilled workers are now lacking. This will cost the company much more money for development works. Large-scale power source development projects must be discussed from a broader standpoint of national interest.

Basic Problems to be Decided at Power Deliberation Council

PRESS: Don't you feel the need of having a broader plan for power policies?

SHINDO: We must inquire further into such basic problems as the structure of enterprise, development of power sources, and the policy for electricity rates. Not only the construction of power generation plants, but also the problem of how to utilize electric power must be studied from the standpoint of economic rehabilitation. The principle of power policies will be discussed at the Power Deliberation Council, which was sponsored by the Government.

ITEM 116 PROS AND CONS ON THE ABOLITION OF SUBSIDIES

(Full Translation)

NIHON KEIZAI SHIMBUN, 16 Aug — Machine industry circles are now deliberating on the measures to be taken to counteract the expected boost in the price of iron and steel, following the abolition of government subsidies.

Certain quarters within the machine industry urge the abolition of the subsidy system, even if the price of iron and steel rise to some extent as a result.

There are active movements among the machine, rolling stock, and shipbuilding circles surrounding the abolition of the subsidy system.

Summarized below are opinions, pro and con, on the abolition of the subsidy system.

1. Even those resigned to the eventual elimination of subsidies do not actively urge abolition. They merely say that, judging from the objective situation, it is meaningless to oppose the abolition of the system. If the Japanese economy is to enter into free competition in the international market, they point out, it is better to plan a thorough business nationalization in the whole field, including the iron and steel and the machine industries, by abolishing the government subsidy system at the earliest possible date, since circumstances do not allow the continuance of the system for any length of time.

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For example, President KUPATA of the Hitachi Manufacturing Company stated as follows:

"The wisdom of completly eliminating the subsidy system in one stroke is questionable, but in order to realize business rationalization, I think it is necessary to abolish the system through four stages by the end of next year. At the present time, much remains to be rationalized in the iron and steel industry. Our company intends to enforce business rationalization on the premise that subsidies will be abolished, even if this means some price rises in our goods. In this case, however, along with the abolition of the subsidy system, economic controls should be lifted drastically, priority should be put on the importation of deficient materials, and public enterprises should be promoted for increasing effective demands.

2. With regard to opponents most of the machine makers are opposing the abolition of the system. They assert that a rise in the prices of raw materials before the fiscal year runs out will seal the fate of the rolling stock and the communications machine industries for the following reasons:

(a) The demand for manufactured goods is down.

(b) It will be difficult for business rationalization alone to combat the repercussions from increased production costs.

(c) The national budget is riveted at a certain fixed amount.

President SATO of the Shibaura Co-operative Industry Company is making a frontal attack on the government's move to abolish the subsidy system by declaring:

"The abolition of the system will have grave effects on the machine and rolling stock industries. If the system is abolished completely, most of the machine makers will go bankrupt. Therefore, if the Japanese economy is to be reorganized with heavy chemical industries as the core, a semi-permanent subsidy system must be established for the iron and steel industry."

ITEM 117 LAND REFORM BIASSED IN FAVOR OF LANDLORDS, SAY REDS

(Full Translation)

AKAHATA, 17 Aug -- A land survey was conducted by the Agriculture and Forestry Ministry on 1 March for the specific purpose of ascertaining the actual status of land distribution, following the enforcement of the land reform program, and its result is expected to be published by the end of September.

It is reported that the increase in the acreage of self-operating farms was mostly attributable to the withdrawal of lands leased to tenants. This fact has also been confirmed by the recent announcement of the Katsushika Ward Office in the suburbs of Tokyo. This draws special notice as disclosing the true nature of a pro-landlord agrarian reform, which authorizes the withdrawal of tenant land on the one hand, and protects owner-farmers on the other.

The increase in the acreage of self-operating farms in the Katsushika Ward from the war's end until 1 March this year is as follows (1 Tan = 0.245 acre):

Self-operating farms:		
Land withdrawn	36 cases	55 Tan
Increase in self-operating farms	13 cases	23 Tan
Postwar tenant land	16 cases	24 Tan

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ITEM 118 COAL INDUSTRY FINDS DIFFICULTY ERASING DEBT

(Full Translation)

NIHON KEIZAI SHIMBUN, 15 Aug — The Bank of Japan, which has been studying financial measures to be taken after the abolition of the Public Coal Distribution Corporation, will enforce a part of these financial measures following the adoption of the designated dealer resale system on 16 August.

It appears that the Bank of Japan has come to a standstill, because measures to dispose of the deficits accruing from the accumulation of uncollected bills and the unsold coal held by the Corporation have not been decided yet. In other words, with the recent uncollected accounts amounting to 20 billion yen, and with the unsold coal held by the Corporation amounting to approximately 7 billion yen, the Corporation-recognized notes will not be settled.

The unrest caused city banks to assume a cautious attitude toward the Corporation-recognized notes. Thus, there is fear that the accommodation of funds for the coal industry will be disrupted, and also that the consequences of the disposition will affect the financing business after the abolition of the Corporation.

The gist of the financial measures which the Bank of Japan is currently contemplating is as follows:

(1) Following the designated dealer resale system to be effected on 16 August, the following methods of settlement will be adopted:

(a) Accounts between mine-operators and the Corporation will be settled by the Corporation-recognized notes as usual.

(b) Accounts between the Corporation and dealers will be settled by the Corporation-certified notes.

(c) Accounts between dealers and consumers will be settled by industrial bills.

(2) After the abolition of the Corporation, which is expected to be effected at the end of September, the following measures will be taken:

(a) Accounts between mine-operators and dealers will be settled by commercial bills.

(b) Accounts between dealers and consumers will be settled by industrial bills.

(c) Stop-gap funds will be accommodated to mine-operators until coal is sold by issuing stamp notes and thereby increasing operating funds.

The Bank of Japan will give priority to these qualified bills so that these bills will circulate smoothly. In this case, the Bank of Japan is greatly concerned about the following:

(1) Because of the city banks' negative attitude, it is feared that new dealers will fail to obtain loans from the banks.

(2) Although large coal mine-operators will be able to open the way for financing through connections with dealers, smaller coal-mine operators, it is feared, will be unreasonably handicapped because of their weak connections with banks.

First of all, the greatest concern is laid on the question of whether or not funds can be smoothly accommodated pending the abolition of the Corporation.

The uncollected accounts of the Corporation amounted to 19.6 billion yen at the end of March; 21.9 billion yen at the end of April; 20.7 billion yen at the end of May; 20.9 billion yen at the end of June; and 19.9 billion yen at the end of July. In addition, the Corporation held 23 million tons of coal amounting to 7 billion yen at the end of June. Therefore, the settlement of the corporation-recognized notes involving the uncollected accounts amounting to

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approximately 20 billion yen has come to the fore.

The Corporation is postponing payments to the Trade Special Account for imported coal, and is using the fund to settle the Corporation-recognized notes. Its debt in the Trade Account has been run up to 3.8 billion yen. The Bank of Japan, which gives considerable encouragement to the settlement of the Corporation-recognized notes, adopted the following methods:

(1) The Bank of Japan will mediate loans to big debtors such as the Japan Power Generation and Transmission Company so that these debtors can pay the accounts for coal received. The Corporation-recognized notes will be settled by that money.

(2) The recognized notes, which have not been settled by due date, will be concentrated in the Teikoku Bank. The Bank of Japan will finance the Teikoku Bank with loans on which the high rate of 12 percent will not be applied.

With a serious disturbance within the Corporation on the eve of its abolition, with little progress in the settlement of accounts for coal sold, and with no more than one billion yen expected as loans for the settlement of outstanding accounts for coal purchased, the settlement of the recognized-bills in September appears difficult. Accordingly, the Bank of Japan is making strenuous efforts to work out countermeasures, because the city banks' cautious attitude toward the recognized notes has gradually become apparent.

The Bank of Japan expects that the Government will give some guarantees on the settlement of the recognized notes as early as possible. The Bank of Japan further holds that it will take measures to give constant privileges to deferred bills, provided there is some assurance that the bills will be settled. Anyway, the abolition of the Public Coal Distribution Corporation is a crucial test for the reorganization of the circulation formula.

The method to be used to abolish the Corporation in an orderly fashion is being closely watched, because it will create a precedent in lifting controls in the future.

ITEM 119 BANKS WILLING TO PAY DIVIDENDS ON CONDITION

(Full Translation)

KOGYO SHIMBUN, 17 Aug -- The payment of six percent dividends by city banks which the Finance Ministry wants enforced from September, is supported by city banks on the condition that liabilities will be limited to deposits and loans.

The theory is this: A bank is required to keep its total liabilities at less than three percent of its capital in order to begin dividend payments. But at present none of the banks, either city or rural, can meet that requirement unless liabilities are limited to deposits and Bank of Japan loans. Therefore, to pay dividends on the present interpretation of liabilities, banks must increase their capital and bring the proportion of liabilities to less than three percent. If the capital must be increased every half year to pay dividends, it is necessary to limit liabilities to deposits and loans.

ITEM 120 NEW DEVELOPMENT IN EXPORT EXPECTED THIS FALL

(Summary)

NIHON KEIZAI SHIMBUN, 16 Aug -- There are two sides to the future prospect of Japan's export trade; one rosy and the other dark. On the optimistic side are the revival of American prosperity the pending trade agreement with the sterling bloc, the opening of new markets in Latin America; while pessimism is aroused by such conditions as the

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chronic dollar shortage in the world's market, and the intensified competition, powerful controls on imports and exchange. These adverse factors suggest the need of a greater effort in export promotion.

On the second anniversary of the opening of private foreign trade, YAMAMOTO, vice-minister of International Trade and Industry, was interviewed as below on the expansion policy of foreign trade and its future prospect.

Question: What preparations are made for foreign trade expansion?

Answer: Dispatching trade commissioners abroad; putting export on the CIF basis; simplifying procedures; formulating the Export Indemnification Law and the Export Business Bill; opening new markets through the new trade pact; and shifting import into private hands to bolster trade.

Q: When will trade commissioners start going overseas?

A: Plans were to send official trade commissioners at the time that private trade representatives go abroad. Complications have caused delays, but permission should be coming shortly.

Q: How about the CIF transactions for export?

A: Already approved by GHQ in principle, and the regulations have been published by the Foreign Exchange Control Commission. The FOB transactions for imports also have been approved and will be put into practice on certain commodities very shortly.

Q: What about the Export Indemnification and the Export Business Bills?

A: The enactment of those bills are necessary, especially when many of our export contracts are being cancelled. The actual enforcement is not so easy, since it involves a certain amount of financial investment, although the advancement is only temporary and does not add any burden on the national treasury in the long run. The draft is now being drawn up on the free entry basis, with no compulsion on traders to join. The Export Business Bill is an absolute necessity in such a country as ours where there are so many small entrepreneurs. There are, however, some difficulties again in enacting this law because it is an exception to the Industrial Organization and the Anti-Monopoly Laws. At any rate, both of those bills are slated to be submitted to the next Diet session.

Q: How are the export procedures to be simplified?

A: Any export contract amounting to less than 50,000 dollars no longer requires GHQ approval but only requires the sanctions of the International Trade and Industry Ministry. This should save time and trouble for the traders, and will give more independence to traders because nearly 90 percent of all export contracts are for amounts less than 50,000 dollars. Probably, it will be enforced from 1 September.

Q: What progress has been made on the transfer of import business into private hands?

A: Preparations as to the financial aspect and price fixing are already through; but when it comes to actual transfer no definite time can be set yet, since there are some complicated problems to be solved before its enforcement. After all, the transfer will be effected by gradual steps, beginning with the easiest ones first.

Q: What is the major object in the export promotion policy?

A: In promoting export, there are many obstacles ahead, but there should be nothing to fear so long as we turn out good quality at cheap prices. There are a lot of things to be done in the way of boosting export trade, such as dispatching the trade commissioners or the inception of the CIF contracts, etc. But nothing can equal good quality at cheap prices. This is no doubt the first requisite. The future trend of our economy is the transition from controlled

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economy to free economy. Since this requires changes in the government administration, the International Trade and Industry Ministry is planning to give guidance on cutting costs through the rationalization as much as possible. To improve the quality of goods, as many technical experts as possible will be sent abroad. The government-sponsored institutions such as the Industrial Technical Board will be enlarged with liberal financial support, and special stress will be placed in experimental research on industrialization in new fields.

Q: What about rumors on the modification of the floor prices?

A: Especially if CIF transactions are adopted in exports, the present FOB floor prices in dollars will have to be rescrutinized. But there will be no such thing as the total removal of floor prices, as is rumored, because dumping must be prevented and Japan must be protected from unreasonably cheap offers from foreign buyers.

Q: What is the prospect for export?

A: Neither over-optimistic nor over-pessimistic. The so-called "blind trade," which was the greatest handicap in our foreign trade in the past, will be eliminated, largely through the activities of the trade agencies and the commercial travellers abroad from now on. The good effects of the new trade agreements with the sterling bloc, the Latin American countries, and Korea will materialize around autumn. At any rate, plenty of opportunities for export development are still left untouched. Consequently, we must never be discouraged and must always strive to do better.

ITEM 121 CANCELLATION OF SUBSIDIES HEAVY BLOW TO INDUSTRIES

(Summary)

TOKYO KEIZAI SHIMPO (Weekly magazine), 13 Aug 49 -- If all government subsidies are cancelled, as so strongly advocated under the Dodge Plan, it will probably take place within this year. This will be a heavy blow to our industrial circles, which have hitherto been so excessively dependent on such subsidies.

