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ITEM 9 Inspection Committee Plan for HCLC Shelved - Yomiuri - 3 Oct 47. Translator: R. Shibata. (DD)

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Full Translation:

With the submission of the Anti-Economic Concentration Bill to the Diet, the Government has been hurriedly drafting a bill for revision of the Holding Company Liquidation Commission Ordinance. The outline of the bill was decided upon yesterday. When detailed regulations are added, the Government will introduce the bill for partial revision of the Holding Company Liquidation Commission Ordinance in the Diet.

The fundamental character of the Liquidation Commission will not be changed by the bill but the Commission will keep in touch with the Government through a liaison organ to be established in the Cabinet and the plan for the establishment of an Inspection Committee, a mere nominal and inactive agency in the Diet, consisting of directors-general of each party will be dropped. The salient points of the revision are:

1) The Liquidation Commission will be under the supervision of the Premier.

2) The Commission's expenses will be paid by government subsidy. Consequently, its accounts will be inspected by the Accounts Inspection Bureau.

3) The Commission will continue to exercise administrative power in the position of a special corporation as before.

4) A liaison agency with a simple organization will be set up in the Cabinet.

5) The post of inspector will be abolished, and the Commission will consist merely of a chairman and four standing committeemen. While the one and one half year term for committeemen will be lengthened to two years, the present three year term for the chairman will be left as is.

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ITEM 8 Bill to Revamp Ministry of Justice Being Readied - Tokyo Mimpo - 6 Oct 47. Translator: T. ~~Kitayama~~. (GBS)

Full Translation:

In connection with the establishment of a Legal Affairs Ministry (temporary name), the Justice Ministry is now working on an outline draft. The outline is expected to be completed sometime druing this week, and it is to be put in legal form and presented to the National Assembly around the middle part of October.

With the establishment of the Supreme Court, judicial authority has essentially been made independent, and the matters pertaining to the courts that have been under the jurisdiction of the Justice Ministry have been transferred to the Supreme Court. At present, the Justice Ministry is discharging purely administrative functions such as public prosecution and penal administration and acting as advisor to all other ministries. In some quarters, this reorganization of the Justice Ministry is regarded as being in essence, the dissolution of the Ministry, similar to the dissolution of the Home Affairs Ministry. Actually, however, this revamping will greatly enlarge and strengthen the present set-up of the Justice Ministry, and it is a direct opposite of dissolution.

At present, the Justice Ministry is made up of the civil, criminal and penal administration bureaus and a secretariat, and the Public Procurators Office comes under the direction of the Justice Minister. According to the Legal Affairs Ministry plan, the Protection Section and the Investigation Section of the Secretariat of the Justice Ministry are to be elevated to bureaus of the Legal Affairs Ministry, and, taking in the Legislation Bureau of the Cabinet, it will then have a total of six bureaus and a secretariat. The Public Procurators Office, as at present, shall be placed under the direction of the Minister of the new Legal Affairs Ministry. Lawsuits against the Government (against the ministries), which each of the ministries have been handling alone, as well as all other suits, are to be taken up by the Legal Affairs Ministry.

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ITEM 3 Outline of Legal Affairs Ministry Decided - Yomiuri - 10 Oct 47. Translator: B. Ishibashi. (FST)

Full Translation:

The Government rejected its original plan for establishment of a Legal Affairs Ministry in accordance with the purport of SCAP's letter and has been formulating another plan with a new idea along the line of the letter. It seems that the broad outline of the government plan was decided upon yesterday.

(1) The new organizational structure will, as SCAP suggested in his letter, take the form of an Attorney General's office instead of that of a department. Its character as a legal advisory organ for the Government will be strengthened. Being invested with virtually extensive structure and power, the Legal Affairs Board (a temporary name) will be established within the Cabinet.

(2) It will be headed by an Attorney General. This post will be filled by a minister without portfolio. The Attorney General will be given the status of a vice-premier.

(3) A Legislation Board will be established by absorbing the present Bureau of Legislation of the Cabinet and joining portions of the Bureaus of Civil Affairs and Criminal Affairs.

(4) A Lawsuit Board will be established to handle business concerning lawsuits and Government compensations.

(5) The Civil Affairs, Criminal Affairs, Protection, Research and Penalty Enforcement Bureaus will remain as at present.

(6) A vice-director, chiefs of the Legislation Board and the Lawsuit Board and Attorney General will be installed. These posts will be filled by persons with vice-minister rank.

(7) The Attorney General will attend Cabinet meetings and make explanation. Furthermore, final decision on the question of whether policemen and attorneys should be placed under the command of the projected board or in a co-operative position has not been made as yet.

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POLITICAL SERIES: 2012 (Continued)

ITEM 8 (Continued)

The point now under consideration technically along with the establishment of a Legal Affairs Ministry is what rank the Director of the Legislation Bureau should be given when that bureau is transferred from the Cabinet to the Judicial Affiars Ministry. The status of the Director of the Legislation Bureau at present is the same as that of a Vice-minister. The Justice Ministry authorities are now considering a plan whereby the Legislation Bureau Director will be accorded the title of Legal Affairs Ministry Vice-chief or Assistant-director when the Cabinet Legislation Bureau becomes a bureau of the Judicial Affairs Ministry.

The name "Legal Affairs Ministry " is not something that has been decided as final. Other names are now being studied. Only, the name "Justice Ministry" is to be abolished because the Chinese character derivation of the title is misleading in view of the fact the judicial authority has been made independent under the Supreme Court.

ITEM 3 Outline of Legal Affairs Ministry Decided - Yomiuri - 10 Oct 47.
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ITEM 3 The Necessity of Administrative Readjustment (by Yokoyama) - Magazine: Economist (Weekly) - 1 Oct 47 Issue. Translator: N. Toyota. (DD)

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Summary:

The Government is having a hard time compiling estimates for the supplementary budget. Since no item of expenditure can be omitted, a new source of revenue must be sought. If its efforts prove vain after going throgh all types of revenue it will be inclined to shift the burden onto alcholic beverages and tobacco. This, of course, is one way to boast the revenue, imposing a high tax on these articles and selling them on the free market. To go a little further, it may be well to sell the tobacco monopoly rights to a foreign firm if it could be sold at a very high price. If sold, tasty tobacco for us all! Only it requires some courage to do that for many or our countrymen may object to the nation adopting the popular mode of subsistence by selling property. The sale of other property may be open to question. The sale of the tobacco monopoly, however, is likely to benefit the nation.

The Administration, however, is not seriously concerned with the fundamental plans to surmount the crisis. That is to say, there is no sign of an attempt to readjust financial administration. There is something in its duty beside the increase of taxes, especially indirect taxes, because their increase is bound to stimulate inflation. That is almost tantamount to dependence on the sale of national bonds.

Inflation must be curbed at all costs, and there is no way but to slash government expenditures. There must be plenty of room for readjustment in various fields because JAPAN did not have any theory or plan for her financial policy. The Government has long been accustomed to spending whenever necessity arose and has not yet given up this spending by force of habit. A financial readjustment involves a clash in the pay roll and is necessarily accompanied by an administrative readjustment.

Enterprise readjustment is now in force in civilian financial circles, though its progress is imperceptible. As the financial organ in charge of this readjustment is loathe to inflict heavy losses on its customers, it is inclined to concede them the maximum valuation. This inclination to save enterprisers accounts for the slow progress. Moreover, the Government itself is maintaining the administrative structure of the war period, notwithstanding the defeat and territorial losses. The Administration must take the initiative for readjustment. Only the Katayama Cabinet is capable of doing this. For the time being it should not be seriously concerned with unemployment relief measures. The Cabinet can take them up more whole heartedly and more appropriately after the readjustment when there actually are jobless to be relieved.

The contention that administrative retrenchment will result in accentuating social insecurity, is cogent; but so long as finarcial circles will not recover without administrative and financial readjustments, the delay causes a national loss. A demonstration of sincerity is demanded of a defeated nation. Our sincerity, our Lathetic resolution, in effecting the readjustments even at the cost of increased unemployment will surely be approved by the Occupation Forces, and we shall be compensated accordingly.

The Administration still harbors the fear of a labor offensive; probably it lacks the courage to tackle it openly. But the readjustments will surely be the main issue in the near future. The Administration must be ready for that moment.

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ITEM 5 Government Officials Must Become Public Servants - Tokyo Times - 7 Oct 47. Translator: T. Nakano. (DD)

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Summary:

The democratization of government officials is a prerequisite to the democratization of JAPAN. In other words, government officials must become public servants.

The National Civil Service Bill has been drafted to democratize officialdom. However, the people's interest in this bill is not as great as in the State Coal Supervision Bill, Political Party Bill, and Anti-economic Concentration Bill. Not only the people but also the Diet members have little interest in the National Civil Service Bill because they think that this bill has no direct connection with their own lives. It is also true that the people are not fully aware of the significance of this bill since they have not had sufficient time to study it. This bill was drafted under strict secrecy, and the people have faced one important bill after another.

The original purpose of this bill was to democratize officialdom, but there is danger that it may not only protect the privileged bureaucratic forces but also nullify the results of the democratization of officialdom which have been obtained since the end of the war. The structure of the Personnel Board testifies this fact. For example, only three personnel officials, including the director with the rank of state minister, and a secretary-general will have supreme power.

The personnel officials will be appointed by the Cabinet with the approval of both Houses. The important point is that the members of political parties cannot become personnel officials and both Houses cannot impeach or dismiss personnel officials. Only the Premier has the right to impeach personnel officials.

Article 15 of the new Constitution, which prescribes that the people have the inalienable right to choose their public officials and to dismiss them, is not observed in this bill.

It is said that the bill was drafted by employing the progressive Civil Service Law of the UNITED STATES as the model. However, the Civil Service Law of the UNITED STATES was drafted to establish a neutral bureaucratic structure in order to prevent drastic changes in government personnel at every change of cabinet. It is not proper to imitate the American Civil Service Law since the situation in JAPAN is not similar to that in the UNITED STATES.

One also must not overlook the fact that the bill intends to maintain the existing autocratic system by disregarding the right of union and the right of collective bargaining of the Government and Public Office Workers Unions, which are now taking the initiative in democratizing officialdom. Although there are many questions regarding this bill, the Government is reportedly requesting the National Diet to deliberate on the bill for a fixed length of time. We request the National Diet to study the bill carefully, and the people, including government officials, to have more interest in the bill.

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ITEM 10 The Government Must Not Remain Inactive - Tokyo Times - 3 Oct 47.
Translator: S. Yokoyama. (WM)

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Summary:

A common opinion among urban people is that at no other time since the surrender have they had greater difficulty in making a living as at present. Although their livelihood was extremely difficult in June and July due to delayed rationing, there were ample commodities on the blackmarket. However, the successful Government control has caused blackmarket commodities to disappear, and subsidiary foodstuffs are not being routed through official channels. Consequently, the people are on the verge of starvation. When the Government announced the Basic Plan to Regulate the Flow of Commodities, it proved with figures that the people's livelihood would be in the black by November.

However, Premier KATAYAMA and Economic Stabilization Board Director-general WADA recently stated in the Diet that the people's livelihood would have become stable if they had co-operated with the Government in increasing rations through elimination of the blackmarket. Thus, they implied that the people alone were responsible for the failure of the plan.

It may be true that the people did not co-operate as fully with the Government as the Government expected. However, the Government must acknowledge its responsibility for placing the people in such a position that they were unable to do so. Official prices have been raised three to five times. Commodities are not being routed through official channels. The people have to go on foraging trips since it is the only means of making both ends meet. The housewives are too busy coping with the immediate livelihood difficulty to give consideration to any other problem. Under these circumstances, popular co-operation through austere living cannot be readily obtained.

The Government must now lead the people by convincing them that it needs their co-operation. No matter how splendid the Government's plan may be, it cannot be realized as long as the Government does not receive the people's support. If the Government's promise that the people's livelihood will be in the black is not fulfilled, the Government will lose the people's confidence and its measures will eventually fail. The failure of measures will not only lead to the downfall of the Cabinet but also bring about the collapse of the nation's economy and the people's livelihood.

The Government is now overburdened with various important legislative measures such as the State Coal Supervision Bill and also with emergency measures to deal with frequent natural calamities such as the recent Kanto flood. No matter how heavy these burdens may be, the reconstruction of the people's livelihood must not be neglected. If the balance among the three factors of the minimum wage standard, high prices, and shortage of commodities is lost, the entire national economy will collapse. There is a limit to the people's patience. Some elastic emergency measure must be taken at this critical moment.

It is quite evident that the elimination of the blackmarket can neither force commodities into official channels nor increase the production of daily necessities. If the Government sticks to its Basic Plan to Regulate the Flow of Commodities, the people will have to starve. The Government must not remain inactive. The impending disaster caused by the skyrocketing prices and inaccessibility of commodities must be prevented somehow.

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ITEM 12 Expansion of Bureaucratic Structure Undesirable - Tokyo Times - 2 Oct 47. Translator: S. Yokoyama. (WM)

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Summary:

The tendency for bureaucratic organizations to expand is detrimental to the proper development of the nation's administration. If nothing is done to cope with this situation, the nation's administration cannot be expected to develop soundly. During the war, many new organizations were established in accord with the demands of war, while old organizations which were no longer actually needed were left untouched. The excessive number of organizations complicated administrative functions.

With the surrender as a turning point, administrative systems should have been fundamentally reformed; however, all organizations other than militaristic ones remained intact. New organizations were successively created to cope with the new situation, however, no old ones were abolished. Consequently, the number of bureaucrats has increased tremendously. The total number of those employed by the Government is from 2,600,000 to 3,000,000, that is, two and a half times more than the prewar period. If civil servants and those employed by corporations are added to this figure, the total is 3,500,000 or 3,600,000.

At the time of its formation, the Katayama Cabinet advocated the reformation of administrative systems and eradication of bureaucratism as one of its basic policies. However, it seems to have forgotten its slogan. Rather it has helped bureaucrats to increase by enforcing a socialistic state control policy. In answer to the interpellation by a committee member on this problem at the House of Representatives, Premier KATAYAMA stated:

"The social status as well as the ideology of bureaucrats has greatly changed and they have now become the people's servants and are striving to contribute to the public welfare. The increase of bureaucrats is nothing to worry about because administrative affairs will become more complicated in the future."

However, the arrogant attitude of the bureaucrats has by no means improved. Moreover, they have acquired the right to strike by

ITEM 7 Application of Anti-economic Concentration Law - Nihon Kaiji - 2 Oct 47. Translator: H. Arai. (WM)

401

Summary:

At the special Cabinet meeting on 30 September, the Government finally approved the bill for decentralization of economic power. Since the object of this bill is to complete Japanese economic democratization, it has something to do with the recently enforced Anti-monopoly Law and the Enterprise Readjustment and Reconstruction Law.

In other words, while the Anti-monopoly Law aims to exclude illicit transactions and individual monopolization of enterprises and the Enterprise Readjustment and Reconstruction Law aims to carry out the project in the accounting aspect of new enterprises, this Anti-economic Concentration Bill can be called a legislative measure to establish a standard for the authorization of enterprises.

The application of this measure is under the control of the Holding Company Liquidation Commission which is empowered to designate enterprises of a monopolistic nature for dissolution. The commission will decide on the standard of "monopolistic nature", comparing the rate of the output and producing capacity of each enterprise with those of Japanese industry as a whole. In this case, those enterprises which exceed the level will be designated as monopolistic enterprises.

In any case, the designation of monopolistic enterprises by the Holding Company Liquidation Commission in accordance with the Anti-economic Concentration Bill is expected to meet many difficulties in practice. Therefore, it is natural that the greater the powers given to the commission, the more necessary some methods of correcting practical mistakes will become. This is why the statement of objections by the interested persons and the holding of an audit meeting are provided for in the bill to protect the creditors' interests. Accordingly, this regulation must be applied practically. In a case like this, however, thoughtful consideration for the prevention of diminution of efficiency is vital.

