Us office of Statisfiffervices

PULLETIN NO. 9

RESTRICTED

ORDINATOR OF INFORMATION

Office of Strategic Services 537 - 74 New Montgomery St. San Francisco, California

# JAPAN'S CLIQUES:

### THE "BATSU"

The "Batsu" are the overlords of Japan, the members of the financial, military, aristocratic, and bureaucratic cliques. Because distrust of them is latent in Japanese popular thought, they offer a target of attack by propaganda in the event of the war going badly for Japan.



## JAPAN'S CLIQUES: THE "BATSU"

In past years Japanese writers and speakers have frequently used the term "batsu" in referring to cliques who have controlled governmental policy. The word has an unfavorable connotation. It occurs in four combinations: "zaibatsu," the big financiers or financial groups; "gumbatsu," the militarists; "mombatsu," the influential aristocracy; and "kambatsu," the higher bureaucrats. Since the outbreak of the war with China, Japan has suppressed every allusion to class antagonism. As a result, there are now few references to these "batsu."

Our purpose here is to explain what these words mean in Japan and the arguments against the "batsu" which have been popular in the past and which may carry conviction to Japanese minds in the future.

#### Zaibatsu

The word "zaibatsu" means literally the financial clique. It is used in a collective sense similar to that of the phrase "Wall Street" or "the interests" in the United States.

Concentration of wealth and industrial control in Japan gives the word particular weight. It has been estimated that one family alone, the Mitsui, controls 15 percent of Japan's industry. Three houses, Mitsui, Sumitomo, and Mitsubishi, together control 25 percent or more. If one includes the Imperial Household, the Ministry of Finance, and about five other groups, this control rises to something like 70 percent of Japan's industry. The individuals and families which exercise this control constitute a multi-millionaire class.

These great family interests are organized in both horizontal and vertical trusts. They are controlled by holding companies, such as the Mitsui Gomei Kaisha, the entire stock of which is held by members of the Mitsui family. The holding company, in turn, controls banks and insurance companies which add to the financial resources of the great industrial and commercial empire.

The Mitsui family became wealthy in the seventeenth century through astute development of commercial policy and methods in the trade between Osaka and Tokyo. A Mitsui was the banker for the Imperial Restoration in 1867–68, and the family thereby gained an inside track in the later industrialization of Japan. Today Mitsui controls one of Japan's strongest private banks, insurance companies of several varieties, mines, shipping lines, power companies, spinning and weaving mills, and a great commercial organization. The Mitsui Bussan, or Mitsui Trading Company, has been said to handle 70 percent of Japan's foreign trade.

Sumitomo is an old family which became rich through control of copper mines in the sixteenth and seventeenth centuries. It is today heavily interested in metals and armaments and has prospered through the war boom. The Mitsubishi firm is of recent origin. It is controlled by the Iwasaki family, which gained a commanding place in the shipping world through profitable transport contracts in connection with the Formosan expedition of 1874–75. As a result, Mitsubishi today controls a considerable part of Japan's merchant marine and is important in shipbuilding. Beyond this, however, it has branched out into almost every conceivable line of industry and commerce.

Nissan, an outstanding example of the "new industrialists," is based on the fortune and industrial interests of Fusanosuke Kuhara. It is now directed by Yoshisuke Aikawa and has expanded enormously in the last few years through association with the army and through a preferred place in the industrial development of Manchuria where it has become the Manchuria Heavy Industry Development Corporation.

In past years, these big financial interests contributed heavily to the political parties and thus, as every Japanese knows, encouraged political corruption. Since association with them offers almost the only avenue to wealth in Japan, the zaibatsu are a constant temptation to civil servants and to army and navy leaders. Their influence in political circles, as well as their great wealth, was widely criticized during the 1920's. Many young army officers joined in this criticism after the Manchurian incident in 1931. The term "Showa Ishin," or Showa Restoration, was coined by the patriotic societies to signify the desired return to the Emperor of financial control of the country, which the zaibatsu were said to hold. Even higher army leaders were charged with corrupt

association with the zaibatsu, and this charge played a part in the various assassinations which took place from 1932 to 1936.

In recent years the zaibatsu have attempted to evade this criticism through various concessions. Stock in many of their enterprises, which were formerly held rather closely, have been placed on public sale. Mitsubishi and the others have contributed ostentatiously to innumerable charities and to public subscriptions for the equipment of the army and navy. A Mitsui Foundation has been endowed to support charitable activities and scientific research.

In spite of these attempts to win public favor and the efforts of the government to soften class feeling the zaibatsu remain targets for attack because of their continuing influence in Japanese politics and their war profits.