A serious crisis will face particularly the iron and steel industry, which is already suffering from increasing competition in foreign markets and the decline of domestic purchasing power, and this means that our industrial circles will be faced with the problem of survival. Thus a countermeasure will be necessary to stimulate somehow domestic purchasing power and expand domestic consumption. Under the current deflationary trend, the domestic market has been adversely offered directly and indirectly, by the decline in Government demands. Here, if the consumer price is raised, Government and private purchasing power will decline further so long as the budget is not increased.

The rolling-stock industry labors under a unique situation where the Transportation Ministry is almost its only customer. Consequently, the recent curtailment of the budget has dealt it a heavy blow. The only other recourse is export; but orders from abroad dwindled lately due to changes in the international situation. The long-anticipated order from Pakistan amounts to 5,000,000 dollars, but a formal bid has not as yet been received.

Although some quarters say that even a 1,000,000 dollar contract, if concluded, will lend new life to this industry, rolling-stock companies do not appear to be so optimistic. With no apparent hope in sight, either abroad or within the country, conditions surrounding our rolling stock industry could not be worse than they are now. As a result, the big companies in this field, such as the Kawasaki Rolling-stock and the Train Manufacturing Co, have recently

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reduced their staff by nearly 30 percent.

More severely hit are the smaller business related to this industry, such as electrical train parts manufacturers and those repairing rolling-stock. The cancellation of subsidies for iron and steel under this situation can only spell disaster for them.

In the case of shipbuilding, half the cost of manufacturing rolling-stock is the cost of materials, but because the materials used are mostly iron and steel, the effect of cancelling the iron and steel subsidy will be felt keenly in the shipbuilding industry. An inseparable connection exists between the shipbuilding and the iron and steel industries, for it is these two industries which made Japan a big maritime power, surpassed only by the United States and Britain.

Shipbuilding is now a most promising export industry, and leading shipbuilders are hard at work building large foreign ships while attempts are being made to build domestic ships in accordance with the plan to provide marine transportation to fulfill all our own needs. The only question is the high building costs. With costs running into 70,000 yen per gross ton, shipyards are forced to suffer considerable loss.

If the iron and steel subsidy is abolished under these circumstances, how can shipyards withstand further increases in the price of steel?

The machinery industry also depends heavily on iron and steel. According to a survey conducted by the Machinery Manufacturing Industry League, the cost of machinery will rise as follows in case the iron and steel subsidy is cancelled:

Motors (for general use) will cost 85 percent more; bicycles, 58 percent; automobiles 52 percent; agricultural implements, 20 percent; cotton spinning machinery, 46 percent; and cast iron, 73.9 percent.

The bicycle industry which suffers an export slump as a result of the low exchange rate will be particularly hard hit by any increases in the price of steel.

Therefore, if the cancellation of the iron and steel subsidy is realized, it will greatly hinder our export trade.

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ARTICLES OF SOCIAL SIGNIFICANCE FROM NEWSPAPERS AND MAGAZINES PUBLISHED THROUGHOUT JAPAN

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ITEM 122 SURVEY ON PUBLIC REACTION TO REPATS

(Summary)

TOKYO SHIMBUN, 16 Aug -- The recent return of bolshevist repatriates from the Soviet Union has shocked the general public and appears even to have increased the current social unrest. The TOKYO SHIMBUN on 11 August, in conjunction with the Public Opinion Science Society, conducted a public opinion survey on this repatriate problem. Five hundred and forty households, or 798 adults, in the metropolis were selected for the survey by the random sampling method. Results of the survey follow: (Figures in parentheses indicate margin of accuracy.)

I. What do you think of the attitude of repatriates returning this year?

Good 2.4 % (1.0); bad 65.0 % (3.2); undecided 21.1 % (2.9); no opinion 11.5 % (2.3).

II. Why do you think the repatriates' attitude is bad? (For those who answered "bad" to question I.)

They refused to accept the kindness and good faith proffered by the people and their families -- 19.2 %.

Their action is lawless and unreasonable -- 8.9 %.

They are self-righteous and have no knowledge of internal conditions in Japan -- 7.9 %.

They are blindly following Communism -- 7.0 %.

Their view is biassed -- 6.0 %.

They have no human warmth -- 4.3 %.

Personally, cannot approve their attitude -- 3.1 %.

They have forgotten the love of their fatherland -- 1.7 %.

They are not obedient -- 1.5 %.

No reason, or undecided -- 1.9 %.

Other reasons -- 4.0 %.

No answer -- 1.9 %.

Of those who denounced the repatriates' attitude, 19.2 percent gave their refusal to accept the kindness and good faith of the people and their families as the reason, while 8.9 percent branded the repatriates' actions as outrageous or ungentlemanly. On the other hand, some, who answered "good" to question I, said that the behavior of the repatriates was prompted by their righteous ideological convictions and that they were trying to realize what the majority of the people are now seeking or that their action exposed the weak points of imperialism.

III. Do you sympathize with the repatriates who have assumed such an attitude?

Sympathize 59.3 % (3.3); do not sympathize 29.2 % (3.1); undecided 10.4 % (2.1); others 1.1 % (0.8).

About two-thirds of those questioned are sympathetic toward the repatriates. Most of them said that they were sorry for the repatriates, because most of them had been forced to assume such an attitude by a few of their leaders.

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IV. What is your opinion of present policies for the welcome and reception of repatriates?

Good 45.0 % (3.5); insufficient 27.4 % (3.0); bad 2.3 % (1.0); undecided 25.3 % (3.0).

An unexpectedly high percentage answered "good", indicating that the people are generally content with present repatriate relief measures.

V. Do you think time will change the minds of the repatriates?

Yes 75.3 % (2.9); no 8.2 % (1.8); undecided 15.4 % (2.5); others 1.1 % (0.7).

An overwhelming majority expects a change in the minds of the repatriates, which suggests that they are still confident of the strong influence of the family and the native place on the individual repatriate.

VI. What do you wish of future repatriates?

That they: observe actual conditions in Japan coolly -- 19.4 %; be more obedient -- 16.9 %; go straight home -- 5.1%; not be communized -- 5.1 %; work for reconstruction of the country -- 5.0 %; think of their own families -- 3.1 %; not be ungrateful -- 1.9 %; others -- 13.2 %; none undecided -- 22.1 %; no answer -- 11.8 %.

VII. What do you think of the Communist Party's attitude toward the repatriates?

Good 3.0 % (2.7); bad 64.1 % (3.3); undecided 12.0 (2.2); no opinion 17.8 % (2.7); others 3.1 % (1.1).

As shown above most of the persons surveyed dislike the Communist Party's policy on receiving the repatriates.

Repats Opinions of Soviet Varied.

A survey was also conducted among the repatriates themselves to discover their impression of Soviet life, their present state of mind and their opinion of the current situation in Japan. Many repatriates praised the Soviet social system, under which, they declared, the people are not threatened with unemployment, can receive rewards for their work, have their livelihood guaranteed by the government when they reach 65, and receive free medical care. However, some repatriates revealed that in the Soviet Union, freedom of thought is restricted, and a large number of Soviet prisoners actually are strongly hostile to the authorities. As to the repatriates' present state of mind, many of them, particularly the young, are now showing the same sort of apathy that we at home experienced immediately after the end of the war.

The repatriates were generally surprised at the unexpected abundance of commodities in Japan as well as the remarkable progress of the nation's democratization movement. However, there are many repatriates who hope for the gradual or rapid change of present Japanese society, now a bourgeois democracy, into a Communistic one.

Twenty repatriates, selected at random, were chosen for this survey and asked the following questions:

I. What do you think of the government measures for receiving repatriates?

Adequate 11; inadequate 7; other 2.

II. How did the attitude of the general public impress you?

Sympathetic 14; unchanged 2; cold 1; other 3.

III. What is your opinion of Communism on the Soviet pattern?

Good 9; bad 2; undecided 5; other 4.

A breakdown of these answers according to age follows:

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	Good	Bad	Other
Twenties	5	1	3
Thirties	4	1	5
Forties	0	0	1

IV. Has your state of mind changed since you returned home?
Unchanged 14; changed 4; undecided 2.

V. How do you feel about present conditions in Japan?
Hopeful 5; negative 11 (Twenties 6, Thirties 5, Forties 0); undecided 2; no answer 2.

VI. What political party do you support?
Communist Party 7; none 11; undecided 2.

The answers to this question can be classified by age and former military rank as follows:

	Communist Party	None, Undecided
Twenties	4	5
Thirties	3	7
Forties	0	1
Officers	0	1
Non-commissioned officers	2	1
Enlisted men	5	11

ITEM 123 NEW AJCWU INTENSIFY ANTI-DISCHARGE STRUGGLE

(Full Translation)

AKAHATA, 16 Aug -- Since the discharge announcement for communications workers on 12 August, the anti-retrenchment struggle of workers of the Tokyo Central Post Office, the Central Telephone Office, and the Central Telegram Office has been steadily gaining momentum.

At the Central Post Office as many as 160 workers, including all union executives (particularly Communists and active unionists), received discharge notices, but they almost all refused to accept them. The authorities are putting pressure on workers in the parcel post and mail sections where Communist influence is expecially strong, ordering the employees not to talk with the discharged union leaders.

Approximately 30 union members opposing intensification of labor, following the reduction in force, held a round-table conference on 14 August from 1700 hours at the union office and decided to present to the authorities the following six-point demand:

(1) Do not cut personnel and do not enslave workers.

(2) Give holidays, half-holidays and breaks as provided for in regulations.

(3) Don't subject workers to such indignities as search when they enter or leave their places of work, and discontinue watch over

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employees at work.

(4) Give wages based upon the 48-hour work week system and allowances for special work.

(5) Start negotiations with union executives who are our representatives.

(6) If the authorities cannot comply with these demands, the Yoshida Cabinet should resign.

Since the start of this anti-retrenchment struggle the number of workers joining the Communist Party has been increasing.

The arrogant attitude of Chief TAKAGI Iwao of the Parcel Post Sub-division who refuses to deal with discharged union executives has incurred severe resentment among workers as he was once the vice-chairman of the National Congress of Industrial Unions.

At the Tokyo Central Telegram Office, a struggle is not yet evident for the majority of union executives belong to the Reconstruction League faction. However, 52 workers were discharged, including Communist leaders, and a cry has been raised by rank and file members against the Reconstruction League executives for their inability to push the strong struggle policies adopted at the 6 July convention.

Communist cells are visiting the office every night to sell the AKAHATA and other pamphlets and to distribute handbills.

At the Tokyo Central Telephone Office 38 female telephone operators and 10 male employees were notified of their discharge. The struggle here is most active as compared with those pushed by the other two central communications offices. However, numerous incidents in which fundamental human rights were trampled have occurred as most of the workers here are women. In view of the frequency of rude conduct on the part of special guards toward women, 13 women workers, led by Chief KAO of the union's Women's Department, filed an objection with the Labor Section.

MATSUZAWA Ayako, 31, who has been on a hunger strike since 12 August gave up her struggle on the morning of 15 August as a result of earnest advice by her friends who were concerned over her emaciated condition.

The authorities who had rejected negotiations with discharged workers, taken aback by this incident, consented to negotiate.

ITEM 124 INCREASE IN COLLEGE PROFESSORS' PAY SOUGHT

(Full Translation)

NIHON KEIZAI SHIMBUN, 17 Aug -- President NAMBARA of Tokyo University, President NAKAYAMA of the Tokyo College of Commerce, and President WADA of the Tokyo Institute of Technology met Chief Cabinet Secretary MASUDA at the Premier's official residence at 1300 hours on 16 August. They requested that the Government make efforts to increase the salaries of the professors of state colleges and universities to the level of those of judicial officials.

ITEM 125 FOUR REDS GO ON HUNGER STRIKE

(Full Translation)

YOMIURI SHIMBUN, 17 Aug -- In protest against the discharge notices issued by the International Trade and Industry Ministry, four Communist workers, UESUGI Shoichiro (40), chief of the Planning Subsection of the Investigation and Statistics Department in the minister's secretariate, TANUMA Hajime (24), UEDA Eizo (26),

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and HOMMA Mitsuko (21) began a hunger strike at 0800 hours on 16 August in front of the Statistics Department.

ITEM 126 PUBLIC SAFETY ORDINANCE PASSES MIYAGI ASSEMBLY

(Full Translation)

NIHON KEIZAI SHIMBUN, 17 Aug (Sendai dispatch) -- The Miyagi prefectural assembly passed the public safety regulation bill on 16 August. The ordinance will be promulgated and become effective on 17 August. The gist of the new ordinance follows:

1. A parade or any such form of mass demonstration must be authorized by the Public Safety Committee or an organ designated by the same committee.

2. A violator shall be sentenced to not more than one year's imprisonment or fined a maximum of 50,000 yen.

ITEM 127 KOREAN RIGHT, LEFT CLASH AT CELEBRATION

(Full Translation)

YOMIURI SHIMBUN, 17 Aug (Yamaguchi dispatch) -- Some 200 members of the Korean Residents' Association of Japan from the Onoda and Ube districts who attended the Korean Independence Day commemoration gathering held from 1600 hours on 15 August in Shimonoseki were waylaid near the Onoda Cement Company on their way home from the meeting by scores of men belonging to the Korean League of Japan. As a result of the fight, 45 members belonging to the Korean Residents' Association of Japan were injured.