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EDITORIAL SERIES: 1961 (Continued)

ITEM 12 (Continued)

forming labor unions, thus becoming more domineering towards both the Government and the people. Even if all the bureaucrats mend their ways as the Premier desires, there is no reason whatsoever for the number of bureaucrats to increase so relentlesaly. The reformation of administrative systems is necessary because their simplification will vitalize organizations and clarify responsibility so that labor power and state revenue can be utilized for productive activities. Premier KATAYAMA's explanation seems unsatisfactory to the people.

The Goverrment may assert that the abolition of the Home and Justice Ministries is part of the administrative reformation program; but this cannot be called a reform, since these ministries were only partly reformed. It is evident that the present Cabinet is neither willing nor competent to correct this detrimental factor. Appearance of a capable Cabinet to achieve this task in the near futrre cannot be expected under the present situation.

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ITEM 6 Overall Readjustment Planned for 14,000 Branch Offices - Jiji - 7 Oct 47. Translator: B. Ishibashi. (JJY)

Full Translation:

In view of the fact that too many branch offices of the Central Government are interfering with the autonomous rights of local public entities the Government has been contemplating their adjustment. With the Administration Research Board and the Bureau of Legislation as a nucleus the Government has been rushing formulation of plans for adjustment of the central and local offices. Recently an outline of the government draft was drawn and is presently under close examination of liaison conferences of various ministries and local governments.

To this end, the Government has specifically established a joint committee under the leadership of the Administration Research Board and the Board of Legislation with representation from various ministries. The committee members are trying to grasp the actual

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ITEM 6 (Continued)

conditions, extending their scope of investigation to local offices instead of limiting it within various ministries. They are now striving to complete the committee plan by the end of this month.

Accordingly it is considered that it will be considerable time before the Government decides on a final plan. Since its presentation in the current Diet session is thus impossible, the Government plans to introduce it to the next ordinary Diet session. Furthermore, it is expected that at today's cabinet meeting State Minister SAITO will report on the progress of the projected plan and will seek understanding. Since the branch offices of the Central Government are of 101 types and number as high as 35,008 including various detached offices, their readjustment is deemed extremely difficult.

The following are the offices in question:

Premier's Board: Kyoto office of the Imperial Household Department (1), Local Economic Stabilization Bureaus (8), Local Price Business Bureaus (8), officials for survey of consumer prices (13), Repatriates Liaison Bureaus (4), local chapters of the preceding bureaus (4), land chapters of the same bureau (4), Local Repatriates Bureaus (5), land liaison offices of the preceding bureaus (4), sea-clearing offices of the same bureaus (3), ship management office of the same bureaus (4), detached construction offices of the War Damage Reconstruction Board (46) and special construction offices of the War Damage Reconstruction Board (5).

Foreign Office: local bureau of the Central Liaison Office (13), detached offices of the bureaus (5).

Home Ministry: Public works detached offices (6), resident offices of the National Land Bureau (46), resident offices of the Research Bureau (7).

Finance Ministry: Local Monopoly Bureaus (16), local offices of the same bureaus (48), detached offices of the same bureaus (293), local offices of the Mint (2), detached office of the Mint (1), financial bureaus (8), detached offices of the same bureaus (370), local offices of the same bureaus (42), local offices of the Property Control Bureau (34), customs houses (6), detached offices of custom-house (42), taxation offices (370), local offices of customs house (40), detached offices of the preceding offices (42), Customs House Supervision Stations (107) and Customs House Local Office Supervision Stations (107).

Justice Ministry: Supreme Public Procurators' Offices (8), Local Public Procurators' Office (49), local branches of the preceding offices (228), Regional Public Procurators' Offices (557), Judicial Bureaus (49), detached offices of the preceding bureaus (2,038), juvenile courts (18), training boards (12), prisons (59), detached prisons (94), and administrative jurisdiction offices (8).

Education Ministry: Detached offices of the Educational Institution Bureau (8), local resident officers (46), and detached offices of the Education Ministry (1).

Welfare Ministry: Detached offices of the Medical Bureau (8), national hospitals (112), national sanatoriums (164), quarantine stations (7), Local Repatriates Protection Bureaus (5) detached offices of the preceding bureaus (3), and liaison office of the Repatriates Protection Bureau (1).

Agriculture and Forestry Ministry: Materials adjustment offices (46), Farmland Bureaus (6), crops report offices (46), detached offices of the preceding offices (1,116), Foodstuffs Offices (46), local offices of the preceding offices (495), detached offices of the Foodstuffs Offices (6,661), Charcoal Offices (46), Forestry Management Bureau (14), and Forestry Management Stations (317).

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POLITICAL SERIES: 2009 (Continued)

ITEM 6 (Continued)

Commerce and Industry Ministry: Local Commerce and Industry Bureaus(8), detached offices of the preceding bureaus (46), Local Trade Business Bureaus (4), detached offices of the preceding bureaus (6), and detached offices of the Board of Trade (3).

Transportation Ministry: Railways Bureaus (9), management sections (45), repair sections (27), local institution sections (9), local electrical section (1), Marine Transportation Bureaus (7), Marine Transportation Management Sections (3), local offices of the preceding sections (40), detached offices of the same sections (31), Harbor Construction Sections (4), Automobile Offices (4) local offices of Automobile Offices (7), and local construction sections (11).

Communications Ministry: KYOTO business office (1), local offices of the Post Office Insurance Bureau (6), local offices of the Savings Bureau (28), Communications Bureaus (10), detached office of the same bureau (1), ordinary post offices (554), special post offices (13,145), electric wave observatories of the Communications Bureau (7), telegraph offices (46), telephone offices (44), Electric Communication Construction Bureaus (86), supervision offices of the International Electric Communications Institution Section (3), local offices of the above offices (4), detached offices of the Electric Communications Institution Office (46), Submarine Electric Wire Construction Offices (2), and Aviation Security Section (1).

Labor Ministry: Public Employment Stabilization Offices (544), Prefectural Labor Standards Bureaus (46), Labor Standards Supervision Stations (336), and Local Labor Bureaus (eight slated for establishment).

According to the Government draft, 15,734 offices involving railways, communications facilities, insurance, postal service, national health institutions, marine transportation observatories, harbor, agriculture, forestry, and public works are exempt in principle from adjustment. The projected plan will be applied to the remaining 14,324 branch offices of the Central Government.

Main offices which the Government at present plans to adjust and thereby to cut one third of the present officers of the branch offices follow:

Offices to be abolished - Detached construction office of the War Damage Rehabilitation Board, Home Ministry resident officers connected with the National Land Bureau, detached offices of the Educational Institution Bureau, resident officers of the Education Ministry, and detached offices of the Local Commerce and Industry Bureau of the Commerce and Industry Ministry.

Offices to be transferred (Personnel rights alone will be retained by the Central Government, and offices themselves will be transferred to local governments) - Officers for survey of consumer prices, local offices of the Financial Bureau, quarantine stations of the Welfare Ministry, detached offices of the Local Repatriates Protection Bureau, detached offices of the Local Business Bureau of the Central Liaison Office, Crop Reports Offices of the Agriculture and Forestry Ministry, detached offices of the reports offices, Charcoal Offices, Foodstuffs Offices, Automobile Offices of the Transportation Ministry, Labor Standards Bureaus of the Labor Ministry, Public Employment Stabilization Offices.

Offices to be merged (These offices will be co-ordinated by each prefecture and as a result, will be reduced in number.) - Local Economic Stabilization Bureaus, Local Price Business Bureaus, Repatriates Liaison Bureaus, and Local Repatriates Bureaus.

Offices to be rearranged: Local bureaus of the Central Liaison Office, public works detached offices, detached offices of the Judicial Bureau, Materials Adjustment Offices of the Agriculture and Forestry Ministry, Local Construction Sections of the Transportation Ministry.

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POLITICAL SERIES: 2009 (Continued)

ITEM 6 (Continued)

It is expected that some changes will be effected after further examination.

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ITEM 3 Reconstruction of Industrial Structure and Antimonopoly Policy - Tokyo Shimbun - 4 Oct 47. Translator: K. Onishi. (FST)

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Summary:

The Anti-economic Concentration Bill, which will shortly be presented to the Diet, has its own significance. The Government policy is to split large enterprises into many specialized branches to eliminate monopolies on capital, markets, and over respective industries. Such splitting will not only preclude monopoly but will be higherly conducive to improving the quality of goods, since specialization allows workers to improve their technique. However, care must be taken in splitting enterprises lest production efficiency decline through inadequate decentralization.

Next we must not forget the following two points: (1) Exclusion of existing monopolies cannot forestall future danger, particularly when an enterprise belongs to a rare industry which is dependent, in terms of capital and marketing, upon other industries which are more common or more influential. (2) The existence of Government controls is a very strong mainstay of the new industrial structure, engendering the Enterprise Reconstruction and Adjustment Law, the Antimonopoly Law and the Anti-economic Concentration Law. Such control will probably cover finance, materials, prices, labor and sales, as ESB policies clearly indicate.

However, the unrealisticness and sluggishness of the bureaucratic control are at all times a target of public censure. The fact that the cornerstones of enterprise and industry is being placed at the mercy of such bureaucrats forestalls the difficulties underlying industrial rehabilitation. This is tantamount to shifting the monopoly from the hands of financial cliques to those of the bureaucrats and the financial capitalists. We believe that to curb bureaucratic control and financial rule by thoroughly democratizing the Goverrment structure and by exercising a democratic control over financial organizations is one of the best means.

ITEM 12 Lower House Minor Parties Oppose Political Party Bill - Mainichi - 26 Sep 47. Translator: K. Yasutake. (AH)

401

Full Translation:

Strong opposition to the Political Party Bill drafted by the four major parties is manifest in the House of Councillors and among minor parties in the House of Representatives.

The bill was drafted by the four major parties including the Socialists, Democrats, Liberals, and People's Co-operatives, with the draft framed by the Bill-Drafting Committee in the House of Representatives. It is now under discussion by the four parties.

The minor parties, including the Farmers Party, Communist Party, and the Dai Ichi Dietmembers Club (Independent), which had been considering their own bill, have lately come to an agreement in their opinions.

Their parties oppose the provision which would require that a political party to be so designated must have a certain number of Diet members or a certain number of supporters.

If, however the major parties are adamant on this point, they will agree if the requisite number of Diet members, are reduced to one and the supporter provision is reduced to 70,000 joint signatures. In other words, any political party which has more than one Diet member or the joint signatures of more than 20,000, will be recognized as one. As for the rest of the provisions, including those on establishment, organization, accounts, candidacy, and supervision, they are in general agreement.

They also want to abolish state subsidies, and would require strict public supervision of elections.

Further the Dai Ichi Diet Members Club met on 25 September and decided to launch a campaign against the bill drafted by the four major parties.

In the House of Councillors the Steering Committee set up a subcommittee, which is discussing Political Party Bill. At a general meeting of the House of Councillors on 25 September, the Green Wind Society warned the members that, if the Bill infringes on the right to organize which is guaranteed in the Constitution, minor parties may become underground movements. At any rate opposition to the bill in its entirety is fast gathering momentum in the House of Councillors.

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ITEM 2 Legal Affairs Board to Take Place of Justice Ministry - Mainichi - 12 Oct 47. Translator: M. Yasutake. (JJY)

401

Full Translation:

The Government, which along with the reform of the police system decided informally to establish the Legal Affairs Ministry, restudied the Legal Affairs Ministry plan after the receipt of General MacARTHUR's letter. Justice Minister SUZUKI, Home Minister KIMURA, elfare Minister HITOTSUMATSU, State Minister SAITO, and Chief Cabinet Secretary NISHIO held a conference and drafted a new plan. There was a difference of opinion regarding the name of the new organization, but it was agreed that it would be called the Legal Affairs Board.

The post of the chief of the Legal Affairs Board will be held by a minister who will attend cabinet meetings. The Board will be divided into six departments including the Inspection and Public Security, Legislative, Investigation, General Affairs, Executive, and Administrative, departments. Persons of vice-minister caliber will be appointed to head these departments. The Public Security, Legislative and Lawsuit Bureaus of the Inspection and Public Security Department, and the Public Rights Protection Bureau of the Executive Department will be newly added.

The Public Security Bureau will handle affairs related to the purge, taking the place of the Central Screening Committee and the Petition Committee. The present Board of Legislation will become the Legislative Department of the Legal Affairs Board. The Lawsuit Bureau will represent the Government when it files suits or when it becomes a defendant. It has nothing to do with lawsuits by local autonomous bodies. It is still unknown exactly what functions the Public Rights Protection Bureau will assume.

The present Procurators' Office will become the Inspection and Public Security Department. The Criminal Bureau of the Justice Ministry will come under the jurisdiction of this department. There seems to be a strong opinion in some quarters that the Inspection and Public Security Department should become the external bureau of the Legal Affairs Board. The Chief secretary of the Board will be placed under the direct supervision of the chief of the Legal Affairs Board. The Government will decide upon a bill for the reorganization of the Justice Ministry soon.

The Legal Affairs Board will be under a chief who will be assisted by a chief secretary. The first vice-chief will supervise the Inspection and Public Security Department (the Inspection and the Public Security bureaus). The second vice-chief will supervise the Legislative Department (four bureaus). The third vice-chief will supervise the Investigation Department (The General Affairs bureau, the First and the Second Investigation Bureau, and the Statistics Bureau). The fourth vice-chief will supervise the Public Affairs Department (four bureaus). The fifth vice-chief will supervise the Executive Department (the Civil Affairs Bureau, the Public Rights Protection Bureau, the Administrative Police Bureau, and the the Protection Bureau). The sixth vice-chief will supervise the Administrative Department (the Personnel Bureau, the Judicial Administrative Bureau, the Pay and Discipline Bureau, and the Accounts Bureau).

ITEM 1 Reduction in Central Government Local Agencies - Jiji - 12 Oct 47. Translator: J. Wada. (JJY)

401

Summary:

It is reported that the Government will set about cutting the number of the Central Government's local agencies. When economic control is exercised on a national scale, it is natural that local agencies of the Central Government increase in number. On the other hand, however, local self-governing entities have their own organs which were established to meet the requirements of decentralized power.

Decentralization of power which is represented by public election of prefectural governors and centralization which is symbolized by economic control come from two different political necessities. The Government must pay due attention to these two conflicting necessities in dealing with the problem of local agencies and must prevent both the central and local governments from overstepping their respective authorities.

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ITEM 13 Draft of Central Liaison Office Reorganization Completed - Mainichi - 4 Oct 47. Translator: A. Kawamura. (GBS)

401

Full Translation:

A draft plan for the reorganization of the Central Liaison Office, which has been the subject of conferences between Cabinet officials and the CLO, has finally been completed and will be submitted to the Diet shortly.

The gist of the plan is as follows:

(1) The Central Liaisen Office, which has hitherto been an extra-ministerial bureau of the Foreign Ministry, shall be completely abolished.

(2) The pivotal, key sub-divisions of the Liaison Office -- the Political Department and General Affairs Department -- shall be transferred to the Cabinet secretariate. In this event, a bureau (provisionally called the Liaison Bureau), which shall have under it the three departments of (1) Over-all Readjustment, (2) General Affairs, and (3) Liaison, shall be newly established.

(3) The Indemnity Department shall be transferred to the Premier's Office, and it shall be reorganized as an extra-office Indemnity Bureau which shall function as the basic, over-all bureau concerning indemnities.

(4) The left-over Supervision Department, the War Crimes Office, and other routine administrative offices shall be grouped into one bureau under the Foreign Ministry (to be provisionally called the Liaison Bureau or International Co-operation Bureau).