#### Gumbatsu

"Gumbatsu" means literally a military clique, referring to both army and navy leaders. Following the Meiji Restoration in 1868 the Japanese Army and Navy came under the control of Choshu and Satsuma, respectively, the two great feudal clans which had provided the military resources to back the restoration movement. Although recruitment of lower personnel included most areas and classes of society, control at the top was retained by members of these clans well into the twentieth century. Satsuma controlled the high navy positions and Choshu the army generalships. Through the control of the army which he had built up, Prince Yamagata of Choshu became one of Japan's most powerful statesmen.

The army and navy enjoy a special position in the cabinet because of a rule of long standing that only a general or lieutenant general in active service may hold the position of Minister of the Army and only an admiral or vice admiral that of Minister of the Navy. As a result, no new cabinet can be formed without the support of high leaders in these two groups, and a cabinet may easily be overthrown by army or navy opposition.

Army recruiting has gradually been democratized, and clan connections are no longer a major prerequisite for promotion. Nevertheless, it is inevitable that some traces of the old close control should remain. For example, General Terauchi, who has been influential in recent years, is the son of Premier Terauchi, who was also a general and came from the Choshu clan.

Control of the army and of the navy continues to be exercised in each case by a relatively small group of men who, whatever their origin, are almost independent of any outside control. At the present time this group probably includes Generals Itagaki, Tojo, Nishio, Minami, and Terauchi. Control in the navy is probably equally concentrated, but during the last few years it has been managed more adroitly and less public criticism has been aroused.

The concentration of control in both services, however, has aroused suspicion without and within them. There have been major scandals. In 1913 it was discovered that several admirals had been receiving sizable commissions from companies which had been awarded contracts for battleships. As late as 1937, Lieutenant General Uemura, formerly Director of the Board of Ordnance, was convicted of

accepting bribes. Radical young officers within the army have charged political corruption: In the fall of 1935 a Colonel Aizawa assassinated the Chief of the Military Affairs Bureau, Major General Nagata, who he alleged had accepted material benefits from the financiers in return for an agreement to suppress the Young Officers' movement. The circulation of such opinions is facilitated by the great gap between the low salaries of the lieutenants and captains and the liberal allowances enjoyed by higher officers and by the fact that army secret funds are known to afford opportunities for graft with little danger of detection.

#### Mombatsu

The term "mombatsu" means literally the gate clique and refers to those members of Japan's hereditary aristocracy who have the longest family tradition and who today exercise political, social, or economic power.

The nobility, particularly the old court nobles, hold many positions close to the Emperor and are supposed to exert covert political influence. Prince Saionji, who died recently, was the Emperor's highest adviser and was consulted in regard to the appointment of each new cabinet. His family has been close to the Imperial Court since about 900 A. D. Matsudaira, present Minister of the Imperial Household, comes from an old feudal family. The nobility also exercises political influence through the House of Peers. The House of Peers has powers almost equal to those of the elected House of Representatives. Finally, their famous names and influential family connections give the nobility a great advantage in

political life. The rise of Prince Konoye to the premiership must be attributed largely to the fact that the Konoye family, like that of the Saionji, has been closely connected with the Imperial Household for centuries.

Japanese have not forgotten that throughout their history monoply of power came through control of the throne, first by aristocrats and later by the feudal barons. The preferred position, unearned advantages, and snobbery of the nobility are resented. On the other hand, the influence of the nobility has been relatively slight during recent years with the result that they are not as vulnerable as the zaibatsu or the gumbatsu.

### Kambatsu

The term "kambatsu" means official clique and refers primarily to the higher ranks of the civil service.

The civil service is firmly entrenched in Japan. It is well protected from the influence of the political parties, and civil-service promotion carries through to the position of vice minister in the larger departments. Moreover, because of the prestige which government servants enjoy, many cabinet ministers have been chosen from among their ranks. Many retired government officials are appointed to the House of Peers or to the Privy Council, where they continue political influence without the burden of departmental responsibilities. The exclusiveness and homogeneity of this group is enhanced by the fact that the ranks of the higher administrative civil service, while recruited by competitive examination,

are in fact made up largely of graduates of Tokyo Imperial University.

As a result of their power, their policies, and their relatively closed ranks, the bureaucrats are disliked by the party politicians, by private businessmen, and sometimes by the Army. Since they control the police, they are frequently unpopular among the people. During recent years many men from the civil services in Manchukuo and Korea have risen to important posts in Japan proper. With the gradual elimination of the parties from cabinet control, the civil service has expanded its share in policy determination. The Tojo Cabinet, for example, is made up almost exclusively of military men and civil servants, with no representation of private business or of the political parties. The kambatsu, or bureaucrats, have been frequently criticized for inefficiency, incompetency, red tape, and favoritism. Consequently, when Japan's military position becomes unfavorable they, like the gumbatsu, will be vulnerable to attack by propaganda.