The Onoda Municipal Police provided protection to members of the Korean Residents' Association of Japan and at the same time requested the procuratorial authorities to issue warrants of arrest for seven leaders of the Korean League of Japan.

In Opposition to this police action, more than 500 members of the Korean League of Japan besieged the Onoda Municipal Police at 1500 hours on 16 August (Kyodo).

ITEM 128 DAY LABORERS AND MET CITIZENS JOIN FORCES

(Summary)

AKAHATA, 16 Aug -- The day laborers' anti-unemployment struggle which began with a sit-down strike at the Metropolitan Office building early in July is rapidly gaining momentum, coupled with the metropolitan citizens' "give-us-rice" and "repair-roads" demands.

Unemployed workers led by the Unemployed Workers' League, while continuing a vigorous struggle supported by their families and employed workers, are visiting the police station daily to demand the release of their fellowmen apprehended in the recent oppression incident at the Nakano Ward Office. Meanwhile, enraged by the above incident unemployed workers gathering at the Kameido Employment Security Office also protested to the police.

In the same district, the struggle of the unemployed and the "give-us-rice" and "repair roads" demands of the ward residents have been combined and an extensive fighting front against oppression of the authorities has been developed. Although a

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new shift system designed to shut out the unemployed is to be enforced at the Shibaura Employment Security Office, the unity of employed and unemployed workers is strengthening day by day. Indications are that the struggle, together with the citizens' demands, will develop and expand into a great people's struggle.

With each succeeding group of dischargees, the anti-unemployment struggle in Ikebukuro is steadily being intensified. On 13 August, 60 workers who thronged to the Ikebukuro Employment Security Office to seek jobs exposed the following irregularities committed by the security office personnel:

Officials at this office embezzled a total of 140,000 to 150,000 yen which was disbursed by PTAs and the ward office to the office as transportation expenses for the unemployed. They moreover, in conspiracy with foremen, had embezzled 2,300 yen every day by creating 10 "ghost" workers for the ground-levelling work in Itabashi.

Forty unemployed women workers seeking employment at the Shibuya Employment Security Office who had previously formed an Anti-unemployment Women's League negotiated with ward office authorities for the people's daily demands as well as their "give-us-jobs" demand, and succeeded in getting a pledge that the authorities would:

(1) Exempt those under special circumstances from the metropolitan residents' tax.

(2) Exert every effort toward credit sale of staple foods.

(3) Negotiate with the public food distribution corporation for approval of rice purchases on installment pending the recognition of credit sale.

(4) Release relief rice in accordance with prevailing circumstances.

(5) Allow elasticity in the employment quota when there are laborers failing to get jobs.

ITEM 129 FIREWORKS PROFITS TO BE USED FOR WARD IMPROVEMENT

(Summary)

AKAHATA, 16 Aug -- Tonight, 16 August, the Asakusa Summer Evening Fireworks Display will be presented on the Sumida River under the auspices of the Tokyo Asakusa Tourist League. The league's vice-chairman is metropolitan Assemblyman KAMIJO Mitsuga, a Democratic Liberal. Three million yen will go into the affair and national police will patrol the area. The Daito Girls' Senior High School and the Imado Junior High School, situated near Sumida Park, were rented for 1,700 yen by the league and spectator bleachers were set up. One thousand five hundred tickets were issued at 3,600 yen each, and estimating 30,000 standees at 200 yen each, the total take should amount to approximately 10,000,000 yen. Bosses would still make an enormous profit of 6,000,000 yen even after expenses, said by the league to run to 4,000,000 yen, are deducted.

Tax-burdened ward residents protested this lucrative use of schools by bosses and demanded that their children be allowed to see the fireworks, that the proceeds of the event be donated to the Ishihama Elementary School to relieve parents of the burden of donations and that the rest be used to repair drains. Therefore, on 13 August, 70 representatives of ward merchants, accompanied by Daido district committee members of the Communist Party protested to the Asakusa branch of the Daito Ward Office. The taxation affairs,

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and education section chiefs were unaware of the exorbitant price charged for the seats and promised that the profits would be used in the interests of the ward residents. Moreover, the rented schools would be opened to the public that very day under the supervision of the Communist Party.

Pressed by ward residents, responsible persons of the Asakusa Tourist League promised to put the proceeds into ward finances. Furthermore, it was revealed that the league had been using a part of the Asakusa branch office rent free since the end of the war.

ITEM 130 ESCAPEE FROM MANCHURIA REPORTS ON LIFE UNDER REDS

(Full Translation)

MAINICHI SHIMBUN, 16 Aug (Sasebo dispatch) -- Since Manchuria fell into the hands of the Chinese Red Army, nothing has been heard of the Japanese nationals there. The National Council for Promoting Repatriation recently published an open letter to Chairman MAO Tse-tung of the Chinese Communist Central Executive Committee requesting the return of Japanese internees. This letter attracted world-wide attention.

MINAMI Takeshi, 43, of Ishikawa Ken, Hagui Gun, former chief of the Che-Ryon police station in Han-hai Go, Korea, who was interned at Yenchi, Manchuria, escaped on 23 Feb 49, and by way of Fusan, returned to Sasebo on 13 August aboard the repatriation ship Tachibana Maru. Commenting on the slim hope of repatriation for those under Chinese Red command, he gave the following account:

"On 14 November 1945, the year of Japan's surrender, former military officers, gendarmes, and policemen, who had been interned at Pyongyang in North Korea, were taken to Yenchi in Manchuria. Here approximately 40,000 Japanese internees sent from various parts or North Korea were detained of them, the most robust were transferred to Soviet areas. When the Chinese Red Army took over in April 1947, there were approximately 20,000 Japanese internees there. These were released on 15 August, the second aniversary of Japan's surrender, and dispersed to various places such as Changchun and Mukden, in quest of a living.

"During their detention they had been given a half pound of canned meat and a bowl of rice per person a day. Hence there had been many deaths from malnutrition and unsanitary conditions in the detention camp; the number ran to as many as 90 a day around January 1947. At about this time, numbers of Japanese colonists from the hinterlands were sent to this camp. Because of the lack of clothing for them, the dead were stripped of their clothes; the bodies were than bound with rope, and buried in anti-tank trenches. By the time of our release on 15 August, approximately 9,000 bodies had been buried, filling all the trenches to the brim.

"Around 400 Japanese remain in Yenchi, of whom about 50 are physicians and nurses, another 50, factory technicians. The remainder are living from hand to mouth, working as day laborers and tradesmen. Bereft of all hope under the Communist Policy banning repatriation of any Japanese until the conclusion of the revolution in all China and in Japan, most of the colonists and former military officers who left wives and children in the homeland, as well as the wives of former Manchurian Railway Company employees have married Chinese. They are hard pressed for a livelihood because of the short supply of materials.

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At Yenchi, where Communist polices have made steady progress since the initial step of the land reform, about one-third of the Japanese, among them a considerable number of young women, have gone over to the Reds. Under the pressure of a hard life, as indicated by the extravagent prices of 130,000 yen for one To (1 To = 0.512 bushels) of rice and 80,000 yen for one To of kaoliang, some attempt escape. These attempts, however, seldom succeed. The escapees fall into the hands of the North Korean Army, and are sent back to be imprisoned for two or three years, or to be shot.

"Japanese now in Yenchi estimate that there must be about 600,000 Japanese still in Chinese Communist areas. Among them are MISHIMA, a doctor of forestry and former Manchuria Playwood Company president, who is now at Mukden working as supreme adviser on forestry administrations to the Chinese Communist regime; and Dr KANEKO, former professor at Port Arthur University.

"It is noteworthy that the Communists recently announced a plan for the establishment in several regions in Chientao, Mutanchiang, and Kirin, which are densely populatated with Koreans, of Korean autonomous regimes similar to the Ukrainian autonomous government, and have appointed Koreans to key posts in the provincial governments."

ITEM 131 PRISONERS' EXPERIENCES USEFUL by TAN Tokusaburo

(Extracts)

HYORON (Monthly magazine), Sep 49 -- Among those who denounced YOSHIMURA at the Special Investigations Committee of the House of Councillors were people such as KAMATANI Sanji, who became a spy for YOSHIMURA for his own self protection even though filled with deep hatred for the man after experiencing the "dawn prayer" treatment, and HARADA Haruo, an interpreter, and SAKAI Ichiro a medical officer, who though highly indignant, "could do nothing because YOSHIMURA was not one to listen." In testimony by these witnesses indicates the formation of organized resistance.

I say this, not to criticize the members of the unit, for was not this negative, servile attitude the very same as that seen among the Japanese people regarding the perpetrators of a criminal war? After the few heroic leaders who opposed the ruling class were imprisoned or put to death, did we not co-operate with that class in their crimes? Did we give vent to our indignation and demand the resignation and prosecution of the criminals after the ruling class, who after crying for a decisive battle in the homeland, surrendered unconditionally to save themselves without even apologizing for their mistakes? We are ashamed to say that we did not. Only after the occupation by Allied Forces were those who fought for freedom released from prisons and the list of war creminals drawn up.

However, I do not think that servility is an inherited characteristic among us. Life in YOSHIMURA's camp was not representative of the life of all Japanese prisoners in Siberia,

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for in not a few places, the despotic rule by former Kanto Army officers and new detention camp bosses was broken through the organized resistance of soldiers and a happy self-ruling system established. The courage of soldiers who would not submit to force and authority deserves respect, for it is a character most necessary to the Japanese people in recovering the independence that they have lost.

Those people who were unsuccessful in the attempt to utilize the Yoshimura Unit Affair as material for anti-Soviet propaganda, have now taken up the 'People's Court' Incidents with the same object. The accusation is that Communists have delayed repatriation or labelled as reactionary, those who would not embrace communism -- all in the name of the peoples courts. However it is a grievious error to think that the Nahodka peoples court is a typical "peoples court." As the leader of the democratic movement in Nahodka, TSUMURA Kenji testified before the House of Councillors, the "peoples' courts" were soldiers' meetings, and their mission was to awaken the masses by exposing undemocratic influences such as ex-army officers who tortured the soldiers by wielding their former class authority or bosses who pretended to be communists. People of the democratic group such as TSUMURA had charge of the Nahodka Camp, and for this reason men who had been oppressed by former officers and bosses while in the interior were able to freely express their opinions at Nahodka.

It is natural that here the pent up anger and hatred should suddenly explode and materialize in the demand for the arraignment of oppressors such as YOSHIDA. However, in these cases, because many who came from camps other than that where the oppressions took place also participated, it was impossible to prevent unfair accusations based on inaccurate data.

The disadvantageous conditions in the camps in the interior were valuable in developing the consciousness of the masses, where, on occasions, soldiers meetings were voluntarily held to make their voice heard against their oppressors even at the risk of incurring disfavor and punishment of Soviet authorities. These men who gained a democratic, self-government in the camps through such struggles can be fully depended on to reconstruct a free and independent motherland. In my camp two self-styled Communists, trusted by the Soviet authorities were confronted with a non-confidence vote at a soldiers meetings, and as a result, Soviet authorities were forced to transfer them to some other camp. After this affair, democratic consciousness and understanding of the Soviet Union rapidly increased.

There were some camps where soldiers' meetings were utilized by a few ambitious schemers, but it is a mistake to think that this was true in every camp. The valuable experiences gained through soldiers' meetings which did not yield to authority must be put to use in the struggle against monopoly capital, for the realization of independence, the protection of livelihood rights, and the establishment of a democracy, in which the workers, farmers and the petit bourgeoisie are now rising to join.

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VI EDITORIAL

EDITORIALS OF SIGNIFICANCE FROM NEWSPAPERS AND MAGAZINES PUBLISHED THROUGHOUT JAPAN

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ITEM 132 NON-WORKERS SHOULD NOT BE ALLOWED IN UNIONS

(Summary)

SHIN YUKAN, 14 Aug -- The question of whether discharged government employees are still union members cropped up in connection with the personnel slash of the state railway and is now being discussed in the national communications workers union. Even the National Personnel Authority and the Government are at odds regarding this problem. The former maintains that the discharged workers can retain their status as union members, while the latter holds that those who have been discharged are no longer union members and are unqualified to represent the union in negotiating with the Government.

We are not in a position to discuss the problem from the legal point of view. The interpretation of the law, however, must always be based upon the sound sense of the people and be convincing to the people. When a problem of actual interests is involved, the interpretation of the law is often distorted in order to protect a particular interest. At any rate, it is natural and even profitable to have various opinions regarding the interpretation of law, since laws are made and operated by man.

The first point which must be discussed for the solution of the above problem is the fundamental nature of labor unions. Labor unions, particularly large unions such as the National Communications and State Railway unions often employed full-time officials to meet their necessity, and in the event of disputes, they hired non-member experts to represent their interest. The employment of outsiders, however, is only a temporary expedient for labor unions to deal with special problems, and it is absurd to give these outsiders the status of union members.

Labor unions exist for the laborers themselves. Their primary purpose is to elevate the laborers' social position and safeguard their economic interests -- by organized strength. It may be necessary for unions to employ particular outsiders for the attainment of their purposes. There is no reason, however, that these outsiders should lead the unions. If the unions are led by outsiders, they can no longer be called labor unions.

There is the view that the discharged government employees should be allowed to remain in the labor union to which they belong under the provisions of the National Public Service Law, and represent their union in negotiating with the Government. The National Personnel Authority is reported to share the same view. If the National Personnel Authority shares such a ridiculous view, we cannot but think that it is aiming to make labor unions subordinate to their masters, or that it is adhering to the bureaucratic tradition of giving utmost importance to the letter of law.