(5) The Local Liaison Offices shall be brought under the direction and control of the Cabinet secretariate. However, regarding its organization and personnel affairs, a new precedent shall be set in bringing them under the jurisdiction of the Foreign Ministry.

ITEM 2 Legal Affairs Ministry Plan to be Changed - Yomiuri - 7 Oct 47. Translator: Y. Terasawa. (WM)

401

Full Translation:

The Government, since its recent decision to reorganize the Justice Ministry into a new Ministry of Legal Affairs which would annex the Cabinet Legislative Bureau, has been studying concrete measures to effect the change.

It is understood however that the original plan has been changed, and that the reorganization is now being reconsidered as a result of consultations between the Justice authorities and the Bureau of Legislation.

The program now under consideration would expand the authority and structure of the Ministry of Legal Affairs. The Ministry would handle affairs relating to the Administrative Litigation Law, and its functions would be comparable in this field to the ESB in economic affairs.

Moreover it suggests that the Ministry be placed under a Chief Legal Administrator (provisional name), who would be like the Attorney-General in America with three to five vice-administrators of vice-ministerial rank, and that it be composed of a legislative section, an administrative criminal section, a litigation section, and others.

ITEM 4 Special Committee to Handle Anti-economic Concentration Bill - Seiji - 9 Oct 47. Translator: J. Wada. (FST)

401

Full Translation:

The Lower House Steering Committee meeting yesterday agreed that a 45-men special committee be created to deal with the Anti-economic Concentration Bill which was introduced to the Diet session. Committeemen will be appointed at today's plenary session after the Government's explanation of the bill.

The bill will be made a subject of free discussion on 14 October.

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ITEM 6 Readjustment of Branch Organs and Local Sectionalism - Yukan Miyako - 8 Oct 47. Translator: S. Hirata. (FST)

401

Summary:

It is reported that the Government has recently decided on a four-point policy for abolition, transfer, amalgamation and readjustment of branch organs of various ministries throughout the country. In view of the existing situation by which, although local autonomy or decentralization is stressed, local administration is being impeded by numerous branch organs of various ministries, it is natural that this step has been taken.

We admit, to a certain extent, that the Government is in need of on-the-spot organs to carry out control, but the raison d'etre for these organs will be lost if local governments are found to be equal to the task of taking their places. Therefore, this type of organ should be limited to the minimum.

On the other hand, there are not a few points to be desired of local governments. It is impossible for us to forget the obdurate feudalistic conception of territories on the part of local governments since wartime control has begun. For instance, we can point out the obstinate prohibition of the removal of materials across prefectural borders. This is the undisguised expression of the thinking that the troubles of other prefectures matter little if only one's own prefecture gets along well. This evil tendency has been demonstrated by governors at the rice delivery allocation conference. It is noted that officials sought to keep the actual rice crop secret to reduce delivery quota as much as possible.

Local sectionalism takes no notice of the State and cares little about the nation as a whole. Each prefecture and its population can be guaranteed an existence on the basis of the State and its people. In other words, the State and prefectures are inseperably united as one body and, in this respect, prefectural isolation is an impossible thing.

Economic rehabilitation is of crucial importance to JAPAN today. However, this will be possible only by the absolute co-operation of each individual prefecture. Even if one prefecture is rehabilitated, JAPAN will not be rehabilitated as long as other prefectures are not with the result that even the achievements of the one prefecture will be nullified. It is necessary for each prefecture to realize that if it refuses to make concessions by insisting on its own interests it will eventually be involved in common ruin. What each prefecture fails to realize is this point.

Simultaneously with the readjustment of local organs of the central government, we demand that all prefectures and their populations exterminate prefectural sectionalism and local egoism. We demand this, only because we wish to help promote local democratization.

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ITEM 7 The Political Party Bill and Its Likely Results - Seiji - 2 Oct 47.
401 Translator: T. Nakano. (AH)

Summary:

It has finally been decided to introduce the Political Party Bill to the coming Diet session. Considering the sound development of politics, however, it is a question whether various restrictions must be placed upon political parties which are organized spontaneously. The bill will be strongly criticized in the House of Councillors, because to place various restrictions upon political parties is against the spirit of the New Constitution which prescribes freedom of association.

State Minister, SAITO, recently stated in a general meeting of the Democratic Party that he would take every possible step to kill the Political Party Bill which is more injurious than beneficial. His bold objection to the bill has bolstered those who oppose it.

The first doubt is whether the bill is drafted to protect the existing political parties. Needless to say, it is idealistic in parliamentary politics to form two major political parties in opposition. Under democracy, however, as people must be permitted to express their opinions freely, many political parties will consequently be organized. Therefore it is quite improper to place various restrictions upon political parties. The rise or fall of political parties must be decided by the free judgment of the people. Although the bill prescribes that it is formulated to accelerate the democratic and sound development of political parties and not to oppress them, the fact that the bill does not approve minor political parties is inconsistent with the above-mentioned spirit. For example, a regulation that will only permit the existence of political parties which obtained two per cent of the total votes and those which obtained one per cent of the votes cast in the plural ballot system in the last general election, must have been provided to safeguard the existing major political parties.

The second doubt lies in the fact that the bill aims to accomplish by legal power that which can be attained if political parties were strictly regulated and if politicians were faithful to political ethics. For example, regulations on such apparent items as the changing of party affiliation and limiting the number of candidates, indicate absence of self-respect on the part of political parties and incomplete control over the existing political parties. The changing of party affiliations must be avoided from the viewpoint of political morality, and should not be restricted by law. The elevation of the quality of party members is a prerequisite. From the viewpoint of a democratic and sound development of political parties, state subsidies must not be given for party expenses.

The sound development of existing political parties can only be realized through severe public criticism. The National Diet must give due consideration to the Political Party Bill before passing it.

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ITEM 2 Free Economy is Advisable - Provincial Paper: Bocho Shinbun (Yamaguchi) - 10 Oct 47. Translator: Y. Kuniyasu (IPM)

401

Summary:

It is said that, in the near future, the Government will abolish control on more than 200 articles. In view of the repeated failures of the Government's control policy, this step should be taken. Needless to say, lifting of price control will have great influence on supply and demand, but when one considers that it will increase production and make the flow of various commodities more abundant, there should be no hesitation.

The Government recently enforced a registration system for fish and processed marine products and clothing. The sale of these commodities has taken on the form of free sale. In the near future, the Government will also adopt the same system for tobacco and other articles. Since everyone desires free economy, it is gratifying to note that the Government is taking steps in the right direction, even though free economy is in form only.

Today, when actual transactions are for the most part carried on through blackmarket activities, even if free economy is restored at once, no harmful effects should result. On the contrary, the people will welcome it.

It is most desirable to eliminate blackmarket prices through establishment of a new price system. March of last year was the first time a price system was formulated, but since the various measures adopted by the Government at that time to support it failed, blackmarket prices continued to soar and a series of revision of official prices was made necessary. Even a partial revision of the official prices failed to check the inflation and merely added to the economic chaos. The Liberal-led Yoshida Cabinet took no positive measures against this and inflation became worse. As a result, disorder in Japanese economy became more and more serious. As a countermeasure for this economic disorder, the so-called emergency economic program was launched by the Katayama Cabinet. Recognizing the fact that low official prices have hitherto hampered the development of sound enterprises, the Katayama Cabinet decided upon a great increase in official price. Steps taken by the Katayama Cabinet may be good theoretically, but the increase was based on blackmarket prices. Therefore, rather than make repeated revisions of the official prices until official prices will eventually equal blackmarket prices, it is our opinion that all official prices be abolished and all commodities be put on free sale.

ITEM 4 Administrative Adjustment to be Carried Out by Government - Mainichi - 24 Oct 47. Translator: M. Yasutake. (FST)

401

Full Translation:

Increase in the pay of government officials has now aroused a necessity for discharging surplus personnel from the standpoint of the establishment of long-term sound finance. In its emergency economic measures, published some time ago, the Government revealed its policy to deal with this situation through the redisposition of employees. Following the completion of the 1947-1948 supplementary budget, the Government has begun to draft the 1948-49 general account budget and it seems that it has decided to draft the budget based on a future radical administrative adjustment.

At his press interview, held at noon yesterday, Chief Cabinet Secretary NISHIO revealed the firm determination of the Government to carry out an administrative adjustment as one of its anti-inflation measures. Private enterprises also in the red due to surplus personnel and high rates of pay. Therefore, rationalization will be inevitable from the standpoint of cost when Japanese products compete in the foreign market after the decision on the exchange rate. It is expected that all enterprises will be asked to discharge surplus personnel to rationalize industry in accordance with the Government's step. The Government will take all necessary steps through unemployment insurance to guarantee the livelihood of those who will be discharged by administrative adjustment and the rationlization of enterprises.

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ITEM 4 Get Rid of Overconcentration of Power - Nihon Keizai - 14 Oct 47.
Translator: K. Onishi. (TK)

401

Summary:

Since excessive concentration of economic power in a single person or enterprise is prejudicial to economic democratization, the Government presented the Anti-economic Concentration Bill to the Diet. It is not economic power alone that is harmful; even authority or social influences can be detrimental to democratization when they are excessively concentrated. We had overconcentration during war, and the world's totalitarian countries now offer many such instances. The greater the power, the more serious the result, if it is abused.

As oversized financial cliques are liable to oppress medium and small enterprises, so will excessive military power lead nations to militarism and to fatal wars. Our financial cliques have been eliminated since defeat, but some old influences still remain unscathed and new powers have sprung up. In many cases, they are obstructing democratization of politics, of economy, and of society.

One glaring example is official authority which continuously piled up during war and was long fostered by the people's respect for government authorities. It still oppresses the people, and even constitutes the fountainhead of the vices and iniquities existing in officialdom. The evils of blackmarket influences, and of trade unions in large key industries -- when they abuse their strongly organized powers to the sacrifice of public interests -- all these may be regarded as the results of excessive concentration of mighty social power.

Administrative power will shortly be decentralized to a great extent, and police authority will also undergo basic reform. We do not mean to say that they should be mutilated into small, powerless units, for a trade union split into too small units will lose its justification for existence. However, we must oust all political, economic, or social powers that are excessively concentrated in a few individuals or organizations.

ITEM 14 Petty Offence Law Sets Public Behavior Standard - Mainichi - 9 Oct 47.
Translator: C. Akashi. (AH)

401

Summary:

With the proposed enactment of the Petty Offence Law, minor offences, which have hitherto been subject to police regulations alone, will be more widely controlled in the future.

The Petty Offence Law, which consists of three articles involving a total of 42 clauses, is featured by its simple terminology. According to this law, the following people are to be punished: Those who are found to be carrying any sharp-edged tool, iron bar, pass key, etc without legitimate reasons; who prowl around various districts without any definite job; who circulate false rumors to mislead others; who turn off lights set up for the convenience of the public without good reason; who set free birds and animals that may injure others without justification; who disturb queues for food distribution and ticket buying or push aside others, causing confusion among the crowd; who make loud noises despite warnings by officials or are responsible for radios turned on full blast and noisy music; who give fictitious address and occupations required by the law in pawning their possessions or dealing in second-hand goods; who expose themselves disgracefully in public; who treat animals cruelly, who live as beggars or force others to beg; who are guilty of prostitution or contribute to it; who watch gambling operations; who peep into other people's homes, dressing rooms or toilets; who tell fortunes and prevent the sick from receiving due medical treatment by giving them charms and other questionable treatment based on superstition; who spit in public; who damage farm crops, flowers, or trees; who trespass on other people's property; who attempt to gain tremendous profits through exaggerated or false advertisement.

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ITEM 4 Harmony Between the Central and Local Governments - Seiji - 8 Oct 47. Translator: W. Hayashi. (DD)

Summary:

Immediately after the enforcement of the Local Self-government Law on 17 April, the indiscriminate establishment of local branches of the Central Government created a problem of nullifying local autonomy. Almost all of the ministries of the Central Government hastily established local branches which totaled more than 100.

The Government offices, which are usually the acme of inefficiency, demonstrated dexterity in the expansion of their jurisdiction. The Central Government's explanation is that local branches are required to handle liaison work in enforcing controlled economy and other national policies since the local governments are now free from the supervision of the Home Ministry. The local government authorities objected that if the Central Government arbitrarily conducts business in the prefectures, the autonomy of the local governments will be nullified since the Central Government will retain its power in the prefectures by this step.

The prefectural authorities complain that the Central Government controls production materials while the responsibility for production and distribution is placed on the local governments or that the local governments are authorized only to mediate labor disputes while all other power is vested in the Labor Standards Bureau. Although we must not listen to these denouncements too seriously, we must acknowledge that the above step of the Government is actually hampering the autonomy of the local governments.

Needless to say, the tradition of centralized political power is so deep-rooted that the decentralization cannot be realized overnight. Therefore, the establishment of temporary branches of the Central Government may be unavoidable at this time. However, we must be concerned with the difficulty of eradicating the bureaucratic tendency of attempting to maintain the power of the Central Government in the prefectures at the sacrifice of local autonomy. If this anachronistic idea of the bureaucrats is allowed to exist, we cannot hope for the establishment of local self-government and the development of democratic government.

At the same time, however, the evils of prefectural sectionalism, which was the very reason for the establishment of the Central Government's branches, must be eliminated thoroughly if they are to be trusted by the Central Government. The prefectural governors, who are too eager to solicit the prefectural people's favor, are apt to sacrifice the entire nation's interests for selfish purposes, as evidenced by the failure of the recent rice delivery quota allocation conference. Unless they amend such an attitude, they are not qualified to denounce the establishment of the Central Government's branches.

Decentralization of political power is imperative for the thorough democratization of JAPAN. However, it does not mean that each prefecture can function completely independent of the Central Government and the other prefectures. A prefecture is only a unit of the national government. As a SCAP representative pointed out recently, both the central and local governments have their respective jurisdiction in relation to the entire nation. The local self-government plan, therefore, is not incompatible with the social reforms now being carried out on a national scale. However, if the policy of a local government undermines the welfare of the entire nation, we must check it. The development of local self-governments is dependent on the harmony between the prefectures and the Central Government. The problem of the local branches of the Central Government will be solved naturally if this spirit is understoood by both parties.

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ITEM 3 Readjustment of Local Agencies of the National Government - Provincial Paper: Fukui Shimbun (Fukui) - 8 Oct 47. Translator: I. Hotta. (GBS)

401

Summary:

The readjustment problem of the local agencies of the national Government was brought up along with the second reform of the local system which was planned last summer. In order to execute this reform successfully, the Government established the Local System Investigation Commission, composed of authorities from every field as a consultative body. Regarding the management of local administrative affairs, the Commission stated in its report, which was issued last November, that the special government offices in the prefectural areas should be placed under the jurisdiction of the prefectural governors.

However, the Local Self-government Law which was later drawn up by the Home Ministry authorities and was enacted at the 92nd Diet session, does not, in the least, refer to the readjustment problem of the local agencies of the national Government or to the problem of controlling the establishment of these agencies. Moreover, it curtails the prefectural governors' authority of control over these local government offices to the minimum and permits the central national Government to keep them still under its direct control.

Meanwhile, various agencies of each Ministry have been established like mushrooms after a rain, in every prefecture, and they have become obstacles to the efficient operation of the administration of the local governments. Consequently, the governors demanded the Government to readjust its local agencies at the local governors' conference which was held in July and this movement has recently grown more active.

SCAP made an announcement the other day that preparations are being made for the important revision of the Local Self-government Law and the drastic readjustment of the local agencies of the national Government. As for the regulation of the superfluous government employees, it also stated that even if one third or 40 percent of the present personnel would be reduced, it would not hamper the administrative function of the Government. It is now only natural that the Government should immediately readjust its local agencies. We hope that proper measures are taken lest the readjustment, which aims at preventing bureaucratic power from extending its influence over the provinces, should cause further evil.

ITEM 8 Anti-economic Concentration Bill Faces Open Discussion - Yomiuri - 15 Oct 47. Translator: F. Hagiwara. (TK)

401

Extracts:

Yesterday's Lower House plenary session held an open discussion on the Anti-economic Concentration Bill.

YASUHIRA, Shikaichi (Socialist): "Such a public utility enterprise as mining should be socilized through nationalization. The Government should be careful not to let labor face a direct menace under the mask of capitalistic rationalization."

ISHIYAMA, Kenkichi (Liberal): "The bill, in Article 3, limits the economic bodies to be decentralized to five classes. Among them, only those in class 2, 'enterprises which operate in more than two unassociated fields' will require reconcentration. The bill is unskillful from the point of view of legislative technique."

KITA, Narajiro (Democrat): "The bill should aim at government or public enterprises which possess colossal monopolistic form, thus setting free private enterprises."

IDE, Ichitaro (Peoples Co-operative): "The Liquidation Commission should be reorganized, clarifying its character and where the responsibility lies."

KOZAKA, Sanzo (Communist): "It means abandonment of socialistic policy for the Socialist cabinet to introduce such a bill. The Communist Party will absolutely oppose the plan."

Thus finishing the debate, the meeting adjourned at 1714 hours.

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ITEM 13 Future Political Situation Darker Than Government Pictures - Tokyo Minpo - 8 Oct 47. Translator: F. Mitsuhashi. (UG)

Full Translation:

Although rumor of a Government change in November is still strong in certain political circles, the Government is as optimistic as before of its capability to handle political matters. Chief Cabinet Secretary NISHIO often emphasizes that the Katayama Cabinet represents public opinion and is most suitable to meet the Peace Conference. He also says that the Government, in preparation for the conference, will organize a plenipotentiary corps headed by Premier KATAYAMA. This corps will comprise the most able diplomats in JAPAN.

Government optimism is based on the following:

1--The State Coal Control Bill is expected to be severely attacked, but since the Democratic Party does not have the confidence and strength to face the attack of labor unions and to surmount the current difficult situation through its own power alone, it will eventually co-operate with the Government. The Upper House members cannot maintain their stand of continued opposition to the last unless they have a definite plan for forming the next cabinet. Accordingly, the bill will pass the National Assembly without serious difficulty.

2--The Government is of the opinion that the supplementary budget will bring about sound instead of deficit finance. Although heated discussions are expected to be held on such important bills as the Anti-economic Concentration Bill, the National Civil Service Bill and the Farm Products Adjustment Bill, they will pass without causing the Cabinet to resign.

3--At a round-table conference of the Government and representatives of the labor unions on 2 October, neutral unions such as the NCIO, the National Federation of Government Railway Workers Unions, the Japan Government Office Workers Union and the Federation of Public Office Workers Unions, assumed a critical attitude toward Government policy. However, they will have to be compelled to join such movements as boosting of production and elimination of blackmarketing, so as not to be separated from other unions. The

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Government will re-examine the 1,800 yen wage standard, and give preferential treatment to those who can bring about increased production in accordance with its policy. The latter will also be given an additional rice ration in order to guarantee real wages.

Besides the above-mentioned points, there is one other important factor. Judging from the recently-issued SCAP statement and the Canberra Conference, it is observed that the Peace Conference will be held earlier than was at first expected. NISHIO, believing that political truce is essential to readjust JAPAN's internal conditions to meet the Peace Conference, states that, in order to concentrate the nation's energy on the boosting of production, they should avoid the political stalemate resulting from the general election.

Actually, the current political picture is not as pretty as the Government paints. First, although the Government has fixed the rice delivery quota at 30,550,000 Koku by abandoning the "consent delivery" system which was the core of HIRANO's policy, it is doubtful whether farmers will fulfill the new quota.

The Japan Farmers Union points out that the farmers will not co-operate with the Government unless the latter properly fixes a new rice price and eliminates blackmarketing in the farm villages. Whether or not the Government can fix a new rice price which is satisfactory to farmers and does not affect the 1,800 yen wage standard, is likely to decide the former's fate.

Second, it is obvious that the release of large amounts of State funds obtained from the supplementary budget will result in increased commodity prices, aggravate the blackmarket and menace the people's livelihood.

The JFLU and unions affiliated with the JCLU (which now intends to co-operate with the Government to boost production) will be compelled to become critical of the Government's policy. Such economic destitution will affect co-operation among the Socialist, Democratic and Peoples Co-operative Parties. The offensive of non-government parties will then become fierce.

The capitalists are strongly opposed to the State Coal Control Bill, while laborers are dissatisfied with its lukewarm nature. It is, therefore, doubtful whether coal output will be increased by state control as the Government wishes.

There is no guarantee that the state coal control issue will not bring about political unrest. It can be imagined that the new conservative party maneuvers by the Liberals and some of the Democrats will make progress along with the above-mentioned political trend.

ITEM 4 Government to Outlaw Increase of Government Employes - Asahi - 15 Oct 47. Translator: R. Aoki. (JJY)

401

Summary:

The ordinary cabinet meeting yesterday decided to check increases in government personnel. The outline of the decision follows:

(1) Economize about 10 percent (2,000,000,000 yen) in personnel expenses;

(2) Stop increase of the standard number of government employes except in case of transfers of quotas between ministries or bureaus;

(3) Outlaw filling vacancies except within the limit of one third of the vacancies.

The standard number of government personnel for the present fiscal year is 1,621,000, and the actual number 1,443,000. Of the latter figure, 12 percent are minors. When the general budget was drawn up there were vacancies of 28 percent, while the basic salary was 1,200 yen. But this surplus was lost because of the salary raise to 1,800 yen. Nevertheless, in the supplementary budget a saving of 2,000,000,000 yen will be possible through the means suggested.

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ITEM 4 Concentration or Decentralization? - Yomiuri - 16 Oct 47. Translator: J. Wada. (JJY)

401

Full Translation:

The Anti-economic Concentration Bill has at last been introduced to the Diet session and submitted to a special committee. On the other hand, the State Coal Control Bill and the Public Corporation Bill are under deliberation in their respective committees both in the Lower and Upper Houses. The Diet is now forced to define its attitude toward these two bills which apparently conflict with each other in fundamental character. In other words, the Diet is now urged to make a choice between free economy on the basis of free enterprise or controlled economy with state control or public corporations.

Needless to say, the proposed economic decentralization measure is related to the dissolution of the Zaibatsu, the Limited Company Ordinance, and the prohibition of monopolies, and constitutes a finishing touch to the establishment of a free enterprise system on the basis of free and fair competition. Of course, because of the self-rightenusness and uniformity with which Government officials formulated it, the Anti-economic Concentration Bill has a possibility of making management of separated individual enterprises difficult and of decreasing production in the immediate future. This gives rise to many opposing opinions on details. However, these opposing opinions are presented because of a desire for a free enterprise system and do not represent objection to the fundamental aim of the bill.

It is beyond doubt that the formulas of state control and public corporations, although the former is related to production and the latter to the flow of commodities, are intended to go hand in hand to effect a limitation of free enterprise by the state. The recent announcement of Premier KATAYAMA, which is said to have been issued by request of the Democrats, said that the state coal control measure was directed toward increasing production in the immediate future and, therefore, is of a temporary nature and that state control will not be imposed upon other essential industries. However, it is clear that state control has no connection with immediate increased production. The pledged temporariness cannot be relied upon if considered from past experiences.

Much more untrustworthy is the promise that state control will not be imposed upon other industries, since state ownership of the electric power industry has already been hinted by the Commerce and Industry Minister and state management of the oil industry has already become an issue. Doubtless the proposed state control of coal mines, however, no matter how much it is mutilated by the Diet, constitutes a bridgehead for socialism, Control of commodities' flow, is intended to act in conjunction with this state control.

Economic decentralization will be a long step toward free enterprise, while the public corporation and state control formulas will serve as a brake of free enterprise. It may be argued that

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the former is directed for economic democratization and the latter is intended for economic socialization so that both will act together to realize social democracy. But this is not objectively true. If the direction of economic decentralization is faithfully followed, the transfer in lots of existing government enterprises such as railways and communications, and of privately-owned and state-managed enterprises, including electric power, will become a subject of discussion. On the contrary, adoption of the formulas of public corporations and state control will necessarily lead to state control and ultimately state ownership and management of the fertilizer, power, and oil industries.

The problem seems to have become more complicated by the fact that these two conflicting types of bill have been introduced to one Diet session by one Government. If considered in the abstract, these two kinds of bill do not contradict each other greatly. Saying positively that state control and public corporations are provisional measures in the postwar transitional period may be able to defeat opposition at least for the time being. However, what is most necessary is to clarify the two opposite standpoints represented by these two kinds of bill, to discuss them in a manner understandable to all of the people, with the future problems which will arise from it in sight, and to reach a conclusion acceptable to the people.

It is regrettable, however, that arguments from this point of view are rarely heard on the floor of the Diet. The Diet is of such a low caliber that it is preoccupied with making minor changes in phraseology and with opposition which does not come to the core of the problem.

We shall pay special attention to the free discussion on the Anti-economic Concentration Bill which will be held shortly and, at the same time, keep a watch on deliberation of the state control and public corporation bills which will be pushed along with the former bill.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 6 Make the People Understand Laws Thoroughly - Nihon Keizai - 22 Oct 47.
Translator: K. Hirata. (JJY)

#61

Summary:

Recently many laws and ordinances have been enacted to implement the new Constitution. These new laws and ordinances have aims different from those of the past. Also, some are so complicated that it is difficult for the average citizen to understand them properly and put them into practice.

For instance, the Antitrust Law is the most difficult. Many disagree on its interpretation. Article 10 stipulates the provisions concerning the holding of additional posts by officers. In other words, under this article officers of one company are prohibited from holding executive posts in another company when these companies compete with each other. However, there may be a difference of views in regard to the interpretation of "competition."

In view of the urgent need for execution of the Antitrust Law, the Government hastily put into effect the regulations for the Fair Transaction Committee before the enforcement regulations for the aforementioned law were drafted. Then, it completed enforcement of the law on 20 July. For this reason, much confusion was created in execution. Particularly, the law involves many matters left to the interpretation of the FTC. However, the committee does not have branches in local districts. Consequently, many companies in local districts find it difficult to interpret the law properly.

It may be difficult to make the people understand all laws thoroughly since the number of these laws is great. However, the Government must employ adequate measures to educate the people thoroughly.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

401

ITEM 4 Three Factors Causing the Aggravating Inflation - Provincial Paper: Chubu Nippon Shimbun (Nagoya) - 15 Oct 47. Translator: Y. Ebiike. (RL)

Summary:

Economic rehabilitation is indispensable to JAPAN's reconstruction, and economic rehabilitation depends upon the success in the prevention of inflation. Therefore, we must study its causes from every angle and provide countermeasures.

Needless to say inflation is an economic problem, for inflation means an increase in inconvertible paper money, rise in general prices, and decline in the purchasing power of money. However, the causes of inflation are not limited to economics alone. There are three non-economic causes, political, psychological and moral.

Inflation Germs on Weakness

If the Government is weak in its administrative power and incompetent to control economy, the people can neither be at ease nor depend upon fair business transactions. Hereupon, inflation germs.

The present social situations in this country make us feel keenly the poor administrative power of the present government. For instance, the Agriculture-Forestry Ministry too often differs with the Economic Stabilization Board in opinion. Compilation of the budget is at a standstill, and even opinions on important policies are divided among government parties themselves.

ITEM 6 Who Can Bear the Burden? - Tokyo Shimbun - 28 Oct 47. Translator: S. Ota. (TK)

401

Summary:

Whatever planning there may be, the fact of scarcity remains. Mere sermons will not fill empty stomachs. Hence, it may be natural that workers are apt to rush toward share-for-us campaigns. However, who can afford to meet such demands in presentday JAPAN where everything was exhausted by war, production decreased to one third of prewar standards, and many enterprises have been burdened with deficits several times their capital?

In the case of government or public service workers, it seems as if they look upon the Government as an infinite source of funds. However, the Government is merely a clerk of the nation, and every cent expended by the Government is a burden on the nation. As far as the relation between wages and national finance is concerned, there is no difference between the Government and private enterprises. In both cases, demands of the workers beyond the capacity of the enterprises will affect just as much the minimum standards of living of the general public.

Production alone can warrant a drive for a greater share. In the present situation, however, with lowered coal production, paralyzed communications service, and so on, there can be no increase of production. There is no alternative but for every one out of 80,000,000 people to make utmost efforts and bear the hardships. Even in the UNITED STATES, the production increase drive has been powerfully pushed under the Taft-Hartley Act and others.

On the other hand, an increase in production cannot be effected without good politics and able management. To be sure, this is not easy to accomplish under present circumstances. At least, however, those things promised to the public with confidence and responsibility should be fulfilled by any means possible. As it is, the Government has ignored efforts to establish the regular flow of commodities, which is essential to secure the so-called substantial wages. The impotence of the Government and capitalists has spurred the higher wage campaign of the workers.

The Government as well as labor and capital should restart by fully recognizing the actual situation both at home and abroad. The monstrous budget of 207,000,000,000 yen, including the supplementary budget, should not be a foreshadow of a ruinous inflation.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

EDITORIAL SERIES: 1997 (Continued)

ITEM 4 (Continued)

On the other hand, recent regulations on the flow of commodities are mere words. Blackmarket prices continue to rise, and controlled goods continually go into illegal channels. All these are now aggravating inflation. The government must promote its administrative power by every possible means in order to surmount inflation.

Psychology of Inflation

Psychological cause of inflation comes next. Being uneasy about the economic situation, the people are eager to convert money into goods, thus disturbing economic order and spuring inflation. It may be only natural for people to take a pessimistic view of the future when they see the government's economic white paper, or when they hear general criticism which the government is receiving especially from the left wing. The people must confide in national economic power and be prudent in order to prevent inflation.

Moral degeneration also spurs inflation, for hoarding diverting goods into blackmarket channels, and unsmooth delivery are motivated by self-interest. Inorder to prevent inflation drastic counter-measures must be taken against these three factors.

ITEM 6 Who Can Bear the Burden? - Tokyo Shimbun - 28 Oct 47. Translator: S. Ota. (TK)

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DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 11 Inconsistent Policy of the Government - Seiji - 24 Oct 47. Translator: M. Yamamoto. (RL)

401

Summary:

Final decision on the controversial issue of forming the supplementary budget for the 1947-48 fiscal year is expected to be made by the government in a day or two.

The new price of rice, debated between the Economic Stabilization Board and the Agriculture and Forestry Ministry, has at last been fixed by the Premier's decision. However, the government's attitude to solve these fundamental problems seems to be inconsistent.

The government placed the new price of rice high in order to encourage deliveries, despite its fundamental policy of maintaining the 1,800 yen wage scale. The government also planned to raise the prices of tobacco and sake in order to balance the supplementary budget.

It is reported that the government intends to raise railway fares and telegraph and telephone fees in order to establish an independent account system for the special account in state finance. We charge that the government has no consistent policy in handling economic administration.

It is obvious to everyone that the 1,800 yen wage scale cannot support the workers. Director WADA, of the Economic Stabilization Board, once revealed his conviction that the nation's household economy would be balanced by November, but it is now proven to be a mere desk plan. Perhaps the government will be forced to revise the present price structure in the near future.

Under the circumstances, the government is still determined to adhere to the 1,800 yen wage scale, and calls upon the entire nation to endure hardships. The government must establish a consistent policy to maintain the present price structure, however difficult it may be.

Of course, the government's plan to raise prices of tobacco and sake is somewhat reasonable. However, it is also obvious that the raising of prices of these commodities will cause a breakdown in the 1,800 yen wage scale. If the government plans to raise these prices in order to maintain sound finance, disregarding its fundamental economic policy of maintaining the present price-wage structure, it must be balanced for its inconsistent policy.