EDITORIAL

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There is no doubt that the discharged workers are no longer union members, from the viewpoint of labor contract as well as national law. Those who are dissatisfied with their dismissal are free to negotiate with the Government or their employers for cancellation of the dismissal, and they should be allowed to retain their status as union members until the end of their negotiation. It is outrageous, however, that they should remain leaders of their union after they have been notified of their dismissal. Moreover, such an attitude ridicules the remaining members who wish to reconstruct their union by themselves. At the same time, the unions themselves must be criticized as lacking independent spirit, if they allow such irresponsible and arbitrary leaders to manage their affairs.

The National Personnel Authority, which contends that even those who are not workers may become union members through its interpretation of the law must be criticized as being absorbed in formalistic interpretation of the law in violation of its spirit. Article 98 of the National Public Service Law provides that government employees and workers can select their representatives through their organizations and negotiate with the Government. The National Personnel Authority interprets this provision as permitting unions to select those who are not workers for their representatives and also give these persons membership in unions. This interpretation may be justified from the superficial point of view. The true meaning of the said provision, however is that the unions can select their representatives by themselves and may include those who are not workers among their members. There is no express provision that those who are not workers can become representatives of unions. It is not right to distort the true spirit of the law and deform labor unions by clinging to the formalistic interpretation of the letter.

The above-stated is our view on the character and management of labor unions. From our point of view, it is not permissible for the Government to discharge labor union leaders for political purposes, and make unions subordinate to the authorities. Such a policy discredits the Government itself. Furthermore, that some officials of the National Personnel Authority are making the matter complicated by insisting on a formalistic interpretation of the law also ignores the primary character of labor unions. As for labor unions themselves, if they adhere to their own interpretation of the law and allow a few arbitrary leaders to monopolize their management, they will turn unions into theaters for ideological struggles.

We do not want to force our views upon others, since the matter involves serious problems related to the actual interests of many. It must be noted, however, that a labor union must be a union of its members, and must be operated by the members themselves to protect their interests and elevate their social position. Any labor union which cannot fulfil this task must be regarded as an incompetent union.

ITEM 133 IMMATURITY OF DEMOCRACY IN JAPAN

(Summary)

SHINEN SHIMBUN, 16 Aug -- The way of thinking of the Japanese has been improved greatly during the four years since the termination of the war. When we delve further into this subject, however, we cannot but admit that this change is only on the surface, and there is no major change psychologically.

In 1946 it seemed as though Japan were on the eve of becoming a socialistic country, but in less than two years afterwards a capitalistic party claiming to be conservative succeeded in gaining an absolute majority in the Diet. Despite its emergence as the first

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party, the Socialist Party was defeated before realizing any of its socialistic policies, and despite the fact that three years have elapsed since its formation, it is now trying to determine what its fundamental character should be. Although voicing strong opposition to the capitalist offensive of mass discharge, the organized eight million workers are being conquered by the capitalists.

The organized one million farmers are even unable to pay their union dues today, and the various youth organizations also have disappeared or are inactive. "National reconstruction by the hands of youths" is only a past dream. The same thing can be said for the cultural movement in farming communities. It must have been initiated because of their temporary postwar boom. The equal rights guaranteed by the Constitution to men and women are being repudiated by women themselves.

This is the result of understanding democracy only as an ideology. It has not been digested by the Japanese people; therefore democratic principles are not put into practice.

The Japanese understand things only ideologically. This is the vital defect of Japan's prewar education. It may therefore take a long time before people can learn to apply what they learn, and education must be slanted to cultivate this ability.

People must acquire the habit of thinking things out thoroughly before acting. Then no one will do things recklessly. For example, long skirts are in vogue today. When we ask a woman why she wears long skirt, she is unable to give any definite answer, and merely says because others wear them. If she would reason out why she would feel embarrassed if she did not wear a long skirt when others did so, her desire for purchasing expensive skirts would disappear. When all women think things out thoroughly in this manner, long skirts will disappear and will no longer bother women.

Although this may be a frivolous example, we use it to prove that, like the woman, the Japanese people fail to think things out carefully, even in vital issues. The cause of immaturity of democracy in Japan lies here.

ITEM 134 ABANDONMENT OF CULTIVATION by ISHIGURO

(Summary)

SAITAMA SHIMBUN (Urawa), 11 Aug -- The Prefectural Farm Land Standing Committee which has been investigating the causes for the abandonment of farm lands, especially in the Kitakatsu district of Saitama Prefecture, will shortly formulate a fundamental program to combat this recent tendency.

According to the interim report of the Agricultural and Forestry Deliberation Council, 365 Cho of farm land (one Cho equals 2.45 acres) have been abandoned by 356 farmers since 1948, and as of April this year the total area of abandoned lands has increased to 565 Cho.

This is highly regrettable in view of the fact that the abandonment of cultivation exerts a vital influence upon the staple food production of this prefecture.

According to investigation conducted by the Prefectural Farm Land Standing Committee, the causes for the abandonment of land seem to be: (1) heavy taxation, which accounts for 35.4 percent; (2) shortage of labor which accounts for 36.5 percent; (3) damages by flood and insects, which accounts for two percent; and changes and curtailment of businesses, which cause the rest. In short, heavy taxation and stringent labor situation are the leading factors.

Statistics further revealed that, although the total agricultural

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income of this prefecture has increased by about five times during the three years since 1945, operating expenses increased by 13 times and household expenses by 15 times during the same period. Thus there is an unbalance in the agricultural economy of this prefecture. This trend became more aggravated in 1948 because of vicious blackmarket prices.

Such being the case, although it is a fact that some surplus profits were temporarily enjoyed by the farmers, whether or not these profits have contributed to the accumulation of agricultural capital is quite dubious. Now there are fears of an agricultural depression forming in near the future.

Although heavy taxation is not a phenomenon seen in the farming communities alone, the above-mentioned unbalance between incomes and expenses has become prominent. Agricultural leaders should fully realize this fact.

In view of the fact that medium and large scale farming is applicable to farm lands of this prefecture, the saving of labor is absolutely necessary, even if the maximum utilization of machinery is difficult. In this connection, agricultural authorities should take positive guidance and measures for the land reform and increased production, to tide over the present vital situation.

ITEM 135 PUNITIVE JUSTICE (Letter to the Editor)

(Summary)

TOKYO TIMES, 7 Aug -- It is a cynical fact that the Communist Party, which has been rabidly emphasizing the exposure of hoarded goods and illegal transaction of controlled goods is now accused of illegal transactions of newsprint. It's an old saying that those who proclaim their own honesty and innocence are never as they claim to be. We know there are many dishonest persons among us. Regardless of whether it has any political purpose or not, the accusation is a fact, and the details of the case will be clarified in the future. The accusation attracts our attention, and we are eager to hear the true reports because it involves the printing firm of the AKAHATA, an organ paper of the Communist headquarters, which has been claiming to be the people's friend and has many intellectual supporters.

Since "thorough investigation" is one of the pet slogans of the Communist Party, we hope that the procuratorial authorities will conduct thorough scientific investigations regarding the charge. It is without doubt that every political party has good as well as bad members. To put it in strict terms, all the people may be criminals today. If state legislations are applied strictly in every sense of the word, each and every Japanese will at least be final. Morals in our society are pretty loose. We can be better off without asking for application of laws even though we may be violating some legislations or regulations. Charms of our life lie here.

If we deal with each other with hostility, the evil will come back upon us just as the Communists experienced this time. The Communists have been emphasizing that it is their party alone which is able to save Japan. But we will no longer believe so. At the same time, we must recognize the fact that it is only the people as a whole who can reconstruct and save Japan.

(SUZUKI Shigeyoshi, reporter,
Hachioji Shi)

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EDITORIAL

ITEM 136 COMMUNICATION PERSONNEL SLASH ENDS

(Summary)

TOKYO TIMES, 16 Aug -- The discharge of the majority of the executive leaders of the central struggle committees of both the State Railway and the National Communications Workers Unions has revealed to the people that both committees were exclusively dominated by Communists. The people now acknowledge that it was indeed necessary to revise the National Public Service Law.

Public servants who engage in subversive activities, neglecting their duty, must be censured. In the light of the fact that they are public servants, it is only natural that they should be prohibited from going on strikes. Although the law does not preclude Communists from becoming public servants, Communist officials find it difficult to perform their duties as public servants faithfully and carry out the orders of the Communist Party simultaneously. It is, therefore, quite inevitable that Communist officials are fired for being inco-operative.

The majority of the common members of the State Railway and the National Communication Workers Unions, both huge labor organizations, are neither Communists nor Communist sympathizers. Nevertheless, the fact that their central struggle committees which decide the principles of the union activities have come to be dominated by Communists makes the union movements heretofore. extremely questionable.

There is a conflict in opinion between the Government and the National Personnel Authority as to whether or not discharged union members can retain their membership. It is our belief that the Government is justified in maintaining that only those who are actually working in the office can become members of a labor union. Inasmuch as the principal purpose of a labor union is to maintain and improve the working conditions of its members, it is unreasonable, as well as inexcusable, for discharged leaders to continue to meddle in the union activities, having no direct interest in the improvement of working conditions.

At the time the personnel slash program was carried out in the State Railway, numerous illegal activities were staged, including the nefarious Mitaka incident. Although a few irregularities are being reported within the Communication offices, the personnel slash program is being smoothly carried out on the whole, due to the sufficient preparations on the part of the Government.

How to absorb the discharged personnel is now the most serious question. It is regrettable that the Government shows little enthusiasm for the solution of this problem. The present indications are that the plan to undertake big-scale public works will not be realized. However, the administrative readjustment cannot be complete without a successful solution of the subsequent unemployment. The Government should remember that it will lose popular support if it neglects this important problem.

ITEM 137 SHORTAGE OF WOULD-BE TEACHERS CRITICAL PROBLEM

(Summary)

SAN-IN NICHINICHI SHIMBUN (Yonago), 11 Aug -- Despite the inauguration of both Tottori and Shimane Colleges, which have already held their first matriculation ceremonies, there remain various issues yet to be solved. What we want to tackle here in this column, however, is the acute shortage of new students. The number of those seeking enrollment was unexpectedly so small that both colleges barely managed

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EDITORIAL

ITEM 137 (Continued)

to hold their first matriculation ceremonies only by holding a second enrollment. In the art and science division of the Tottori College, there were only 171 applicants against a complement of 320, while in the educational division of the Shimane,College, as few as 208 against a complement of 380. It is reported that the authorities of both colleges are currently holding a third enrollment to make up the shortage. But it is doubtful whether they will be able to fill the complements by September. And even though the complements are met, a drop in the caliber of the incoming students will be inevitable. This situation is truly deplorable.

The complements of the educational departments of both colleges were set as they were because unless would-be teachers are trained in the number called for in the respective complements the required number of primary and junior high school teachers for both prefectures would never be met. Notwithstanding, what are the reasons for such an acute shortage of would-be teachers?

First comes the problem of treatment. Teachers are paid on the same wage basis as Government and public office workers, but as far as their traveling expenses, overtime compensations, etc, are concerned they are in an unfavorable position compared to Government and public officials. Despite the cries of "Establishment of a cultural nation", it is an undeniable fact that Japanese teachers ranging from primary school teachers to university professors are extremely underpaid. Only by treating educators well, can we summon the talented to the field of teaching.

Secondly, school teachers have lost much social standing. In the light of their former higher social position, it behooves every teacher to exercise serious self-reflection.

It is not necessarily improper for teachers conscious of the coming of a new age, to look upon themselves as laborers and cry for the establishment of basic labor rights as well as the protection of the right to live. But on the other hand, it is regrettable that recently school teachers give us the impression that they center their talks to money under the shield of the labor situation. Under the existing circumstances where there are not a few teachers who mutter against the recently-issued directive banning them from participating in labor demonstrations, school teachers cannot even expect to enjoy their pupils' confidence. This is the third reason.

In conclusion, it follows from this that many of the teachers are not as enthusiastic over their job of teaching as they are toward labor movements. Abusing the new educational trend in which greater emphasis is placed upon the self-study by pupils, are there not a few teachers who are mistaking irresponsible free education for democracy, and who remain idle and unreflecting? Is there not any burning enthusiasm in teachers for their sublime job of teaching?

If such a deplorable educational situation remains unheeded, it is only natural that public confidence in educators should be lost and that the educational and the art and science departments of colleges should be unpopular. We are not saying that educators alone are to blame. If both the Government and the people remain indifferent to improving such a social situation, thereby urging the people to respect science and to promote education, the building of a cultural nation will be impossible.

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EDITORIAL

ITEM 138 NEW FAR EAST POLICIES

(Summary)

TOKAI YUKAN (Gifu), 12 Aug -- The recent White Paper on China published by the United States has been disregarded by the majority of the Japanese people as having no relation to them. However, it is imperative at this juncture for the Japanese to read it again carefully, as it is now being widely recognized as the basis for the new US policies toward the Far East.

In the White Paper, the US strictly examines its past policies on China since World War II. As was pointed out in "MacARTHUR's Japan" by R BRINES. corruption was clearly evident in the Chinese Nationalist Government, and the various aid supplies offered by the US were poured into illegal channels and even went into the hands of Communist troops through shady deals by corrupt government officials. This has been widely known by the US people for some time.