The same thing can be said regarding the government's intention to raise railway fares and postal fees.

As long as the government calls upon the unrelaxed perseverance of the entire nation, it must make desperate efforts to stabilize the nation's living by maintaining the present price structure.

In this connection, efforts of the Economic Stabilization Board for the maintenance of the price structure is worthy of praise. In order to surmount the present crisis, the government must justify the nation's trust in it by establishing a consistent policy and adopting effective measures.

ITEM 2 Presentation of Enterprise Readjustment Programs Deferred Again - Jiji - 29 Oct 47. Translator: F. Hagiwara. (TK)

401

Full Translation:

The deadline for presentation of enterprise readjustment programs in accordance with the Enterprise Reconstruction and Readjustment Law was once extended to 1 November. However, in consideration of the Diet presentation date for the revised Enterprise Reconstruction and Readjustment Law Bill and the enforcement date for the Anti-economic Concentration Bill, the deadline has been re-extended to 15 November.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 9 Administrative Inspection Committee to Reduce Government Red Tape - Tokyo Shimbun - 23 Oct 47. Translator: S. Fujiwara. (WM)

461

Full Translation:

The Cabinet Administrative Inspection Department has received suggestions on how to improve "window service" at government offices on the principle of hindness, brevity and speed. On the basis of these suggestions, the Administrative Inspection Committees, central and local, have begun inspection and supervision of their enforcement. This plan had been conceived by the Cabinet for the purpose of eliminating red tape in the government offices which have been censured for discourtesy and inefficiency. The results of inspection by the same Committee are as follows:

An application made by a fishing concern was found to have been pigeonholed for the past 20 years. According to the government office concerned, difficulty in investigation and prolonged arbitration between disputing companies delayed decision. However, the Committee condemned the office for its lack of efficiency in letting the matter ride for 20 years, irrespective of the legitimacy of the application. Throughout the country the Government owes two billion yen to various business firms from whom it made purchases. However, the delay of a year or two in payment is expected by the sellers.

The committee will deliberate on these points and advise the competent Ministers on the decisions reached. It will not only inspect "window services" but will also observe the attitudes and working habits of officials in order that the business of all government officers may be conducted efficiently. On the other hand, the Central Post Office and a certain prison were praised for their efficient management.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 3 Beware of Hastiness in Economic Policies -- Provincial Paper: Shimane Shimbun (Matsue) - 17 Oct 47. Translator: M. Minato.(DD)

401

Summary:

The Emergency Economic Measures aim for increased production and the balance between prices and wages, by regulating the flow of commodities. For this reason the Government has favored the 1,800 yen basic wage level and has enforced a sweeping raise in official prices.

The Economic Stabilization Board expected, at the time of its establishment, to balance prices and wages on this formula by November. It will be some time, however, before there will be a smooth flow of commodities and we can live only on distributions. The point we must seriously consider in this connection is the gap of time between the enforcement of measures and the consequent results. The longer the gap is, the more keenly the people feel the Government's weakness.

However, under the provailing circumstances in JAPAN, no matter who takes control of the government, there will be little or no difference in its administrative policies without the full co-operation of the people. Democracy demands the concerted action of all the people and does not merely rest with criticism.

Another important point is the impatience of the Japanese people. For example, the people criticize economic measures, unable to endure the gap of time until the measures can take effect. The people must be fully aware that too much revision of economic measures would produce adverse effects.

In the above sense, the statement by Labor Minister YONEKUBO, at the Lower House Budget Committee, that the 1,800 yen wage base formula should be re-examined if household deficits continue till November is too formalistic a statement.

Economic measures should be made carefully. Especially at a time when the full effect of increasing production and regulating the flow of commodities is not known, too much revision will merely endanger the people's confidence in the Government.

The secret of successful politics is to win the confidence of the people. If the Government has full conviction of the present measures, it should request the co-operation and the understanding of the people to endure a life of austerity for the time being.

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1 401

ITEM 1 Wada Discusses Rationalization Plan - Nihon Keizai - 30 Oct 47. Translator: R. Aoki. (FST)

Full Translation:

Director-general WADA of the Economic Stabilization Board discussed the problem of the rationalization of enterprises at yesterday's press conference. He said that establishment of an organized rationalization machine in the Government will be necessary and hinted that the time for decisive action is drawing near.

In view of the fact that the rationalization and readjustment of industries will introduce social problems, ESB authorities have been cautiously planning countermeasures for some time while long-range industrial policies have been drafted. However, because of the fact that successful execution of the rationalization program must depend upon the political strength of the Government, ESB authorities plan to submit the program to a cabinet meeting after working it out in close collaboration with political investigation councils of the three government parties, it is learned.

Points revealed by Director-general WADA yesterday follow:

1. Restrictive measures on deficit loans to enterprises will be strengthened further; loans will be allowed only to such enterprises which will use them directly for production increase. As a result, many enterprises may be wrecked, but we cannot help it under the present circumstances.

Again, in anticipation of a freer economic intercourse with the outside world after the peace conference, efforts must be made now to make the price level conform to the world level. For this purpose the readjustment of enterprises is necessary. The Government should take into consideration the labor aspect of the problem, however, Therefore, it is important to choose the time for execution of the rationalization program either for now or far next year.

2. There is no reason why the salaries of government workers should always be on a level with the higher wages of some industrial workers. Raise of salaries of government workers will affect the national treasury directly.

The nation must refrain from presenting another supplementary budget at this time, We must endeavor to increase the real income of government workers through re-establishment of a regular flow of commodities and, at the same time, pare down wages of some industrial workers to the level of the officials. Inflation may be checked through this means. Deflation policies are indeed important now.

ITEM 3 Government Determined to Adjust Administrative Structure - Yomiuri - 30 Oct 47. Translator: K. Onishi. (FST)

401

Full Translation:

While the Government often suggested administrative adjustments to the Diet's plenary and committee meetings, it seems that the need for such adjustment is now imminent. Chief Cabinet Secretary NISHIO, at a press conference yesterday, gave the following hints:

Such adjustment of surplus personnel as hitherto proposed is not sufficient for the purpose. It should be drastically carried out even at the expense of labor security. The Government will shortly start positive adjustments in the administrative structures in line with the unemployment measures.

Since this adjustment, it is believed, will be realized along with the Government's starting the deliberation of its compiling principles for the next year's budget, the problem is now drawing popular attention.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 1 Speedy Administrative Readjustment Necessary - Yomiuri - 31 Oct 47.
Translator: M. Yasutake. (FST)

401

Summary:

The Government seems to have reached the conclusion that administrative readjustment and rationalization of enterprises are inevitable in breaking the vicious spiral of inflation. Chief Cabinet Secretary NISHIO and Director-general WADA of the Economic Stabilization Board revealed the Government's determination to carry out the above-mentioned measures. NISHIO stated that the measures would be put into practice even in disregard of labor unrest. We hope that the Government will succeed in carrying out administrative readjustment which has been a pending problem for many years in the past.

Administrative readjustment is inseparably related to the civil service system. The Government should have studied the reform of the administrative structure along with the reform of the civil service system, including the enactment of the Civil Service Law approved by the last Diet. A democratic administrative structure will not be established by democratization of the new civil service system alone. Reform of the administrative structure is also important from the standpoint of putting State finance on a sound basis.

There are now about 2,500,000 Government and public office employers in our country. This phenomenon can be ascribed to various causes, but it is evident that the idea of "rule by bureaucrats" inherited from the Meiji period lies behind them. Further increase of Government and public office workers will bring our country to ruin. Both the Government and the people should remember that the increase of Government and public office workers runs counter to the spirit of Japanese democratization.

A few days ago, the Government decided not to increase its employees for some time to come to economize the budget. It is true that this is a timely step, but the Government should go further and take resolute steps to redispose or discharge surplus personnel. Recently, the Government underwent some changes, including the establishment of the Labor Ministry, the dissolution of the Home and Justice Ministries, but no change has taken place in the number of Government office workers since the war.

It is true that offices of war color were dissolved but the Government made new departments and sections to deal with the employees of dissolved offices. The Premier's office includes the Boards of Decoration and Pension, but what is the reason for existence of these two offices? Now that the war is over, they should be disbanded as promptly as possible. The Government should thoroughly examine the administrative structure, giving first consideration to the contents of various offices.

Together with the readjustmentof the central structure, it is absolutely necessary to readjust or amalgamate branch offices of the Central Government. The existence of too many branch offices is only making it difficult for local autonomous bodies to execute their work smoothly. Efforts should first be directed to the dissolution of those offices which have no reason for existence from the standpoint of rationalization of the administrative structure.

Administrative readjustment will bear fruit only when the readjustment of the structure and the discharge of surplus personnel are carried out together. It goes without saying that unnecessary confusion and friction must be avoided in the execution of the measures, but it is quite unreasonable to support surplus Government and public office workers at the expense of the people. The Government should set a good example for administrative readjustment before it demands rationalization of private enterprises. We hope strongly that the Government will take resolute steps to carry out administrative readjustment while taking all necessary steps to protect the livelihood of those to be discharged.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

READERS IN COUNCIL

A Housewife Airs Her Views

To the Editor:

When the Christian Socialist, Katayama became Japan's first socialist Prime Minister this spring, I envisioned great reforms that would alleviate in some measure the miserable lot of the Japanese masses. I felt that better days would materialize for the hard-working honest fellow and the ever-slaving housewife. I am beginning to realize most regretfully that I was wrong.

Meanwhile, one must be content if the cabinet honestly keeps endeavoring to solve the many problems before it. But I, as one of the insignificant species commonly known as housewives, would like to point out some of the minor problems most perplexing to our kind.

The first and foremost of these problems has to do with the education of the little barbarous beings we have in our care. Until recently she has only had one and one-half hours of schooling each day, one hour of which has often been taken up with the school lunch program. The grade has no time-table and not knowing what she will be taught, takes all her numerous scholarly possessions in the bag she carries on her back every day.

When she arrives at the school, the teacher is never in the room and the class is just a bedlam until the teacher arrives, usually some minutes after the bell. Even during school hours there is no conceivable discipline, either in the class or in the corridors. After one or two lessons during which about a third of the class are not there as far as attention is concerned, the bell rings, the teacher says, 'You may go' and the wild young things come charging out of the room in a cloud of dust like the burst of a shell.

This is what I've seen, not only at my daughter's school but at others I have chanced to visit. I do not wish to accuse anybody of anything but desperately hope that the Ministry of Education will do something to teach the teachers discipline and order in a free democratic society and the school janitors, the principles of sanitation.

The next problem has to do with that bugbear, ration. The papers announced that from September the number of servings would be doubled but my girl has only had two lunches in the past three weeks. Then too, I have noticed that lunches announced as being of imported food have not always been so. If the authorities would take the trouble to announce in greater detail the release of foodstuffs for school children, one would know what to expect and there would not be such ugly rumors as that imported foods get switched with native brands before being delivered to the schools.

Lastly, when the government announced that SCAP's release of foodstuffs had made full rations possible for the present, it also said that now people would not have to buy blackmarket food. SCAP has rendered full rations of staple foodstuffs possible.

Where does the government think one gets the leavening agent to make bread but on the blackmarket, and does it not think that a human being would have to have vegetables and protein matter? It is most provoking that the government cannot find some means by which some, if not all of this, say baking powder, yeast, eggs, salted fish and meat (if but once a month) could be rationed at reasonable prices.

A HOUSEWIFE.

Setagaya-ku, Tokyo.

OCT 24 1947
NIPPON TIMES

PROCURATORS TOLD BY SCAP SPOKESMAN TO BREAK UP GANGS

Combinations of Politicians And Gangsters Menace To Japan

By HOWARD HANDLEMAN
Far Eastern Bureau Manager
International News Service

Spokesman for SCAP's Government Section charged Friday that "clannish and clandestine" combinations of politicians and gangsters threaten to destroy democracy in Japan.

He urged Japan's procurators to take stern measures to break up the system of hidden rule by "strong men" who:

"Seek secretly to rule the political and economic life of this country."

He told the procurators that unless they are able to smash these combines "gains of the past two years towards attaining democratic government responsible to the people will be imperilled."

He said:

"The struggle in which you are engaged to establish the supremacy of the law over the clannish and clandestine combinations which seek secretly to rule the political and economic life of this country is unquestionably an issue of paramount importance. . . .

"No gossip, no rumors, no loose talk of a possible dissolution of the Diet or of a new general election can be permitted to divert you from destroying the corrupting influences of these enemies of the democratic movement in Japan who use respectable and sanctimonious political, financial and diplomatic fronts to mask 'black curtain' maneuvers.

"These public enemies have continued to board illegally possessed goods. They have thereby not only deprived the masses of the people of the use of these sorely-needed goods; in addition they have used the proceeds from the illicit sale of blackmarket assets to corrupt political parties, to bribe public officials and to demoralize legitimate channels of trade.

"Your task is not easy. Entrenched political and economic power is making its last stand against the sovereignty of the people guaranteed by the new Constitution.

"You are faced with the same class of oyabun and kobun (leader and follower) who, with at least the tacit acquiescence of the old, higher police bureaucracy, organized and operated the so-called secret and patriotic societies—which were neither secret nor patriotic—the terroristic activities of which led Japan successively through government by intimidation and by assassination into totalitarianism and finally into a war which brought her to her present unhappy condition." He warned that the names of men like

(Continued on Page 2)

Procurators Told By SCAP Spokesman To Break Up Gangs

(Continued From Page 1)

Kinosuke Ozu, Ken Sekine, Manosuke Yamaoka and Karoku Tsugi are becoming known abroad just as the names of Mitsuru Toyama of the Black Dragon Society and his associates such as Kei Hara and Keisaburo Suzuki were notorious abroad before the war.

He added the warning:

"The United Nations are watching to see whether only the words of Japanese society have changed, but the melody remains the same"

He charged:

"Already a subtle whispering campaign has been begun in an insidious attempt to delay or discredit your drive against the holders of hoarded goods who are the masters of corruption in Japan

"One whisper is that Cabinet officials are involved and that, if vigorously prosecuted, your investigations will cause the Cabinet to fall. Although it is earnestly hoped that no member of the Cabinet is involved in the hoarded goods cases, if it should develop that any member of the Cabinet is, this fact should not deter you in the slightest from bringing that minister or any other public official involved before the bar of justice.

"All people in Japan must stand equal under the law if democracy is to flourish and the people are to have faith in their elected representatives. . . .

"Another canard being whispered among the people is that the revelation of corruption in high places, such as the Diet, would jeopardize Japan's position at the peace table. Nothing could be further from the truth.

"On the contrary, the people of the rest of the world have taken note of the names of Ozu and Sekine and Yamaoka and Tsugi this year, just as they noted the names of Yamagata and Hara and Toyama and Suzuki, Keisaburo in previous years."

NIPPON TIMES OCT 26 1947

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

Slashing the Payroll

The Government's decision to slash 10 per cent from its payroll expense by restricting the hiring of new employees will be heartily welcomed by the long-suffering public. Whatever will lighten the tax burden on the people is all to the good.

But this proposed measure is still a very far cry from the drastic pruning which needs to be applied to the Government service. All that this measure proposes to do is to provide that the vacancies now existing in the Government service will not be filled by new employees, that only one third of the vacancies which may occur in the future will be filled by new employees, and that adjustments will be made as far as possible by transfers from other departments. This measure will only mean a freezing of the number of employees at about the present actual level and a gradual diminution of the number as only a third of the natural decrease is replaced.

It is a very well known fact, however, that the Government service is scandalously overstaffed. Although practically all the ministries fall short of the number of employees they are allowed by law, the legal limits have been set inordinately high in the first place. Merely freezing the number at the present point, while it is better than nothing, does not begin to solve the problem.