The United States is taking an indifferent attitude toward CHIANG's political maneuvers such as conferring with QUIRINO and RHEE on anti-red policies. It is reported moreover, that President QUIRINO is now projecting a new Southeast Asia Alliance, excluding China and Korea.

Although the US has not yet clarified its attitude toward Korea formally, it seems inclined to take a rather conservative stand. The Japanese people must keep in mind that the US withdrew its army from Korea, and consequently Korea might be left outside the US Far East policies. Supposing that future US policies toward the Far East are based on the Southeast Asia Alliance advocated by QUIRINO, Japan will eventually follow in the wake of China and Korea. In this connection, it is imperative for the Japanese people to reflect upon Japan's attitude toward the US in the past.

Corruption like that of the Chiang Government, pointed out in the recent White Paper, is also found in the Japanese Government. The Japanese people must not overlook the strict criticism made by an American journalist who stated that the Japanese people in their actions and efforts have neglected to show evidence of responding appreciatively to US aid.

The people must now become well aware of the grave significance of the White Paper on China which will become a basis for the new US Far East policy.

ITEM 139 REFORM OF POLICY SYSTEM URGED

(Summary)

TOYO KEIZAI SHIMPO (Weekly magazine), 13 Aug -- The report by a foreign correspondent on the establishment of a special police in Japan, has been the cause of much discussion. Both GHQ and Premier YOSHIDA have labelled as groundless the report that a memorandum was sent by GHQ to the latter stating that the Japanese Government must not plan to reform its police system as proposed by the Yoshida Cabinet. According to GHQ, this rumor was evidently planted by elements who stood to profit from such an announcement.

Such an erroneous report serves to cause much dissension at home and abroad. This matter, however, has given the people an opportunity to reconsider the police system in this country. The question is, is the greatest benefit gained from it in its present form? Moreover, is it strong enough to maintain public peace? The consensus of opinion is that the time has come to submit a reform plan through the Diet or the Premier for GHQ to study.

It is true that the present number of policemen far exceeds the 80 or 90 thousand of prewar days and that facilities are also just

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as adequate. Unlike prewar days, however, where comparatively good order was maintained by society, and a strong army was available to suppress mob action in an emergency, present day society not only is minus such an army but faces a big transition period. Fortunately we now have the Occupation Forces to quell violence and disturbances but we must remember that we cannot depend on them for everything, nor expect them to be here indefinitely.

The Taira Incident, as a matter of fact, showed only too clearly the defects in the present police system. It is said that the Taira Autonomous Police were at a loss as to how to deal with the rioters who attacked the police for not only was the police phone intercepted, but it required considerable time to establish connections with the Fukushima and Ibaragi national police headquarters. Should the rioters, therefore, attack the various police centers at the same time, they will be certain to carry their objective. Moreover, such violence will serve to develop an opposing influence, which will only add to social confusion. Such an example can be seen in the Taira Incident, where the people in various areas around Taira City have reportedly formed their respective vigilance bodies in place of the powerless police to protect their own lives and property. Should these bodies develop into larger groups, the danger of a conflict between them and the rioters will arise.

We must especially guard against a possible violent outbreak between extreme leftists and rightists. Fortunately, the Taira Incident reported to have started at the instigation of the Communist Party was not accompanied by the rise of antagonistic rightist bodies. The first objective of politics in Japan must be to prevent the occurrence of a struggle between extreme leftists and rightists. This calls for the reform of the police system, namely, an increase in the number of policemen, the improvement of facilities and weapons, and the strengthening of national police power. These problems are all closely related with the Occupation policy. Consequently it is desired that the Diet and the Government examine this problem carefully and obtain the full understanding of the Allied Forces.

ITEM 140 ON EDUCATION (Column: Jottings)

(Summary)

MAINICHI SHIMBUN, 17 Aug -- Although the importance of education for children is widely acknowledged, in reality compulsory education is far from complete. There is still a shortage of 65,000 classrooms. Children are complaining about the existing two or three shift teaching system. Teachers are treated poorly.

As a result of the partial revision of the law stipulating that compulsory education be paid for by the state, the Fixed Teaching Personnel Law has been enforced, limiting the number of teachers per 50 pupils to 1.35 in primary schools and 1.7 in junior high schools. The average wage for elementary school teachers is 5,369 yen while that for junior high school teachers is 6,093 yen. As a result the Education Ministry and the Japan Teachers Union are now wrangling over the issue of 20,000 teachers being thrown out of their jobs.

On the other hand, the number of applicants for the teachers university under the new educational system is only 53 per cent of the fixed number. Although the Education Ministry is working on plans to attract more applicants to the teachers university by appropriating more than 500 million yen, such a plan will not be approved by the Diet. It has been customary with the Japanese political world to disregard educational appropriations. It is indeed deplorable that teachers are accorded such poor treatment when they are charged with the grave task of educating children.

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EDITORIAL

ITEM 141 CLEAR-CUT ATTITUDE (Letter to the Editor)

(Summary)

SHIN TOKYO, 12 Aug — The White Paper on China recently published by the United States Government gives me the impression that Americans are straight-forward people. The White Paper reveals that the U.S. Government is basically opposed to the imperialistic Soviet Union; hence, nations that curry favor with Russia are resented, while nations that favor the American type of democracy are to be given all possible aid.

I can well appreciate this realistic, clear-cut attitude of the Americans, since I have long served as an employee of the Occupation Army and have been in constant contact with Americans.

To them it is "yes" or "no." Their attitude is clear, and they dislike the ambiguous. They live up to their own convictions, have regard for the individual, and clearly define their own course of action.

I am now working for Americans as a painter. Once color is chosen, it must not be varied until the job is finished. If the color needs to be changed, it will be done at the next time of painting.

This is not obstinacy; it demonstrates their character. They like and respect those who are faithful to their duties. They dislike shrewd men who are not straight-forward.

As long as we have fully recognized the national character and policy of the U.S., we must abandon our ambiguous attitude of vacillating between communism and American democracy.

The US Government does not intend to fill a bottomless swamp with earth, but will plant the seedlings of democracy only on fertile soil. We must advance towards one goal along American lines.

(SAKURAI, Fukutoku, an employee of the FEC Printing Plant.)

ITEM 142 TEACHERS' CONFLICTING LOYALTIES

(Summary)

YUKAN MIE (Yokkaichi), 10 Aug -- There is no doubt that Japan's labor movements are facing a period of self examinations. It is obvious that the majority of the members of all industrial unions are beset by numerous worries. Especially, teachers, who are members of the Teachers' Union, are tormented by indecision and conflicting loyalties.

In former days the position of the teacher was regarded as a "sacred profession." It is an undeniable fact that many teachers today are in a dilemma, torn between this concept and their consciousness of being "workers" as members of a trade union.

They are seeking the key to peace of mind. How can they achieve this state? Perhaps by analyzing the ideological nature of the concept of a "sacred profession."

To be sure, the position of a teacher is a "sacred profession" in the sense of educating young people, or in the sense that all kinds of labor and all vocations are "sacred." But the concept of the sacred profession of teaching in the undemocratic past of Japan was a part of such inhuman and feudalistic morality as that expressed in the proverb, "The samurai glories in honorable poverty," and was a forced moral sense which deprived the teachers of all mental and physical contact with humanity. A servile teacher's spirit was demanded under the principle of following a "sacred profession."

It is only natural that such an inhuman concept of teaching should be rejected by the teachers in present day Japan. Moreover, it is extremely foolish if the old concept should be demanded of teachers who have now come to consider themselves, to a certain extent, workers.

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In conclusion, it can be said that the first consideration is to build a society wherein teachers can work in a sacred profession in the true sense of the word, and to educate young people without mental or physical oppression. The teachers' mental struggle will find rest in the very society where a "sacred profession" is actually such.

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For the Assistant Chief of Staff, G-2:

Thomas N. Stark
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DECLASSIFIED BY NSA/CSS SEC. 3(E) AND 3(B) OR (E) NNDB # 75012

I PRESS ANALYSIS

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

DECLASSIFIED E.O. 11652 SEC. 3(E) AND 3(D) OR (E) NNO # 778012

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

PRESS ANALYSIS

NO: 1170 **DATE:** 19 Aug 49

Today's Tokyo Newspapers

AAU swimming results continued in the spotlight. Text and pictures of the Japanese victory in the 1,500 and 200-meter events, rating almost a full-page spread in the major dailies, shunted most local political and social items to the inside pages. The best-played domestic stories were pegged on labor, train wrecks, conservative merger trends, and subsidy cuts.

LABOR

State rail officials yesterday opened collective bargaining with the revamped Central Dispute Committee of the State Railway Workers Union. They agreed to discuss wage, personnel, and labor contract grievances after the Democratization League-controlled SRWU had promised to drop discharged workers from its membership. Preliminary negotiations this week will lead into formal bargaining about 25 August. (a) The SRWU Reform League boycotted the new CDC, asserting that it was formed at an illegally-convoked Central Committee meeting. (b)

Of the 10,000 postal and telecommunications workers getting dismissal notices, about 13 percent have refused to be fired, a government survey revealed yesterday. (c)

TRAIN WRECKS

Chief Cabinet Secretary MASUDA yesterday classified the Fukushima derailment with the Mitaka runaway train incident, declaring that both were politically motivated. He pointed out that despite Communist insistence that the party is not responsible for Wednesday's wreck on the Tohoku main line, "We can conclude that ideologically the derailment case belongs in the same category as other similar occurrences since the enforcement of the administrative reform program." Police investigating the crime worked on the theory that the wreck was engineered by former rail employees under the guidance of "extremists supported by a certain outside organization." Communist YABE Kanichiro, suspected of helping to derail the 12-car passenger train, has refused to talk since his arrest Wednesday on charges of obstructing official duty and destroying his dismissal notice. (d) Two other derailings were reported yesterday--one on the same spot as Wednesday's wreck--but neither was ascribed to sabotage. (e)

Tohoku Communists accused the Government of "underhanded" efforts to blame leftists for the Fukushima train wreck. They contended that the Democratic Liberals and the rail and police authorities are seeking a pretext to suppress the Communist Party. In the Diet two party members warned that if the Government does not restrain its anti-Communist feelings, it may soon start blaming the Communists for the typhoon "Della." (f)

POLITICS

NARAHASHI Wataru, one of the top leaders of the Democratic anticoalition group, disclosed yesterday that he will launch a drive early next month to bring the two rival party factions together. He emphasized that the Democratic Party must be unified before realistic merger talks can begin with the Democratic Liberals. Narahashi, who conferred with Premier YOSHIDA for the first time in three years Wednesday, said the Premier had affirmed his desire for better understanding between the two right-wing parties. While declining to reveal details of the four-hour conference, he indicated that Yoshida is "considering progressive ideas oriented toward the working class." (a)

The need of tighter conservative liaison was emphasized yesterday in talks between President INUKAI of the coalition Democrats and Democratic Liberal Chief Secretary HIROKAWA. Inukai said the discussion had centered on fusing campaign policies. Hirokawa will report the conversation to the convalescing Premier at Gotemba. (a) He will also inform Yoshida of yesterday's cabinet decision to open the special Diet session in mid-October. (d)

(a) Jiji Shimpo
(b) Nihon Keizai Shimbun
(c) Asahi
(d) Yomiuri Shimbun
(e) Tokyo Shimbun
(f) Akahata

DECLASSIFIED AUTH: EO 12958 SEC. 3(E) AND 3(D) OR (E) MR00-1 #

EDITORIALS

Domestic emphasis in today's editorial coverage followed two main subjects--railway obstructions and the recent decision of the State Railway Workers Union --while foreign discussion centered on the Chinese Communist Party and the German elections. Housing shortages, state controls, and the local autonomy law also provoked comment.

Railway Obstructions

Deploring the recent derailment of a train on the Tohoku line, YOMIURI's late edition felt that if such accidents continue to take place it would prevent the people from utilizing railway travel. The perpetrators of this crime must be apprehended immediately, the daily remarked, pointing out that train obstructions may be described as an effective means to create social unrest. The government authorities were urged to make a thorough investigation to clear up the mystery.

Terming the Tohoku railway accident "the second Mitaka incident," TOKYO SHIMBUN demanded that the Government and state railway authorities prepare definite measures to "disclose and extirpate destructive actions." Though the journal did not believe that the destructive activities were committed by Communists since they do not "wield that much influence," it thought that the Communists would be the first to take advantage of the disorder and confusion to develop their social revolution. However, if the Communist Party is desirous of realizing Japan's independence, the paper said, it should exert efforts to prevent railway obstructions.

Labor

MAINICHI commended the recent decision of the SRWU Central Committee to rescind the "resort to force" resolution passed by the Atami conference some time ago. By this action, the union has "shaken off the yoke" which deprived it of freedom of movement and has availed itself of the right to bargain collectively, the daily commented. However, the lack of full representation of union factions at the committee meeting indicates a problem common to all democratic labor union movements in Japan--the lack of unification--the daily pointed out.

AKAHATA labeled the SRWU Central Committee meeting a "monkeyshow" which only resulted in making public the "internal disunity and disorder of the Democratization League." This meeting and the release of Communist YAMAMOTO, who was arrested on suspicion of implication in the Mitaka train wreck, occurred on the same day and both "manifest the lessons of the state railway dispute," the journal said. The time has now arrived for the Japanese people, "with labor as their leader," to start a strong offensive against the "villainous" Yoshida Cabinet, the Communist organ stressed.