Furthermore, although the Government service as a whole is greatly overstaffed, the proportion of excess personnel varies widely from department to department. There are some departments which are even seriously understaffed. Some of these understaffed departments are very important departments requiring the services of highly competent specialists. To freeze all departments of the Government arbitrarily and equally at the present level would work a serious hardship on some departments which can ill afford such a restriction at this time. Theoretically the short-handed departments can be augmented by men transferred from other departments, but it is very much to be questioned as to how satisfactory the cast-offs from other departments will prove to be.

The proposed measure, therefore, makes a welcome gesture in the right direction, but it is wholly inadequate and poorly conceived. What is really needed is not a measure to trim off a little expense from the Government payroll, but a thorough reform of the Government service which will give each department the optimum number of the right kind of employees to enable it to do its work most effectively as well as most economically. The present proposal falls far short of meeting this requirement.

'Delivery' or 'Collection'

In Japan the process of the Government buying up the crops from the farmers to distribute through rationing channels is commonly called "delivery." For "delivery" is a pretty exact translation of the word "kyoshutsu" which is the official term in use. Hence the appearance recently of so much news concerning the rice delivery quotas.

In other countries the same process is generally called "collection" rather than "delivery." "A rose by any other name may smell just as sweet." But perhaps designating as "delivery" what other people call "collection" indicates a subtle psychological difference on the part of the Japanese people which accounts for some of the difficulties connected with the process.

For "delivery" emphasizes the act of the farmer turning over a part of his products to the Government. It connotes sacrifice, obligation, responsibility, and giving up something. It represents the process from the view of the farmer, who invariably looks upon it as something painful.

In contrast "collection" emphasizes the receiving end of the process. It connotes acquisition, accumulation, accretion of desirable products, and security. It represents the process from the point of view of the Government or from the point of view of society in general which stands to benefit from the rationing. The connotation is pleasant rather than painful.

To be sure, the difference in terminology will probably make little difference in the actual outcome. Even in other countries the producers are not particularly conspicuous for their enthusiasm in selling to the Government at official prices.

But the difference in terminology does raise some questions. Does it unconsciously reflect a tendency on the part of the Japanese to look upon Government activities as being painful to the individual rather than beneficial to society as a whole? Does it mean that the Japanese are more concerned with individual interests rather than with social interests? Does it indicate that civic consciousness or social consciousness is not yet developed in Japan as much as it should be? If so, the difference between "delivery" and "collection" may furnish more occasion for reflection than might appear warranted at first glance.

OCT 20 1947
NIPPON TIMES

IDLE GOV'T. WORKERS WARNED BY CABINET

Cases of Deliberate Idleness Will Be Strictly Dealt With

Moving to fight the recent deliberate idleness of Government workers, would be strictly dealt with under the Civil Service Duties Regulations, Labor Standards Act and Labor Relations Regulation Act.

The statement to that effect was adopted by the Cabinet on the basis of a decision reached earlier among Cabinet members concerned with labor affairs.

Reports in the hands of the Government have revealed a high rate of absenteeism among Government workers. For instance, the statement said, at the Central Post Office, 68 per cent of the personnel engaged in ordinary mail, 58 per cent of those in parcel post, 47 per cent of those in special mail and 43 per cent of those in telegraphic affairs are absent from work on a daily average. While the unions are explaining this as a result of difficulties in making a living, the Government authorities consider this as an instance of deliberate idleness and intend to take strong measures in case the tendency should continue unabated, it stated.

Lately the struggle to break down the ¥1,800 wage base has become the chief aim of labor unions, the statement further observed adding that the National Communications, Government Railways, Japan School Teachers', Monopoly Bureau, Mint Bureau and Revenue Bureau unions at present having their appeals for higher wages considered by the Central labor Relations Board. The National Communications and Government Railways are expected to secure their right to strike this month under the Labor Arbitration Act.

NIPPON TIMES OCT 23 1947

Hirano Cancels Statement Of 'Nov. Political Change'

UTSUNOMIYA, Oct. 22.—Agriculture Minister Rikizo Hirano, who recently made a sensational statement that a big political change would occur in November, withdrew his assertions, pointing out that his remarks were misrepresented.

Hirano, now visiting flood-torn areas in Tochigi prefecture, declared his recent statement meant only that if the Government reached a political impasse, it should dissolve the National Assembly to sound out public opinion.

"This was misquoted," Hirano continued, "and I never stated that a political change would come in November."

MAINICHI OCT 23 1947

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

401

'Black Curtain' Chiefs Threaten Japan Law

Government Section Official Reveals Internal Struggle

By HOWARD HANDLEMAN
INS Correspondent

Charles Kades, deputy chief of Gen. Douglas MacArthur's Government Section, declared yesterday that the basic political struggle in Japan is "between supremacy of law and supremacy of secret rule by mobs and gangs which have respectable fronts of ex-diplomats, Diet members and industrialists.'"

Kades told Japanese magazine editors they must arouse public opinion to fight against "hidden government" in which the most powerful of Japan's political leaders hide behind a "black curtain."

He charged every Japanese political party receives financial support from these behind-the-scenes leaders in the same way that militaristic societies supported, and controlled, pre-war political parties.

Kades said one of the basic weaknesses in the pending Political Party Bill is that it fails to require political parties to refuse to accept money from those illegal, gangland sources.

The bill, he said, is "wholly inadequate."

Kades said the Seko case, in which it was claimed 50 billion yen worth of former army and navy goods have been hidden from authorities, covers only a small part of the hidden goods problem in Japan.

STARS & STRIPES OCT 8 1947

Says Japan's Basic Political Fight Is Between Law and 'Hidden Rule'

Kades Charges Political Parties With Receiving Financial Support From Behind 'Black Curtain'

BY HOWARD HANDLEMAN
Far Eastern Bureau Manager
International News Service

Charles Kades, deputy chief of Gen. Douglas MacArthur's Government Section, declared Tuesday that the basic political struggle in Japan is "between supremacy of law and supremacy of secret rule by mobs and gangs which have respectable fronts of ex-diplomats, Diet members and industrialists."

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The bill, he said, is "wholly inadequate."

Mr. Kades said the Seko case,

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"There is a direct connection between the Seko case and the men behind the 'black curtain'" Mr. Kades said, "but only a small segment of the hoarded goods problem was uncovered by the Seko case.

"It is one of a series of cases of hidden goods from which groups of political manipulators behind the 'black curtain' derive their funds.

"Remember, the only source of large income in Japan since the war has been from hidden goods or blackmarketing, and the two are so closely connected that they are almost synonymous.

"All political parties receive most of their funds from men behind the black curtain.

"These men are involved with the oyabun and kobun, gamblers, gangsters, street associations and similar elements.

"The groups behind the black curtain menace the constitution itself. They represent control by the underworld."

He said present day economic power of these hidden controllers stems from the order issued by the Prince Higashikuni cabinet on August 18, 1945, three days after surrender and 12 days before the Occupation began.

Mr. Kades said:

"The Higashikuni cabinet ordered the Army and Navy to make emergency, secret distribution of their goods to civilian sources.

"Later, before the arrival of Gen. MacArthur and the Occupation forces, the order was rescinded, but the damage had been done."

Govt. To Consider Absent Workers As Strikers; Strong Steps Decided

TOKYO, Oct. 23.—Government rate of absence to the difficult living workers' absence from duty will be condition, but the Government con- regarded as a form of labor dispute cluded that it is tantamount to and their wages during the absence labor dispute. will not be paid.

This stern warning against gov- Although ernment operatives was announced will be con- by the Government after a special workers' lac- Cabinet meeting yesterday. It is warning ma- mainly directed against the All- future the Japan Communications strict measures Union whose members have been attendants frequently absenting themselves from Relations A duty of late. nothing of Union leaders ascribed this high- ment during

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Political Fight Here Against Hidden Rule

(Continued From Page 1)

in which it was claimed 50 billion yen worth of former Army and Navy goods have been hidden from authorities, covers only a small part of the hidden goods problem in Japan.

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PRESS COMMENTS

Tuesday, October 14

PREVENT EXCESSIVE CONCENTRATION OF POWER

NIHON KEIZAI—For economic power to be concentrated excessively in individuals or enterprises is to impede the democratization of economy. Thus the Government has presented to the National Diet a Bill for the Decentralization of Economic Power, which is now under discussions in the House of Representatives. It is not only economic power, however, that is pernicious when concentrated in the hands of the minority but also excessive authority or social influence.

When monetary power grows excessively strong, it begins to oppress small and medium business in disregard of the people's interests. When military power grows out of bounds militarism rules and brings on a suicidal war. Excessive military and monetary power has now been eradicated in this country as a result of the lost war but there still are political, economic and social influences which have remained from former times and are obstructing the course of democratization.

One good instance is the bureaucracy. The powers of officials that have piled up from wartime have engendered a sense of superiority among officials and contempt for the people, which are contributing to the recent scandals and vicious acts among officials. Blackmarket operators are able to oppress the people because they are making use of the existing forces of authority or violence. The recent danger of labor unions acting in disregard of the interests of the people is also due to the excessive concentration of power in society.

In accordance with the principle of decentralization, much of the nation's administrative powers are to be transferred to local governments, while the police system, once called a state police, is to be broken up into local police forces and a national rural police network. Thus the process of decentralization is going on throughout the fabric of our nation.

As in the case of economic decentralization, it is not the sole aim of this policy to weaken the strength of the existing organizations. For instance, if the labor union organization should be broken up, then labor unions will no longer be of any use. What is requisite is to prevent any excessive expansion of power. Whether a thing is excessive or not is a relative affair and must be judged according to the nature and personnel of the organization concerned. At any event, we must prevent excessive concentration of power in any form.

NIPPON TIMES OCT 15 1947

EDITORIAL

Pegging Down Increase Of Government Personnel

Expenditures for personnel are one of the items to be economized in the 1947-48 fiscal year budget which was decided in the Cabinet meeting on October 14. The retrenchment plan is different from the so called "adjustment of administration." It is merely an agreement not to fill future vacancies in the fixed number of Government officials for the time being.

In order to realize a really postwar democratic national structure, it is superfluous to mention that thoroughgoing revamping of the administrative organs must be carried out. The whole administrative system must be reformed to meet the new national needs.

In accordance with this principle, the Government has decided to abolish the Home and the Justice Ministries and created the Labor Ministry. The Foreign Ministry, most likely, will resume normal functions after the peace treaty though it is virtually closed at the present time.

In the course of an overall readjustment, it is appropriate to rescrutinize the system of the fixed number of personnel and see if it is rational.

Through the planned reduction of the personnel expenditures the Government expects to save about ¥2-billion per annum. The saving is to be utilized as the financial source for the huge supplementary budget which is now being drafted. Though the amount may be small, it is of profound significance that the Government has at last begun to cut down expenditures.

Today there is a strong clamor for an increase in the fixed number of personnel in each department or bureau, especially from the union members. They contend that staffs are undermanned for the work at hand. They are demanding an increase while the Government is attempting to cut down the personnel. Sound finance demands, however, that the number of officials be reduced.

It must be clearly understood that the current decision on retrenchment is not an out and out administrative readjustment. The administrative readjustment angle is only partially involved.

There is frequently advocated now-a-days the policy of 100 per cent employment, especially among labor unions. There is also the view that full employment is impossible in Japan under the present circumstances. This opinion is the stronger of the two.

At the same time, there is a tendency in officialdom to taboo talks about the readjustment of the administrative structure. Though administrative readjustment is equal or greater in importance compared to industrial rationalization, nobody makes definite statements about it.

By issuing the Economic White Paper, the Government bared the actual red ink state of affairs, but no one in officialdom came forward to insist financial retrenchment nor general discussion of the problem heard.

In spite of the fact that everybody knows that the balanced budget is the only way to overcome inflation, there has been a general reluctance to deal with the problem of administrative readjustment and the question of budget economy. But this time, the Cabinet has at last come to the point of embarking upon administrative readjustment.

If the Government is really sincere in its intention, it should be able to realize budget retrenchment of such a limited scope. At the present time, the fixed number of personnel in each Ministry is not yet filled. There is plenty of room for relocation and shifts in personnel.

We are sure that with proper relocation and shifts, the Government can get along without increasing the present total of administrative personnel.

OCT 19 1947

MAINICHI

PROCURATORS OPEN NATIONWIDE CONFAB

Agriculture-Forestry Official Clarifies Domestic Food Delivery Reform

401

A nationwide conference of economic procurators was opened in Tokyo on Thursday in the Tokyo District Court building.

An official of the Agriculture-Forestry Ministry attended the meeting and explained the nation's food situation.

The morning session devoted itself to hearing instructions and explanations on the day's agenda. In the afternoon the meeting discussed disposal and procedures against violators of the rice delivery program, the Anti-Trust Law and the Farmland Reform Law.

Justice Minister Yoshio Suzuki said a determined step against all blackmarket transactions is the only way to attain regular distribution of essential commodities to the people. He added all steps should be taken to prevent the flow of newly harvested rice from the farmers to the blackmarket.

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TOKYO BUREAUCRATS TOLD TO STAY AWAY FROM PREFECTURES

SCAP Spokesman Hits Practice Of Central Government Setting Up Branches

401

A SCAP Government Section spokesman yesterday condemned establishment of ministerial branches by the central government in the nation's 46 autonomous prefectures, and announced a halt in traffic of bureaucrats to such branches by the Tokyo Government without first obtaining Diet approval.

He told a press conference "this flood of bureacrats into the field out of Tokyo has been unwelcome, annoying and a costly item to the taxpayer."

He said the manner in which the local governments have been "snuffed out of existence" by a taxation system alone requires a change in the whole nature of the local and central government budgetry system. "The taxation system at present yields three-quarters to the central government, leaving only one-quarter to local governments of a city, town, village, and a prefecture."

He said the overstaffed bureaucracy should be eliminated by 30 to 40 per cent.

The spokesman said as an example that in Osaka and Saitama prefectures the central government has established not less than 20 branches which are a duplication of the work already carried out by the local administrations; and the personnel in one case alone has multiplied ten times the original requirement of 70 persons.

He recognized the desirability, however, of providing exemption for the existing governmental utilities because of their nature of functioning, which are as follows:

Railroads; communications; postal service, including insurance and savings divisions; national institutions of learning; national hospitals and sanitariums; navigation; meteorological stations; hydrographic institutions, harbor construction offices; forestry stations; and public works branch offices, whose functions are solely supported by the national treasury.

He said "from now on no branch offices or 'fixed staffs' can be sent or established in the prefectures by any ministry or central governmental agency without first attaining Diet approval.

"Such offices and agencies must be established by law. All funds needed in connection with the operation and function of such authorized branches or "fixed staffs be paid for by the ministry or agency concerned."

The spokesman agreed with a reporter's contention that central government hands down "orders" to local governors, which he said should be replaced by persuasion and that the opinion of the governors "must be heard."

He said this should equally apply to the rice-quota allocation issue; such a national issue should be decided on the basis of "give and take."

He also revealed to the newsmen that the system of appointment of all-powerful vice-governors "will be examined very thoroughly."

He said the Japanese Government, which is now engaged in a serious examination and review of such problems, will formulate plans soon to make adequate adjustments in its relations with the local entities to "eliminate unnecessary friction existing between the two."

OCT 4 1947

NIPPON TIMES

MOST PARTIES BACK DECENTRALIZATION

Measure Is Likely to Become A Law With Very Little Opposition

401

The economic decentralization bill—one of the controversial measures before the current Diet session—may become a law with very little opposition, if the smooth progress of the "free discussions" in the Lower House are any indication.

All political parties, except the Communists and some independent members, expressed their support to the bill, at Wednesday's Lower House plenary session.