Miscellaneous

Expressing its belief that the day of state controls has gone, JIJI SHIMPO noted that the gradual "crumbling" of controls means the "restoration of freedom to the people." This period offers the Japanese an opportunity to reflect on how their daily life was affected by the intervention of state authorities in the past ten years, the daily observed.

Noting that the food and clothing situation has improved, NIHON KEIZAI declared that social unrest will continue unless the Government sets up a permanent housing program instead of building cheap and temporary houses. Merely considering the problem untimely will never settle the housing issue, the paper asserted.

The Local Autonomy Law, which gave the people the right to recall officials, should not be revised merely because radical political parties and labor unions abuse the recall by taking advantage of the people's failure to understand the system, ASAHI averred. The numerous defects in the system can be remedied, it declared, pointing that the local inhabitants themselves must take interest in local autonomy and make the most of their opportunity to exercise their rights.

The Chinese Communists are not pleasant neighbors, TOKYO NICHINICHI declared, pointing to the various problems the neighboring Communist Party is causing Japan. The journal deplored the antics of "foolish" Japanese capitalists who are fawning over the executives of the Japanese Communist Party in the hope of securing aid in establishing trade agreements with China. One of the great problems inherent in having communist neighbors is the fear of acceleration of Japan's communization, the daily noted but stressed that the communization of the Asiatic mainland has nothing to do with the communization of Japan.

Discussing the recent German elections, YOMIURI's early edition said that the democratic character of the new Christian Democrats must be demonstrated while it hold the reins of government.

Supplement To
PRESS ANALYSIS
COMMUNIST TRENDS AND ACTIVITIES

I REPATRIATES: SEASON 1949

Reds Arrested in Akita for Repatriation Law Violation: Three Noshiro Communist Committeemen and one former railway engine shed employee arrested on suspicion of violating repatriation ordinance. Charge states they entered Noshiro station compound waving red flags and singing "Internationale" when train carrying Eitoku Maru returnees stopped there. (Yomiuri Shimbun, 19 August) Item 21

Shinyo Maru Captain Testifies at Repatriate Trial: Testifying in court that he appeared before shipboard mass meeting to apologize for wormy hardtack and water leaks, Shinyo Maru captain says repatriates asked him if "thought education" had been conducted and whether "our welcome is the heartfelt voice of the people." (Nihon Keizai Shimbun, 19 August) Item 22

"Democratic Bodies" Protest Government Ordinance: Representatives of recent Meiyu Maru and Takasago Maru returnees along with representatives of Repatriates League to Safeguard Democracy, Communist Party, and leftist-controlled labor organizations call on Repatriation Relief Bureau to protest repatriation ordinance, demand release of jailed returnees. Bureau General Affairs Section Chief DAZAI is quoted as saying: "We think that the issuance of the ordinance is regrettable." (Akahata, 13 August) Item 108

Repatriates Report Conditions in North Korea, Formosa: "Unsystematic military training goes on everywhere" in North Korea declares returnee from there who adds, "all males up to 45 years of age underwent Russian-style infantry combat training...." Poems scrawled in public places reveal bitterness of the people, he concludes. The increased importance of Formosa as Chinese Nationalist Government's last stand is evidenced in the rapid establishment of new factories there and the vast sums of money pouring in. They remark that "thorough preventive measures" have forestalled any serious incidents despite the rumored infiltration of a half million Chinese Reds; that Japanese in the area are being well-treated. (Asahi Shimbun, 15 August) Item 120

In the Interests of Japanese Detained in China: It is felt that many former high-ranking Japanese Army officers, fearing designation as war criminals if they return home, have determined to remain with Chinese Communist Army. But, in behalf of those who want to return home, Chinese Communist authorities are requested to provide information on those detained and to reopen communications. (Editorial: Asahi Shimbun, 13 August) Item 135

II COMMUNIST ACTIVITIES

Ag-Forestry Ministry Begins Dismissal Notification: All eight Communist members of Agriculture-Forestry Ministry Employees Union Central Dispute Committee will be discharged in first phase of ministry's dismissal program now underway. (Asahi Shimbun, 19 August) Item 4

Police See Ex-Ry Workers Involved in Fukushima Wreck: Attaching importance to train wreck near Matsukawa as "second Mitaka incident," Fukushima Prefectural Police and District Prosecutors Office mobilize for full-scale investigation of case. Reports strengthen belief that derailment was act of persons connected with railway "under instigation and command of extremists supported by a certain outside organization." Communist YABE, officer of State Railway Workers Union Local, is believed involved in the incident; arrested on charges relating to dismissal program. Police Chief ARAI says several Communist ex-leaders of union local appear within range of investigation. Chief Cabinet Secretary MASUDA comments, "It is imagined that the recent derailment case is a deliberate act of obstruction committed by a group or organization." (Yomiuri Shimbun, 19 August) Item 6

Reds Decry Govt Action on Matsukawa Train Wreck: Communist Party Tohoku District Committee accuses Government of exploiting Matsukawa train wreck to produce further excuse for suppressing Communist Party and checking democratic revolution; pledges full investigation of case. Two party representatives call on MASUDA, insist that incident not be utilized politically. (Akahata, 19 August) Item 8

Koriyama Police Raid Communist, AJCWU Offices: Police raid Koriyama District Office of Communist Party and All Japan Communications Workers Union Koriyama Chapter; arrest Communist office worker and six AJCWU members for complicity in 12 August incident when more than 30 Communists forced their way into Koriyama Deposit Bureau and confined two officials. (Yomiuri Shimbun, 19 August) Item 9

Mitaka Case Police Uncover Another Secret Meeting: Findings of special investigation groups reveal that secret meeting was held near Mitaka Electric Train Office to deliberate on train wreck. Authorities believe the criminals frequently conspired at this meeting point. (Yomiuri Shimbun, 19 August) Item 10

Hope for CP Co-operation toward Aim of Independence: Matsukawa addition to the long series of railway obstruction cases makes it mandatory for the Government to take concrete measures to "disclose and extirpate destructive action," states the editorials. While it does not hold the Communists accountable for such occurrences, it notes that they are the first to rejoice and take advantage of the disorder. If the Communist Party honestly desires the nation's independence, it is hoped that such desire will be manifest in efforts to prevent such incidents. (Editorial: Tokyo Shimbun, 19 August) Item 24

Strengthen Offensive against Retreating Yoshida Cabinet: Reds view release of Mitaka incident suspect YAMAMOTO, "champion for the people," as a victory for the Communists and the general public against "knavish tricks" of Yoshida Cabinet. The AJCHU and SHAJU can now break up the Democratization League and realize true unity, observes the Red sheet, holding that the opportunity for creation of united front has now matured. It announces that the way to take up the people's demands is by regional strife directed, organized, and unified by the Communist Party. (Editorial: Akahata, 19 August) Item 26

People Who Seek True Freedom Must Resist False Arguments: KOISUMI, in his book "Common Sense in the Criticism of Communism" points out the fallacies of those who thoughtlessly welcome a system requiring extensive bureaucratic operations. Public is warned to resist influence by groups who stand to benefit from state controls. (Editorial: Jiji Shimpo, 19 August) Item 29

Neighboring Communist Party Should Not Be Solicited: According to United States newspaper article, Japanese capitalists held conference on trade with China and invited Communist leader NOZAKA to meeting. In addition, Kansai capitalists are reportedly "flattering" executives of Japan Communist Party for purposes of Chinese trade. Such method is nonsensical and pernicious, says the editorial, which believes it is up to the Chinese Communists to send representatives to Japan if they want to establish trade relations. "Being too much concerned with the affairs next door is not recommendable," it concludes. (Editorial: Tokyo Nichinichi Shimbun, 19 August) Item 30

Communist Party Orders Reactionary Plots Smashed: Communist headquarters accuses Government of affixing forged Communist cell members' names to posters in attempt to throw blame on Communist Party for the severed Yokota-Tachikawa and Meiji Theater telephone lines. (Akahata, 13 August) Item 105

Nagano Communists Boost Akahata Circulation: Communist Party Nagano Prefectural Committee members make house-to-house calls to boost Akahata circulation; cells in Suwarea, Fujimi, and Ueda area also working hard at "individual penetration." (Akahata, 14 August) Item 122

II TOKYO MORNING EDITIONS

THIS MORNING'S TOKYO NEWSPAPERS

TOKYO MORNING EDITIONS

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NEWS

ITEM 1 GOVERNMENT OPENS COLLECTIVE BARGAINING WITH RY WORKERS

(Full Translation)

JIJI SHIMPO, 19 Aug -- The new Central Dispute Committee of the State Railway Workers Union, which was formed at the Central Committee meeting in Narita, proposed yesterday morning the commencement of collective bargaining to the State Railway authorities. The latter accepted this proposal, and the first collective bargaining took place at 1530 hours at the Transportation Minister's reception room, with Vice-president KAGAYAMA of the State Railways, Chief USHIJIMA of its Personnel Section, and others representing the railway authorities, and all the Democratization League members of the Central Dispute Committee in Tokyo, including Chairman KATO of the State Railway Workers Union, representing the union. Toward the formal proposal of a collective bargaining made by KATO, USHIJIMA stated: "It has been decided that dismissed persons cannot be union members. Unless this decision is accepted among the union members, we cannot accept the proposal for negotiations with the union headquarters or its chapters." KATO replied, "We have already reached a formal decision on this point.

ITEM 1 (Continued)

However, since this principle has not yet been disseminated thoroughly to some lower units, we hope that the negotiation with the union headquarters will be commenced immediately, leaving that with the union chapters for the future." Vice-president KAGAYAMA then stated, "It is natural to accept the proposal for collective bargaining, insofar as it is a legal demand made by a legal labor union.".

Thus, as a request of the union, HOSHIKA proposed the following three points. (1) The lists of negotiatory members will be exchanged. (2) To promote the efficiency of the negotiations, three special committees, namely, those concerning the administrative readjustment issue, wage problem, and labor agreement, respectively, will be established. (3) Although formal negotiations will not take place until after 25 August, certain business affairs which can be disposed of prior to this will be settled before this date. Since the railway authorities agreed to this proposal in principle, the first meeting adjourned at 1610 hours in a friendly atmosphere. The second meeting is scheduled for 20 August.

ITEM 2 REFORMISTS REJECT NEWLY FORMED SPWU CENTRAL COMMITTEE

(Full Translation)

NIHON KEIZAI SHIMBUN, 19 Aug -- The central dispute committee of the Reform League faction of the State Railway Workers Union yesterday issued a statement on the basis of the conclusion reached at a conference held Wednesday at the state railway workers' barracks in Nishigahara, Takinogawa. At the Narita Central Committee meeting held by the Democratization League faction, NEGAMI and KOBAYASHI of the Reform League faction, who failed to attend the meeting, were elected members of the executive committee. Later, however, the two men clarified that their attitude would be not to participate in the committee. The gist of the statement of the Reform League faction follows.

"(1) We will not regard the central committee of the Democratization League faction as a formal agency. Therefore we will not follow the decisions of the committee. (2) We will make efforts to call a national convention of the union with the objective of securing the organization of the union and obtaining a united decision on the solution of the present problem. (4) We, in co-operation with the members of the union, will fight to eliminate the opportunism and the fascistic operation of the union by a certain faction."

ITEM 3 13 PERCENT OF AJCWU DISCHARGEES REFUSE NOTICES

(Full Translation)

ASAHI SHIMBUN, 19 Aug -- The dismissal program of members of the All-Japan Communications Workers Union, which has been enforced since 12 August, has been completed for the most part.

According to a survey by the authorities concerned, as of 1700 hours Wednesday, dismissal notices were issued to about 6,000 employees of the Postal Ministry and about 4,000 notices went out to Telecommunications Ministry workers. Of these, however, 541 in the Postal Ministry and 814 in the Telecommunications Ministry refused to accept their dismissal notices. Thus, the number of employees who refused dismissal notices in the two ministries reached more than 13 percent of the total. However, this shows that the dismissal notice refusal tactics as directed by union headquarters had only slight effect.

ITEM 3 (Continued)

The percentage of refusals by districts:

1. Telecommunications Ministry: Gunma, where the number of employees to be dismissed was small, 75 percent; Yamanashi, 60 percent, Chiba and Tottori, 50 percent. In the main office of the ministry, dismissal notices were issued to 75 employees, of whom 48 refused, thus attracting public attention.

2. Postal Administration Ministry: Shizuoka, 38 percent; Saga, 30 percent; and Miyagi, Nagano, Toyama, Kumamoto and Oita, 20 percent.

The number of employees who have been actually dismissed was about 1,500 less the goal. The reason for this is that employees retiring voluntarily is growing in number. Furthermore, it is felt that most of the 16,000 employees who will retire voluntarily will do so in September.

ITEM 4 AG-FORESTRY MINISTRY BEGINS DISMISSAL NOTIFICATION

(Full Translation)

ASAHI SHIMBUN, 19 Aug -- The Agriculture-Forestry Ministry at 1000 hours yesterday took necessary steps to issue dismissal notices to a total of 1,400 employees, including about 1,300 who will retire voluntarily, in the first phase of the ministry's dismissal program. The number of employees to come under the dismissal program is 83 in Tokyo (including 69 in the main office of the ministry) and 35 in the provinces. These figures exclude the number of employees who wish to retire voluntarily. Among persons to fall under the program are KURIHARA Momohisa and ISHIWATA Sadao (both from the academic group), and nine leaders, including Chairman INOUE, Vice-chairman MATSUNAGA, and Secretary-general NAKAMACHI of the Central Dispute Committee of the Agriculture-Forestry Ministry Employees Union. Moreover, all eight Communist members of the Central Dispute Committee will be discharged.

ITEM 5 TOSHIBA MATSUKAWA PLANT HIT BY 24-HOUR WALKOUT

(Full Translation)

YOMIURI SHIMBUN, 19 Aug (Fukushima dispatch) -- The workers' union of the Matsukawa Plant of the Tokyo Shibaura Electric Company called a 24-hour walkout on 17 August in line with a headquarters directive to resort to force. The action resulted after a workshop rally was called to discuss measures against the company's mailing of dismissal notices to 32 employees on 13 August, and its order to prohibit the dischargees from entering the plant after 16 August. This affirmed the headquarters order to enter into a strike. The plant is located in Fukushima Ken, Matsukawa Machi, and its workers' union has a membership of 317.

NEWS

ITEM 6 POLICE SEE EX-RY WORKERS INVOLVED IN FUKUSHIMA WRECK

(Summary)

YOMIURI SHIMBUN, 19 Aug (Fukushima dispatch) -- Attaching importance to the deliberate derailment of a train on the Tohoku Main Line as the "second Mitaka incident", the Fukushima Prefectural Headquarters of the National Rural Police and the Fukushima District Prosecutors Office established an Investigation Headquarters at Kanayagawa Mura near the spot of the derailment, and launched a thorough investigation by mobilizing 130 policemen and public safety officers. Based upon reports made available by various circles and valuable evidential data, investigation authorities have strengthened their belief that the derailment is an atrocious crime committed by former railway employees or persons having connection with railway tracks under the instigation and command of extremists supported by a certain outside organization. The authorities have begun the search for the culprits along this line of investigation.

Communist YABE Kenichiro (26), secretary-general of the Wakamatsu Local of the State Railway Workers Union, was arrested at Matsukawa Station, about 1.000 meters from the spot of the accident, at about 1300 hours on Wednesday while waiting for a train. YABE was handed a dismissal notice under the second-stage personnel retrenchment program on 16 July. He tore the dismissal slip up, and intimidated the chief of the engine shed. A warrant for his arrest was issued on charges of destroying official papers and obstructing the execution of official duties. He has been hiding since the issuance of the warrant of arrest, but appeared suddenly near the scene of the accident on the day it occurred. Investigation authorities believe that YABE is involved in the derailment. He is now under examination, but is maintaining silence. YABE was with NINOMIYA Yutaka (29), former member of the Executive Committee of the Fukushima Chapter of the SRWU when he was arrested. It is strongly suspected that the two men met at a certain place and headed for Matsukawa Machi.

At Matsukawa Plant of Tokyo Shibaura Electric Company, situated about 1.000 meters from the spot of the accident, the union of the plant carried out a 24-hour strike from 0800 hours on the day of the accident. On the previous night, the union held a meeting in preparation for the strike, and 300 members of an outside organization attended this meeting. After the adjournment of the meeting, 15 or 16 leaders held a fraction meeting. Three Communist leaders of the dispute who attended the meeting disappeared on their way home at about 2200 hours. Investigation authorities are now checking the whereabouts of these three persons.

Locomotive Engineer ONISHI and helper WATANABE of Passenger Train No. 112, which passed the spot of the accident an hour earlier, were summoned by the investigation headquarters as witnesses. They testified that they saw several persons wearing white shirts, black trousers and with long hair cuts and no hats walking, heads down, towards the spot, from the direction of Matsukawa Station about one hour before the accident. It is assumed by the authorities that this atrocious railway obstruction was planned somewhere in Matsukawa Machi.

Investigation Headquarters to Fukushima Soon

Chief ARAI of the Fukushima Prefectural Headquarters of the National Rural Police issued a statement at 1400 hours. The statement follows: "1. The investigation is still in a preliminary stage. Twenty two-man teams are gathering information, and are trying to retrace the footsteps of the culprits. No definite evidence has yet been found. 2. We want

ITEM 6 (Continued)

to move the investigation headquarters to Fukushima District Police Station, when full-scale investigations begin in two or three days. 3. As a result of on-the-spot investigations, it was found that connecting rails had been removed at three points at a curve. 4. YABE is not yet under a full-scale investigation. Concrete evidence regarding him has not yet appeared. 5. It is still unknown whether the crow bars belonged to the Matsukawa Railway Track Team or the Kanayagawa Railway Track Team. 6. As a result of the questioning of engineers of Train No. 112, it was found that four or five persons were seen near the spot of the accident about one hour prior to the accident."

The investigation of the derailment is being directed along the following three points: (1) the behind-the-scene influences that planned and guided this atrocious act, and their leaders; (2) the culprits who directly carried out the railway obstruction; and (3) the persons who helped in the execution of the crime by playing the part of watchmen and helping the culprits flee.

Those behind the scene: several former leaders of the local (Communists) who were dismissed under the first-stage personnel cut program of the State Railway Corporation have appeared within the range of the investigation. Communist YABE was arrested on charges of destroying official papers and obstructing the execution of official duties. It is strange that YABE was found loitering near Matsukawa Station on the day of the accident.

The culprits directly tied to the crime: in connection with the culprits who are directly involved in the accident, it is evident, judging from various facts, that it was carried out by former railway employees or persons having connection with the railway, and especially by technicians working in a maintenance section. The authorities believe that half an hour would have been sufficient for three or four technicians to make preparations for the wreck, even in darkness.

Accessories to the crime: the authorities believe that five or six persons must have co-operated in the execution of the crime by acting as watchmen, hiding the culprits or helping them flee.

Police Question Strikes Train Wreck Relationship

The investigation authorities are of the opinion that the strike carried out by the union of the Matsukawa Plant of Toshiba on the day of the accident is more than mere coincidence.

Masuda Notes Similar Ideological Background

At a press interview yesterday noon, Chief Cabinet Secretary MASUDA pointed out that the derailment in Fukushima Ken has the same ideological background as other cases which have occurred since the execution of the administrative adjustment program. MASUDA said, "It is imagined that the recent derailment case is a deliberate act of obstruction committed by a group or organization. The derailment was intended to cause heavy injuries, since its objective was a passenger train. In this respect, the case is more malignant in nature than the Mitaka runaway train case. Communist Diet member HAYASHI called on me on Wednesday and asked me not to conclude that the Communist Party is responsible for this derailment case. I listened to what he had to say. But we can conclude definitely that ideologically the derailment case belongs in the same category as other similar occurrences since the enforcement of the administrative reform program."

NEWS

ITEM 7 ANOTHER FREIGHT DERAILED AT SITE OF WEDNESDAY WRECK

(Full Translation)

TOKYO SHIMBUN, 19 Aug -- A passenger train bound for Ueno early yesterday morning smashed into an overhead crossing in the compound of Oyama Station on the Ryomo Line, and its locomotive was derailed. There were no casualties, of either crew members or passengers. Investigation attributed the cause to defective brakes. On the other hand, a freight train early yesterday morning was again derailed at the site of Wednesday's freight train turnover incident which caused the death of three crew members, again suspending the traffic on the Tohoku main line between Matsukawa and Kanayagawa stations. This time no casualty was reported, however. A softened railway bed due to the previous night's downpour is believed to have caused the accident. Traffic was expected to be resumed by about 1600 hours yesterday.

(Utsunomiya dispatch)--Passenger train No.621, with seven coaches, bound for Ueno via Oyama from Kiryu Station on the Ryomo Line, at about 0616 hours yesterday steamed into Oyama Station, but it failed to stop at the platform, and continued to run about 50 meters into a buffer-stop. Breaking through the buffer-stop, the train ran into an electric power warehouse, doing heavy damage, and further rushed 15 meters into an overhead crossing in the compound of the station. The train destroyed four piers of the bridge and stopped, with the locomotive alone derailed. No casualty was caused among either the crew members or passengers, however. The Utsunomiya subdivision of the Tokyo Railway Division investigated the train runaway incident, and determined that the accident was caused by brake trouble. According to the investigation, Engineer USUI of the train discovered the defective brake and, as the last resort, sounded the whistle to apply the special emergency brake in the conductor's compartment, but it was too late and the train broke through the buffer-stop and ran into the electric power warehouse. However, since the engineer did not find anything wrong with the brakes when the train started from Omogawa Station, next station to Oyama on the Ryomo Line, the Tochigi prefectural headquarters of the National Rural Police and the Utsunomiya Management Section have conducted a scientific detailed investigation of the incident.

(Fukushima dispatch)--The scene of Wednesday's freight train derailment and overturn incident on the Tohoku main line between Matsukawa and Kanayagawa stations, in which three crew members were killed, was repaired at 0300 hours yesterday. At about 0410 hours, however, as freight train No.159 bound for Nagamachi from Koriyama passed the site of the incident, the fourth, fifth and sixth cars, all oil-cars, were derailed and fell over to the left. Traffic was again interrupted only one hour and ten minutes after it had been reopened. A relief train rushed to the scene of the accident, leaving Fukushima Station at 0540 hours. The derailed train was the seventh train to pass the section after traffic was resumed. Due to the accident, passengers on trains running between Matsukawa and Kanayagawa stations were transferred to buses. It was expected that the traffic between the sections would be reopened from the run of express passenger train No.103 bound for Aomori from Ueno. According to reports reaching the Tokyo Railway Division yesterday morning, it is believed that the derailment was due to a soft railway bed caused by a heavy rainfall on the previous night. The report said that the train service was expected to be restored to normal by about 1600 hours yesterday.

Strict Vigilance Along Railway Tracks

The state railway authorities have been taking every possible step to prevent recurrence of such mysterious train accidents as the

ITEM 7 (Continued)

Mitaka electric train runaway case, Wednesday's freight train derailment and turnover incident and yesterday's commuter train runaway and derailment incident, which have caused grave anxiety among train passengers. The state railways early last month issued instructions to both the business and public order maintenance departments in all of its local bureaus throughout the country, ordering them to take strict precautions against occurence of accidents. Local bureaus were instructed to encourage track maintenance sections, locomotive sections, and train inspection sections to keep stricter patrol and vigilance, and to maintain closer custody of equipment and repair tools. In addition, the Public Order Maintenance Bureau of the State Railways, in close cooperation with the National Rural Police and local autonomous police, has kept close watch in particular in such districts as those where unrest prevails, and has sought cooperation of schools, PTA and other such organs in arresting culprits and finding obstructions of railway services. Nevertheless, the actual situation is such that it is difficult for the State Railways to attain its aims as expected, due to shortage of members of the track maintenance sections and insufficient appropriations for their travel expenses resulting from the pinched budget. In this connection, Chief SAKURAOKA of the Public Order Maintenance Section of the Train Operation Bureau of State Railways stated:

"Accidents attributable to carelessness of railway employees have decreased greatly of late, and unwillingness to work cannot be found in any of these employees, but we are troubled by systematic obstructions by outsiders. The State Railways, centering around its Train Operation and Public Order Maintenance bureaus, is keeping strict watch against obstructionists, in co-operation with the National Rural Police and local autonomous police. The track maintenance section members are also maintaining rigid patrols."

NEWS

ITEM 8 REDS DECRY GOVT ACTION ON MATSUKAWA TRAIN WRECK

(Full Translation)

AKAHATA, 19 Aug — The Tohoku District Committee of the Japan Communist Party published the following statement yesterday concerning the train wreck near Matsukawa in Fukushima Ken:

"The police authorities have embarked on a large-scale propaganda that the train wreck near Matsukawa in Fukushima Ken is a planned group conspiracy. Moreover, they attacked the Communist Party and the offices of the State Railway Workers and All Japan Communications Workers unions yesterday on the charge of violating the public safety ordinance in connection with the so-called Taira incident.

These are underhanded acts to connect the Communist Party and other democratic organization with the train accident at Matsukawa. But the people believe that this incident was a joint conspiracy by the State Railway and police authorities, as well as the Democratic Liberal Party, to restore the authority which has been eclipsed by the people's offensive and the Taira incident, to produce some pretext to suppress the Communist Party, and to check the democratic revolution.

"In collaboration with the working masses throughout the nation, the Japan Communist Party will do its utmost to investigate the incident completely, expose the true criminals with the help of the masses and revenge ITO, sympathizer of our party, and the other victims of the wreck. For the purpose of eliminating all enemies of the people, the party is determined to embark on all sorts of political mass activities."

HAYASHI Hyakuro and IWAMA Masao of the Communist Party called on Chief Cabinet Secretary MASUDA at 1530 hours yesterday at the Premier's official residence to clarify the attitude of the Communist Party toward the train wreck in Fukushima Ken. The two Communist representatives warned that the Government has assumed so strong an anti-Communist attitude that it might even go as for as blaming the typhoon "Della" on the Communist Party. They insisted strongly that the incident must not be utilized politically. The Chief Cabinet Secretary answered that the Government has no such intentions.

ITEM 9 KORIYAMA POLICE RAID COMMUNIST, AJCWU OFFICES

(Full Translation)

YOMIURI SHIMBUN, 19 Aug (Fukushima Dispatch) -- The Koriyama police raided the Koriyama District Office of the Communist Party, Amida Cho, Koriyama Shi, and the Koriyama Chapter of the All Japan Communications Workers Union at 0600 hours yesterday. At the same time, warrants for the arrest of Communist SHIBATA Akio (25) of the Communist office and 11 AJCWU members were requested, on suspicion of illegal detention and trespass. Six of the suspects were arrested by noon. The action arose from the incident on 12 August when more than 30 Communists, in opposition to the dismissal of communications workers, forced their entrance into the Koriyama Branch of the Deposit Bureau, despite the guard's attempt to stop them, and confined Postmaster AKIYAMA of the Koriyama Post Office and Chief ENDO of the Telegram-Telephone office in the room of the Deposit Section chief for about three hours.