Various opinions on the bill which were expressed in the course of the free discussion included:

1. In view of the fact that the Holding Companies Liquidation Commission is entrusted by the contemplated law with the authority to determine the future industrial structure, it will be necessary to establish an organ for supervising that commission.

2. Extreme partitioning of industries should be avoided in order not to hamper production. The standard of application of the contemplated law should be laid down according to various fields of industry.

Meanwhile, Shikaichi Abira, Social Democrat from Ehime, said that all public utilities should be exempted from the application of the law.

OCT 17 1947

NIPPON TIMES

PRESS COMMENTS

Friday, October 3

GOVERNMENT AND RACKETEERS

401

JIJI SHIMPO—The boss of a contractor group who had skilfully evaded the vigilant eyes of the police for scores of days at last gave himself up from his hiding place on October 1.

It was only natural that the Metropolitan Police Board and the local police should have undertaken to mop up the country of all these gangster elements. To date the more notorious leaders have been rounded up but still many are probably at large. It has been an open secret that gangs of racketeers calling themselves such and such a "gumi", or groups, after the manner of contractors, have been extorting money and goods from the more or less respectable citizens but in most cases they were left alone by the police and the prestige of law had fallen In spite of the existence of a full-fledged police system, a sort of extraterritoriality existed for those racketeer groups. The Government has been singularly negligent in this respect.

In the United States such elements are called public enemies and FBI of the Department of Justice has been active in their apprehension. But the untiring efforts of G-men have resulted in the restoration of order and America has been freed from the rule of such public enemies.

It serves as a precious lesson to postwar Japan where public enemies of that kind are still operating in full swing.

A situation in which such brazen outlaws are operating in defiance of the police and the innocent citizenry are unable to protect themselves against their intimidation and blackmail cannot be tolerated. The Government and Diet together must conduct a major sweep-up of those racketeers on an effective and national scale. It is hoped that the Government will seize the opportunity offered by the arrest of the notorious gang boss to continue the campaign with fresh vigor.

NIPPON TIMES OCT 4 1947

401

To Head Reconstruction Bd.

TOKYO, Oct. 24.—The Government has informally decided on the appointment of Mikishi Abe, governor of the War Disaster Reconstruction Board, as the first governor of the Reconstruction Board to be created anew in connection with the dissolution of the Home Ministry.

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DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

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BUREAUCRACY SEEN THRIVING UNDER THE SOCIAL DEMOCRATS

401

Drastic Slash in Administrative Spendings and Reform in Setup Held Needed

The new price system laid down by the Government, under which it is proposed to stabilize wages and prices at the new level set up by raising the average wage to ¥1,800 and fixing the official prices at a point about 65 times as high as the prewar figures, revealed its inflationary character the instant it was made public. No sooner had the new official prices been announced than blackmarket prices began to soar at an alarming rate, with the result that the household economy of all white-collar workers and wage-earners has been driven to the verge of bankruptcy.

Is it, then, absolutely beyond human power to hold inflation in check? We do not think so. There are still ways left to combat it successfully. If these still available means have so far been left unused, it is because political power has hitherto been in the hands of those few who find it to their interest to allow inflation to aggravate. In order to check inflation and exterminate the black market, therefore, it is essential that a new political force based on the working masses should take the reins of government.

We need not go far to seek the means by which to eliminate inflation. The end in view can be attained by retrenching national expenditure. As the Russian and German examples after World War I show, inflation can be overcome by stabilizing finances. There is no impugning the fact that the menacing growth of inflation in this country since the end of the war is ascribable basically to the deficit-ridden budgets imprudently compiled. The key to the eradication of inflation then lies in putting national finance on a sound basis by removing these deficits. No matter how difficult, this task must be put through by all means.

Reforms Necessary

To begin with, the pruning knife must most drastically be applied to the enormous administrative expenditure. The complex and parasitic administrative structure must be overhauled and remodelled in a thoroughgoing manner. Japan today remains as much a bureaucratic State as before. The total number of Government officials, including those in the service of the State railways, the communications business and the Monopoly Bureau as well as in the local governments, reaches a staggering figure of 2,300,000. Assuming the family of each of these officials to consist of four members on the average, it will be seen that no fewer than 11,500,000 people or one for every six persons of Japan's total population of 75,000,000 are dependent, directly or indirectly, on this bureaucratic structure for their living. Worse still, judged by the prevailing situation, there is every likelihood of this structure being further enlarged and growing more complex and parasitic. The Home Office is to go, but, on the other hand, one new Government office after another is likely to be created in rapid succession. Control is a necessity, no doubt, but to extend or strengthen the bureaucratic control like the present will only result in expediting the general collapse of Japanese economy.

Must Be Pruned

If Japanese economy is to be put on the high road to reconstruction, this parasitic administrative structure must be drastically curtailed in defiance of all opposition that may be offered. It must be pruned of at least two-thirds of the present entire staff. This may cause much unemployment, but it must be accepted as an inevitable evil attendant on the country's reconstruction, and for the relief of the unemployment thus created, appropriate measures ought to be separately devised.

At any rate, it is incumbent on the Government to take the lead in launching the movement for lowering prices by retrenching the administrative structure, by lowering the railway freight changes and passenger fares and by reducing the prices of the monopoly goods like sake and tobacco. Cheap government is what Japan today most urgently requires. It is axiomatic that costly government foments corruption in officialdom, engenders collusion with the privileged few and shackles production.

It seems that the Social Democratic Party has definitely bowed the knee to bureaucracy. Under its Cabinet the ruinous bureaucratic structure is daily growing more strengthened. The projected abolition of the Home Office is nothing but a bureaucratic device to simulate democracy. The State control of coal would knock the bottom out of the plan for ensuring to coal output of 30,000,000 tons, underlying it, by strengthening the economic basis of bureaucracy. It is a great misfortune for the Japanese nation that the Social Democratic Party, which pretends to have the support of the working populace, has given in to bureaucracy and is bent on humoring it.

It behooves the Social Democratic Party to regain consciousness quickly as a popular party and proceed to lay the axe to the root of the over-grown bureaucratic structure. Otherwise, inflation will get absolutely uncontrollable and the knell will accordingly be tolled for the Party. It should not let slip the last opportunity within its grasp to save the nation. (Translated from the "Diamond.")

OCT 28 1947
NIPPON TIMES

DECENTRALIZATION YARDSTICK IS BARED

401

ESB Announces Principles for Application of Measure To Enterprises

Concrete principles for the application of the Economic Power Decentralization Law to the respective business and industrial enterprises were announced by the Economic Stabilization Board yesterday.

The basic criteria will be submitted to the Diet committees studying the decentralization bill within several days.

The program concerns the kind of enterprises to be designated for economic decentralization and how they will be required to readjust themselves. It consists of 10 items regarding the histories of the individual enterprises, geographical conditions, functions of the central offices, their activities in unrelated enterprises, their vertical and horizontal connections, composition of the executive staffs, trade marks for their products and names of the respective corporations, patent rights and their business potentialities.

Earlier last week, Tadao Sasayama, chairman of the Holding Companies Liquidation Commission, told the press that the provisional designation of companies to be "decentralized" under the law will be made by the end of November.

He made the statement on the assumption that the Economic Power Decentralization Bill will pass the current Diet session early next month.

As soon as the bill is approved by both Houses, Mr. Sasayama said, a yardstick on the designation will be announced by the commission, and provisional designation will be made. Mr. Sasayama, however, declined to reveal the number of companies that may be affected by the new law.

Some of the companies thus designated provisionally, he continu-

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Decentralization Yardstick Is Bared

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(Continued from Page 1)

ed, will be exempted eventually after further investigations.

Mr. Sasayama added that his commission expects to complete formal designation within six months after the enforcement of the law.

Meanwhile, Finance Minister Takeo Kurusu told the House of Representatives Finance and Banking, Agriculture and Forestry, and Commerce Committees at their joint session Wednesday that the economic powers decentralization measure will be applied to financial institutions.

He however, did not clarify exactly the kind of financial institutions to be effected.

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Toru Hagiwara Dismissed From Japanese Gov't

Move Follows Reaction To 'Japan Hasn't Been Conquered' Statement

401

By RUSSELL BRINES
Chief of Tokyo Bureau, Associated Press

The Japanese Government has dismissed Toru Hagiwara, chief of the Foreign Office Treaty Bureau, for remarks he made before a House of Councillors committee on the forthcoming Japanese peace treaty.

The dismissal followed a request by SCAP Headquarters for an explanation of such remarks but without headquarters pressure for his removal, informants said.

The career diplomat told headquarters officials that the Japanese press had distorted his remarks by reporting he had told the House of Councillors foreign affairs committee simply that Japan "had not been conquered." He said his actual testimony was that since Japan had not been annexed, the close of the Pacific hostilities failed to follow one of the classic methods of ending wars.

Informants expressed the belief that the government was making Hagiwara the "scapegoat" for anticipated adverse international reaction to his remarks.

Hagiwara was the second high ranking Foreign Office official to be dismissed in recent weeks as a result of what was considered embarrassing remarks. Katsuzo Okumura, chief of the Foreign Office Information Section, resigned under pressure for responsibility for the leakage of details of the last conference between General MacArthur and Emperor Hirohito.

STARS & STRIPES
OCT 27 1947

PROCURATORS TOLD TO WIPE OUT GRAFT

Justice Minister Emphasizes Enforcement of Strict Official Discipline

401

A conference of procuratorial office chiefs was held at the Justice Ministry Tuesday to discuss ways and means of operation of the revised Criminal Code which was recently passed by the Diet as well as on the future policy of prosecution.

The conference was attended by Justice Minister Yosmo Suzuki, Justice Vice-Minister Tosuke Sato, Procurator-General Seita Fukui and 49 district chief procurators.

Justice Minister Suzuki, in his address to the gathering, emphasized the need of enforcing strict official discipline. He specifically urged to stamp out graft and other irregularities of those in leading positions.

He said a number of prosecutors was appointed to handle labor cases exclusively in view of the importance of the labor problems.

He also urged strong measures should be taken against black market practices, obstruction of rice quota deliveries and illegal hoarding.

He declared too many detentions constituted one of the factors for jail-breaking and other untoward incidents concerning penitentiaries.

Prime Minister Katayama also addressed the gathering.

OCT 30 1947
NIPPON TIMES

MINISTERS AGREED ON PERSONNEL CUT

Not Yet Formally Discussed In Cabinet; Strong Labor Opposition Predicted

401

All Cabinet Ministers are agreed in considering it necessary to reduce the civil service personnel and reorganize civilian enterprises, Chief Cabinet Secretary Suehiro Nishio told a press conference yesterday. He added, however, that the matter has not been formally discussed by the Cabinet.

He predicted that the measure would meet strong opposition from labor at this time when workers of Government-managed public utilities as well as of private enterprises are growing increasingly hostile. Under such circumstances, the Chief Cabinet Secretary said the Government will be required to be "very cautious" in mapping out the policy for payroll trimming.

The Government's determination to carry out the long-heralded personnel cut was evidently motivated by the fact that the ¥1,800 minimum wage scale policy has become actually impossible in the fact of heavy Government spendings which was presaged by the supplementary budget totalling more than ¥90 billion announced last Sunday. Metropolitan newspapers have been calling for payroll cut for months.

Director-General Hiroo Wada of the Economic Stabilization Board on Wednesday stressed the necessity of "determined action to streamline private enterprises" in order to uproot the cause of inflation and force standards wage down to the ¥1,800 scale.

Meanwhile, Finance Minister Dr. Takeo Kurusu indicated recently that he will demand reduction in Government service personnel and industrial reorganization in formulating the budgets for the next fiscal year. These statements indicated that the Administration is veering toward the policy of retrenchment through industrial reorganization and payroll cuts.

On Thursday, a public hearing on wage scale was broken up as Communications Workers Union delegates walked out. All indications show that a showdown is inevitable between the Katayama Government's retrenchment policy with accompanying mass dismissal and the increasingly hostile labor.

NIPPON TIMES OCT 31 1947

ERC TO LAUNCH CAMPAIGNS

401

Aims to Speed Up Rehabilitation Of Nation's Industries

The Economic Reconstruction Council, a nationwide capital-labor organ, has decided to carry out four anti-crisis campaigns shortly to speed up the nation's industrial rehabilitation through closer collaboration between capital and labor.

The four campaigns are industrial rehabilitation, assurance of food supply, full utilization of commodities and overcoming electric power and fuel crisis. It also approved the immediate convocation of an Anti-Crisis People's Conference.

OCT 28 1947
NIPPON TIMES

Govt. To Dispose Of Surplus Workers

401

Step Is Taken To Check Increase Of Inflation

TOKYO, Oct. 24.—A drastic measure for the disposal of surplus Government employees will be taken as one of the anti-inflation measures, Chief Cabinet Secretary Suehiro Nishio declared at the press conference yesterday at noon.

In view of the ever-increasing tendency of Government workers' salaries, the Government appears to have determined to carry out the administrative readjustment drastically in order to work out a sound policy for the compilation of the general budget for the 1948-49 fiscal year.

Side by side with the Government's administrative readjustment, the disposal of the surplus workers may also be demanded in the civilian enterprises for the rationalization of industry.

In this respect, the Government intends to study a measure for strengthening unemployment insurance for the benefit of those subjected to the disposal in connection with the administrative readjustment and the rationalization of civilian enterprises.

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Advance Towards Left Unlikely, Most Officials, Observers Hold

Future Of Continued Plodding Along Roads Of Reform And Economic Rehabilitation Seen

401

By RUSSELL BRINES
Chief of Tokyo Bureau, The Associated Press

After five months under a Social Democratic Prime Minister, Japan remains politically moderate and economically conservative.

No appreciable advance toward the left is likely under the present circumstances and the current balance of political power.

On the other hand, a series of basic reforms are now in preparation at SCAP direction for the decentralization of the vast economic and political power held by the oligarchs—stimulating a trend toward competitive economy and autonomous local governments.

The Communist party remains an active minority with considerable influence in key labor unions but little political power. This spearhead has been blocked for the present but remains a continual threat.

Continued importation of food on at least the current level is a "must to avoid unrest.

This is the consensus of top occupation officials and many foreign diplomats with whom The Associated Press talked in the last few days. They foresee a future of continued plodding along parallel roads of reform and economic rehabilitation. Both are rocky.

Talk of peace has not affected the mechanics of the occupation. Few officials here expect any preliminary activities before the first of the year and nearly all of them believe that even a friendly conference might require more than a year to complete work. There is some optimism, however, that Russia finally will join the parley.

There are no plans for an im-

(Continued on Page 2)

The conservative Liberal and Democratic parties hold a coalition majority in the House of Representatives. They have used this power and seven Democratic cabinet seats to prevent any move toward socialization.

On the other hand, Japan at the end of the war was a highly socialized state. The government still owns most of the railroads and communications and many utilities. Beyond that, the zaibatsu monopolies were so tightly integrated with the government that they formed in effect a nationalized state for the private profit of a few. Wartime centralization of industry tightened this structure.

The Katayama government under SCAP pressure has introduced in the Diet a bill providing for the decentralization of industries with an excessive concentration of economic power. The measure is expected to be passed soon, opening to scrutiny some 80,000 companies and corporations of which an estimated four per cent—mostly zaibatsu—will be forced to change their corporate structure.

Stimulate Competition

SCAP officials say this move will stimulate competitive enterprise—now blocked by monopolies—and therefore will break down the private socialism of the past. None of the integral industries will be affected and many corporations are expected to become more efficient by dropping their present deadweight subsidiaries.

The Communist party has opposed the bill on the frank contention that they prefer concentrated industries when they "assume power."

Top Japanese industrialists opposition is only one of several factors in the relative failure of controlled economy which Katayama has been attempting by enforcing long existing regulations. Instead of consolidating its power, the government is losing it through a series of SCAP reform

Measures increasing prefectural authority and providing for decentralization of police control.