NEWS

ITEM 10 MITAKA CASE POLICE UNCOVER ANOTHER SECRET MEETING

(Full Translation)

YOMIURI SHIMBUN, 19 Aug -- The Joint Investigation Headquarters of the Mitaka incident, laying heavy emphasis on the investigation of data to endorse the testimonies of the seven suspects, dispatched police detectives to various districts yesterday to put the finishing touches to the investigation. Special investigation groups were also mobilized to investigate the role of the "secret action corps" and details of a conference where the derailing of the train was finally deliberated. As a result, it has been clarified that a secret meeting was held at a certain point near the Mitaka Electric Train Office other than the so-called Takaso conference, which was called to establish an alibi, for the purpose of deliberating on the train wreck conspiracy. Investigation authorities are now convinced that the criminals, including the direct perpetrator of this crime, had often conspired at this secret meeting point. Since several new suspects, who have become the targets of the projected third arrest, had appeared at this spot together with the seven present suspects, the authorities concerned are making desperate efforts to endorse their conviction. It is thought that TAKEUCHI Keisuke, one of the suspects now being investigated, participated in this secret meeting. Since there is a considerable difference between his statement and the testimonies of witnesses, police authorities are doing their utmost to investigate his alibi.

ITEM 11 REDS CLAIM MOBILIZATION OF FIREMEN UNCONSTITUTIONAL

(Full Translation)

AKAHATA, 19 Aug -- The Government plan to mobilize the nation's 2,000,000 firemen along with the police for its suppressive policy is taking concrete shape since the National Rural Police Headquarters sent notification to the national rural police and autonomous police on 15 July to this effect.

In this connection, Communist Representatives TACHIBANA and TANAKA called upon State Minister HIGAI at the Premier's official residence at 1300 hours Tuesday and handed a letter of protest addressed to Premier YOSHIDA and prepared by the Communist Diet members' group.

State Minister HIGAI shirked his responsibility, saying, "I have not seen the content of the notification, but I cannot believe that it is so unreasonable. Moreover, I have no voice in police matters." The two Representatives made the State Minister promise that the Government would express a formal opinion on this issue.

Further, the Representatives asked for an opinion on the prohibition of demonstration by the Metropolitan Police Board and the proposed ordiance for establishment of an Osaka Metropolitan Police Board, but the State Minister did not give a definite answer, apparently conniving at the fascistic trend of the police.

A gist of the letter of protest follows:

"The instruction entitled 'Pertaining to Special Assistance and Co-operation to be offered by Firemen to the Police in Time of Emergency', which was dispatched by the National Rural Police Headquarters, is evidently unconstitutional and illegal for the following reasons:

" (1) It is evident that Paragraph 1, Article 24 of the Fire Prevention Organization Law which provides for mutual co-operation applies only to emergencies caused by natural disasters such as flood and fires and not to those caused by social conditions such as disturbances and riots in view of Article 1 and Paragraph 2 of Article

ITEM 11 (Continued)

24 of the same Law and Article 1 of the Fire Prevention Law.

" (2) The authorization of city, town or village chiefs to recognize emergency must be criticized as illegally expanding the Premier's authority on the 'proclamation of a national emergency situation.'

" (3) The arbitrary imposition of expenses for mobilizing firemen upon local autonomous bodies violates Article 2 of the Local Finance Law.

" (4) Engaging 2,000,000 firemen throughout the nation in hard work not provided for by law on the strength of such an illegal notification; this violates Article 18 of the Constitution.

" (5) The purpose for which this illegal instruction was issued is to suppress illegally fundamental human rights regarding speech, assembly, association and mass action.

"We demand immediate cancellation of the instruction and dismissal of responsible authorities of the National Rural Police, together with responsible actions by the Yoshida Cabinet."

NEWS

ITEM 12 PROSECUTION ASKS SENTENCES FOR TEXTILE CASE DEFENDANTS

(Full Translation)

TOKYO SHIMBUN, 19 Aug -- Public hearings on the textile scandal case ended yesterday with Prosecutor NUMAZATO's closing statement in which he asked prison terms for the eight defendants, including President UMEMURA Kiyoshi of the Toa Industrial Company and former Textile Bureau Chief SUZUKI Juro of the Commerce-Industry Ministry. The case was notoriously labelled as one of the "big three" scandals of last year along with the Showa Denko and the State Coal Control affairs, and it has been on trial before the Tokyo District Court under Judge KOBAYASHI, Prosecutor NUMAZATO, and Lawyer UNNO since February. The prosecutor asked the following sentences: (1) recipients of bribes: (a) SUZUKI Juro, two years' imprisonment for receiving bribes. (b) SAKAI Hiroshi (chief of Commerce-Industry Bureau in Shikoku), two and a half years' imprisonment, with bribes to him to be confiscated. (c) HIGAKI Yoshibumi (ex-chief of Fodder Section of the Agriculture-Forestry Ministry), eight months' imprisonment. (2) Bribers: (a) KOKUBO Gisaburo (president of Kokubo Industrial Company), one year's imprisonment. (b) UMEMURA Kiyoshi (president of Toa Industrial Company), two years' imprisonment. (c) UMEMURA Seisuke (manager of Toa Industrial Company), eight months' imprisonment. (d) ISHIMITSU Sakae (president of Yusen Commercial Company), 10 months' imprisonment. (e) ASAHARA Sakae (president of Kawaguchi Menkosha Company), fine of 5,000 yen. (f) Toa Industrial Company, fine of 10,000,000 yen for violating the Materials Control Law.

ITEM 13 COUNCILLOR KAMATA INDICTED IN COTTON BLACKMARKET

(Full Translation)

NIHON KEIZAI SHIMBUN, 19 Aug (Gifu Dispatch) -- KAMATA Itsuro, 52, Councillor from Iwate Prefecture, who was recently arrested on the suspicion of being the leader of the blackmarket in state-owned raw cotton amounting to 41,000,000 yen, was indicted yesterday on the charge of violating the Commodity Control Regulation and the Emergency Supply and Demand Adjustment Law.

The Sanriku Fish Net Co, of which KAMATA is the president, was also indicted on the charge of violating the Emergency Supply and Demand Adjustment Law.

ITEM 14 NARAHASHI TO WORK FOR UNIFICATION OF DEMOCRATIC PARTY

(Full Translation)

JIJI SHIMPO, 19 Aug (Osaka Dispatch) -- NARAHASHI Wataru, supreme committeeman of the Democratic opposition faction, met with Premier YOSHIDA behind closed doors and discussed the political situation for four hours from 1200 hours Wednesday, at KABAYAMA's residence in Gotemba, where the premier is recuperating. It seems that candid opinions were exchanged particularly upon the issue of a conservative merger. This was the first meeting in three years for these two persons, between whom emotional differences had been reported. NARAHASHI, on his return to Osaka yesterday, stated as follows:

"The details of the talk cannot be revealed. YOSHIDA and I completely agreed that the problem of emotional differences should be cast away altogether, to stabilize the political situation from a broad point of view. I believe that the political situation is most delicately affected by the attitude of the Democratic coalition faction, which is hanging in balance between amalgamation with the Democratic

ITEM 14 (Continued)

Liberal Party and reunion with the Democratic opposition faction. I therefore intend to act as a conciliator between the two factions in order to bring back the Democratic Party to its original form. I will take steps for this goal from the beginning of September.

"Whether or not all past feelings should be abandoned, and a merger reached with the Democratic Liberal Party, is a problem which will come only after the Democratic Party has been unified. Considered from a broad point of view, however, therein lies the key to the settlement of the present difficult political situation. The Democratic Liberal Party is misunderstood to be ultra-rightist, but YOSHIDA is considering progressive ideas oriented toward the working class. I agree with YOSHIDA on this point. Furhter, I wish to meet with SHIDEHARA shortly, and abandon all past emotional differences. YOSHIDA, too, desires it."

ITEM 15 HIROKAWA, INUKAI CONFER ON JOINT PARTY POLICIES

(Full Translation)

JIJI SHIMPO, 19 Aug -- Chief Secretary HIROKAWA of the Democratic Liberal Party called on President INUKAI of the Democratic coalition faction at the latter's residence in Shinano Machi at 1000 hours yesterday. The conference, which lasted about 20 minutes, was chiefly concerned with the question of consolidating liaison between the two parties.

After the conference, President INUKAI stated: "HIROKAWA is scheduled to call on Premier YOSHIDA at Gotemba tomorrow to report on the political situation. He came to see me today to arrange matters for a visit. We agreed to hold joint speech meetings in those prefectures where liaison has been firmly established between our two parties. The names of these prefectures were mentioned in our discussion. We also conferred on desires to establish a closer relationship between our two parties in connection with joint party policies."

ITEM 16 CABINET DECIDES SPECIAL DIET SESSION FOR MID-OCTOBER

(Full Translation)

YOMIURI SHIMBUN, 19 Aug -- Finance Minister IKEDA, at the cabinet session yesterday, reported details of his conference with Dr SHOUP, which was held in the afternoon of the previous day. It is anticipated that the presentation of the taxation system reform bill and the supplementary budget bill will be greatly delayed and that the convocation of the special session of the Diet will be delayed until mid-October.

At yesterday's cabinet meeting, the Government decided that the special Diet session would be convened in mid-October. Together with Chief Secretary HIROKAWA of the Democratic Liberal Party, Chief Cabinet Secretary MASUDA will report this conclusion to Premier YOSHIDA, who is now at Gotemba.

The report of Finance Minister IKEDA was made along the reform of the taxation system, which is now being studied by Finance Ministry authorities. He clarified the outline of the reform of taxation laws and regulations relating to the income tax, corporation tax, and local taxes. He pointed out that the recommendation by Dr SHOUP would be published about the 28th of this month, somewhat later than previously

ITEM 16 (Continued)

anticipated. Considering the time necessary to draft various laws and the budget bill in this connection, it has now become very difficult to convene the Diet session before the middle of October.

The Government has requested all state ministers to stay here to prepare for the forthcoming special Diet session.

NEWS

ITEM 17 CABINET PLANS TO CUT SUBSIDIES BY 32 BILLION YEN

(Full Translation)

ASAHI SHIMBUN, 19 Aug -- At a cabinet meeting held yesterday afternoon, the Government conferred on the prospect for the reduction of subsidies within this fiscal year, with the plan for reducing 32,300,000,000 yen newly offered by the Economic Stabilization Board on that day as the main reference. As compared with the ESB's former plan for slashing the subsidies by 19,900,000,000 yen (which was deliberated at a cabinet meeting on 9 August), some new items were added to the new plan concerning the curtailment of importation subsidies, together with curtailing further the subsidies for fertilizer, soda, and other domestic industries. The cabinet members at this meeting fairly well agreed to the ESB's plan in regard to most types of commodities, including iron and steel. Concerning the subsidies for fertilizer and fishery materials, however, the amount of curtailment as planned by the ESB and the Agriculture-Forestry Ministry still falls short of that contended by the Finance Ministry. Hence further efforts will be made at the next cabinet meeting scheduled for 23 August to reach a compromise. To this end, it was decided that the Price Board will reinvestigate the ESB's plan to make the sum of curtailment nearer to 35,000,000,000 yen, as demanded by the Finance Ministry.

Regarding the proposed abolition of subsidies for fertilizer except for that for staple food, the Agriculture-Forestry Minister agreed at the previous cabinet meeting to its enforcement next spring. Since, however, the Agriculture-Forestry Ministry and the ESB authorities have been opposed to this plan because of the difficulty of adopting the double price system for fertilizer for staple food and fertilizer for other food, the Agriculture-Forestry Minister expressed his opposition at yesterday's meeting. Those items already decided upon at successive cabinet meetings are as follows:

(1) The total sum of the subsidy curtailment for basic materials produced within the country is 23,900,000,000 yen, including 14,600,000,000 for iron and steel, 2,500,000,000 for coal for gas generation, 3,600,000,000 for coke, 900,000,000 for soda, and 1,400,000,000 for copper. (2) Curtailment of importation subsidies totals 8,412,000,000 yen, including 2,700,000,000 for asbestos and copra, 600,000,000 for edible oil and fat, peanuts, and potassium for industrial use, 1,400,000,000 for latex and scrap rubber, 3,370,000,000 for imported fertilizer, and 342,000,000 for raw cotton, manila hemp, ramie, tannic extract, and wattle bark. (3) Curtailment totaling 6,300,000,000 yen was created by a drop in dollar prices. (4) Curtailment of import subsidies totaling 1,800,000,000 yen occurred as a result of the raise in the producers' prices of domestic food. (5) The total sum of the afore-mentioned curtailment supplemented by 900,000,000 yen saved in the executive budget with regard to the "stabilization zone" subsidies, then subtracted by the import subsidies of 9,000,000,000 yen necessitated as a result of the setting of exchange rate at 360 yen in comparison with the assumed rate of 330 yen, will make a saving of 32,312,000,000 yen.

ITEM 18 80% RAISE IN FREIGHT RATES ON 1 NOV PLANNED

(Full Translation)

JIJI SHIMPO, 19 Aug -- The State Railway Board has officially submitted its freight rate revison plan to the transportation authorities. In order to adjust the differences in marine and land freight rates, the Transportation Ministry has decided to study all