Right of Center

Economic difficulties gave the Japanese impetus toward political center in the last election but they retained a firm grip on conservatism, particularly in the countryside. Indications are that they will remain right of center under present conditions.

The Japanese are generally firmly on the American side in the ideological battle which they are following closely. This position is strengthened by consistent Headquarters attacks on Communism and on the pressure of politics. It is emphasized by the general gratitude for American food.

To enforce that food program, SCAP officials stepped into the political squabble to order the government for the first time to deliver half of the anticipated rice crop to legal channels. They anticipated that world shortage might reduce American imports from 22.4 per cent to 15 per cent of the country's subsistence requirements.

Under this pressure, the Communists have burrowed partly underground in continuing attempts to win labor and farmer Unions. In some they have been successful, in few instances attempts are being made to eliminate them. Revival of the Comintern sharpened Japanese vigilance.

Industry Rising

Industrial production continues to rise slowly under the stimulus of relaxation of what General MacArthur called "economic blockade"—resumption of limited foreign trade, licensing of airlines and steamships and reestablishment of international communications. But the over-all rehabilitation is hobbled by factors ranging from the sluggish coal output to labor troubles and some employer lethargy.

Behind this, the program of reform continues slowly. The exact extent of their progress probably cannot be measured accurately until a crisis forces them to decide between ancient tradition and young freedom.

There are bitter internal battles for power, a daily struggle for livelihood and a continuing uncertainty over the expanding Soviet power on the Asiatic continent. But the Japanese are still watching the wrangling world from sidelines—in grateful peace.

Advance Toward Left Held Unlikely

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mediate withdrawal of the military forces which probably will remain for considerably longer than another year,

Order Reforms

During recent weeks, occupation officials have stiffened their attitude toward Japanese political squabbles that threaten to delay economic recovery. They have ordered important reforms which were implied under previous directives.

Japanese politicians also have made this period an illuminating test of political strength. This to them has become increasingly important because they still hope for an early peace treaty and a consequent return of autonomy.

Prime Minister Tetsu Katayama's Socialist planners promised before assuming office that they would inaugurate a gradual nationalization of key industries on the British pattern. But in order to obtain the premiership, they scrapped this platform by joining other parties in pledging "political moderation."

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ITEM 1 Discussion, Decision, and Execution - Akahata - 25 Oct 47. Translator: H. Furukawa. (RL)

401

Summary:

While gossiping, critical opinions are exchanged on party policies and fellow party members. However, in a formal meeting of a party fraction or organization, routine matters alone are discussed. Important opinions and criticisms are not aired, and time wasted in useless discussion or criticism of policies which have already been established.

Can we say that this type of fraction or organization does not exist? The freedom of gossiping is not considered a democratic right by our party. Democracy is required within our party for the sole purpose unifying and strengthening the party because we cannot fight for people's interests without united strength.

Our democracy must be combatant and serve to guide the people to revolution. Our democracy is a fighting democracy and does not permit freedom of wilful speech and action which is recognized by bourgeois democracy. The latter type of democracy weakens the unity of the party, creates factions within the party, and eventually benefits the conservatives.

It is up to all party members to discuss every problem of the party in their respective organizations, beginning with the party cell. The discussions must be focused on methods of fighting in accordance with the fundamental policy of the party. When popular movements develop in factories and agricultural villages, the problem of how to fight with the support of outside sympathizers of the party must be discussed. After all opinions have been exchanged and discussed, a decision must be made on the action to be taken.

Once a decision is reached, all members, including opponents of the decision, must act in accordance with it. If some doubt the wisdom of a decision, victory can never be attained. Only by rendering utmost efforts to fulfill the established policy will its defects become apparent, and further advance will be possible.

We must always stand firm on one policy, and fight as one powerful unit. Thorough discussion, concrete decisions and whole-hearted efforts for its execution are characteristics of the democracy of our party. These characteristics are the backbone of our centralized democracy, which dominates the entire party from the fraction to the central committee.

If this principle of party democracy is observed by all members, personal conflicts will be promptly settled. Mutual love among party members and inseparable ties between the people and the party can never be expected if there is even one member who stabs his comrades in the back or disobeys the policy of the party. All our theories and policies are derived from experiences, and tried and developed by practice. Our actions have the doctrines of MARX and LENIN as guides.

It is not communistic to act freely, disregarding party unity and the actual situation. Democracy of our party stands on the practice of connecting one's entire life with the party and fighting always for the people and revolution.

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ITEM 5 Relationship between Government and Three Government Parties - Asahi - 1 Nov 47. Translator: T. Okamura. (FST)

401

Summary:

It was earlier rumored that there will be a political change in November. This rumor had diversified aspects; that is, according to the standpoint of those who predicted such a political change as opponents of the Katayama Cabinet and those who predicted a Cabinet reshuffle in view of the present political situation. However, in a different sense, the Katayama Cabinet seems to have entered a new political phase.

One of the major elements in the new situation in which the Cabinet is placed is the enormous supplementary budget which was recently approved in a Cabinet meeting. The budget issue, which has been disputed over 90 days, has many complicated political and economic elements and, at the same time, it has created a new problem, politically and economically. With the budget as a turning point, the issue over the organization which draws up government policies is about to be studied. Politically, it is a problem of the new relationship between the Katayama Cabinet and the three government parties, the Socialists, the Democrats and the Peoples Co-operatives.

Although government parties in form, these parties manifest antagonisitic political movements. There exists the issue of bureaucrats who play an important role in our political structure. However, the Government and three government parties must settle the problem regarding their new relations in executing the new supplementary budget, which is viewed as jeopardizing the Katayama Cabinet. Such an assertion may also be made in connection with the controversial State Coal Control Bill. The deliberation on the coal bill should not be postponed because of the intraparty situation of various parties and the overall political situation. The settlement is also urgently desired in the light of the length of the Diet session.

Seen from such angles, the political situation may be said to have reached a new stage for the Katayama Cabinet. Unless measures are taken for the complicated political situation centering around the new party issue, the drafting and execution of policies meet the present crisis will result in mere confusion and delay, thereby accelerating the crisis.

The present political confusion may be ascribed partly to the lukewarm attitude of the Democratic Party. Although this attitude is largely due to its particular, complicated intraparty situation, it also originates in the lack of political consideration on the joint responsibility for the coalition Cabinet. Politically the responsibility for failures of a coalition cabinet are attributable to the government parties which compose the Administration.

In the new political situation, the attitude of the Socialists is basically still more important. As long as the present Cabinet is headed by the Socialists and, moreover, as long as it may be called a Socialist Administration in the light of its personnel structure and policies, the past attitude of the Democrats toward the Katayama Cabinet --- more concretely speaking, the fact that government policies are mainly formulated by the Economic Stabilization Board, and, subsequently, the Socialists lack leadership in their policy-making --- will require drastic analysis. The purge of Agriculture and Forestry Minister HIRANO may be a problem for the Socialist Party in view of the prevailing political situation, but there are more fundamental problems facing the party.

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EDITORIAL SERIES: 2021

ITEM 1 Political Stabilization Should Come First - Mainichi - 5 Nov 47.
Translator: J. Ide. (JJY)

401

Full Translation:

In spite of the efforts of Lower House Speaker MATSUOKA to have Agriculture Forestry Minister HIRANO tender his resignation, HIRANO, backed by the National Farmers Union's Diet members, seemed unlikely to accept the request of the veteran Socialist. Considering that the delay of his resignation would increase political uneasiness, Premier KATAYAMA finally exercised his right to dismiss state ministers and threw the Agriculture-Forestry Minister out of the Cabinet under Article 68 of the new Constitution which gives the Premier the right to "remove a minister of state as he chooses." We cannot but conclude that the most fundamental reason why such a man of high moral repute as Premier KATAYAMA was obliged to take such a drastic step as to fire his old-time political friend is mainly attributable to the necessity of preserving cabinet unity as the top administrator who has to cope with the nation's complicated political situation in the face of both the labor offensive headed by the government and public workers unions outside the Diet and the difficulty confronting the State Coal Control Bill, which is on the agenda of the present extraordinary Diet session.

The Hirano case came to the fore when the Agriculture and Forestry Minister was summoned by the Tokyo Prosecution Office on 28 October in connection with a charge. It cannot be denied that the issue become all the more complicated when Chief Cabinet Secretary NISHIO, who has long been regarded as a political opponent of HIRANO, referred to this matter in a press conference. Under these circumstances, public attention was focused on the question of whether HIRANO would be subject to purge or not, but later the Government tried to fire HIRANO because of his activities contrary to cabinet unity by separating the purge issue from his resignation. HIRANO's activities have long been criticized by other ministers, but it is quite natural that he could see no reason for bearing the sole responsibility for his resignation.

Apart from the propriety of the Premier's drastic step, it cannot be denied that the ex-Agriculture and Forestry Minister has not always taken a co-operative stand positively for cabinet unity, irrespective of his sincerity toward his duty. At this juncture, the question is why Premier KATAYAMA did not request HIRANO's prudent action from the beginning, separating his resignation from his purge. Since the screening for public office should be carried out fairly and impartially, the Government should do its utmost to erase the people's doubt about the obscure attitude of the Government in regard to this issue.

HIRANO's energetic activities since his assumption of the Agriculture and Forestry portfolio have been watched with acute interest. His political ability to spread the organizational network of the National Farmers Union throughout the nation under the banner of anti-capitalism, anti-totalitarianism, and anti-Communism after his expulsion from the Japan Farmers Union and his sincere efforts to realize a large-scale food release in the face of the delayed food rationing should be highly appreciated. However, the fact that such an able politician as he had not taken positive steps for the unity of the Katayama Cabinet can be called fatal. Especially, his remark on the November political change during his tour gave negative impetus to the Premier and other ministers. This also intensified the antagonism between HIRANO and NISHIO in regard to the left-wing Socialist issue. HIRANO's individuality is apparent in the course of these proceedings.

Under these circumstances, Premier KATAYAMA finally came to the conclusion that he would try to maintain Cabinet unity even by exercising his right to dismiss state ministers in order to cut the roots from the HIRANO-sponsored new party movement in the hope of strengthening the Socialist Party. However, it is very doubtful that the Premier's

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ITEM 1 (Continued)

aim will be quickly achieved. Around the agriculture-forestry ministership, which should be filled as quickly as possible, the intraparty confusion of the Socialist Party will be increased to the fullest extent. On the other hand, the effect of HIRANO's dismissal on the National Farmers Union's Diet members will reverberate for the time being, and the antagonism between the NFU and JFU will be intensified around the new Agriculture and Forestry Minister. This will adversely influence the nation's food delivery. Therefore, the firing of HIRANO does not put an end to these complicated issues. These problems are still pending.

Since the Government made a bungle of the Hirano case, it is imperative that the Government take prudent steps to iron out the antagonism between the NFU and JFU and the intraparty dissension of the Socialists. In view of the present political uneasiness, the Government should do its utmost to stabilize the nation's political situation, tide over the present session of the Diet, and settle urgent problems confronting the Cabinet in collaboration with the three government parties.

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ITEM 6 Readjustment and Rationalization of Enterprises - Tokyo Minpo - 5 Nov 47. Translator: N. Miwa. (JJY)

401

Summary:

To accelerate the readjustment of enterprises as a prelude to their rationalization, it is said that the Economic Stabilization Board will confer with the political research committees of the three government parties in the near future. However, despite the fact that a year and a half has passed since the Enterprise Reconstruction Readjustment Law was put into effect, the readjustment of enterprises has not satisfactorily been carried out.

It goes without saying that the objective of the law is the disposition of bogus capital in enterprises, which move is necessary for their rationalization. From this standpoint, reform should be effected in the Enterprise Reconstruction Readjustment Law which was legislated by the former Cabinet. If bogus capital is readjusted and inflation checked, it will be possible for our commodity prices to compete in the international market. The Government and the financial and industrial circles must reconsider this point.

In spite of the fact that blackmarket transactions have been eradicated through increasing official prices, no raw materials have been preferentially allotted to key industries as schodulod. Despite the fact that the restrictions on loans have been enforced, some nonvital enterprises have not been hampered in gaining capital. What should be done prior to the readjustment of enterprises is the solution of these problems.

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ITEM 7 Constitution Framer Reviews Year - Tokyo Tomin - 3 Nov 47.
Translator: S. Ono. (WM)

401

Full Translation:

To-day is 3 November, the first anniversary day of the promulgation of the new Constitution, as well as the Meiji festival. We should now look back over the past year's Constitutional development. How far has the work of democratizing our country progressed in the last one year?

We asked KANAMORI, Tokujiro, former State Minister without Portfolio and the actual founder of the Constitution for his views on this question. Since he left office last spring, KANAMORI has been lecturing throughout the country to acquaint the public with the spirit of the new Constitution. His statement follows:

I believe that the last one year has contributed much to the enlightenment of the public with regard to the Constitution. Now, not infrequently I am stumped for an answer to questions from my audiences who have meagre knowledge of the detailed interpretations of the provisions in the Constitution. But we must not be too optimistic in this regard. There is much room for growth in the understanding of the fundamental spirit of the new Constitution. At about this time last year, the public was enthusiastic about it, although they lacked the knowledge needed to understand it. Now, they are becoming critical. If the present situation means the acquisition of a true understanding of the Constitution by the public, it would be a matter of great joy to me. But, I am apprehensive lest this may be an indication of the return of the old conservatism.

To lend credience to my apprehension I heard, during my tour in HOKKAIDO, fellow passengers speak critically of the Constitution because it is disadvantageous to their own interests. We must watch against this type of shallow view which arises when viewed from the perspective of one's own interest. This shows that the understanding of the fundamental spirit of the Constitution is important.

Another point about which I am apprehensive is the utilization of the new Constitution by certain religious leaders who intend to promote their own interests. Obviously, there must be a strict distinction between politics and religion.

Of course, there is another side to the picture. It is a pleasing phenomenon that the people have begun to strive for the harmonization of their private interests with those of the public, which forms the elemental ideal of the Constitution. I hope that the leaders of labor movement will lead their followers in this direction. Though it is regrettable, it is a necessary evil that individual liberties be returned although there are those who for their own interests will take advantage of these provisions of the Constitution.

I have deep sympathy with those who honestly accept the principles of the Constitution and therefore feel resentful that its spirit is not thoroughly enforced. But it is inevitable that there should be a gulf between reality and ideal. I strongly advise honesty, because honesty is the basic ideal of democratic government.

The other day, I had an opportunity to give a lecture on the Constitution to an audience of women. I had the strong impression that women were emancipated from their old slavery. I noticed that younger women are especially interested in constitutional problems. For the time being, the political enlightenment of the gentler sex is a matter of grave importance. Though they possess considerable understanding of the Constitution, the elder people in rural areas resent its provisions regarding the distribution of inheritance.

I think the Japanese are rather more enlightened than confused by the change in social thought. The necessity for the dissemination of constitutional knowledge among the public remains unchanged. But we must strive to propagate it through everyday life. The holding of festivals and ceremonies is of little use for this purpose.

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ITEM 4 Economic Policy Shifts to International Orientation - Jiji - 7 Nov 47. Translator: M. Yasutake. (JJY)

401

Full Translation:

The new rice price and the supplementary budget shook the 1,800 yen wage system. To cope with this situation, the Government is now examining supplementary measures to maintain the system.

The Government intends to base its future economic planning upon a long-term program related to the world economy and to adhere to the 1,800 yen wage system, based on the view that temporary privation to expedite JAPAN's participation in international economy is unavoidable. Domestic control will be further strengthened, but the fundamental policy of the Government will be pushed through with the attainment of economic independence along the line of international economy as its objective. This may be regarded as a fundamental change in the economic policy of the Government. Bureaucratic control which adhered to the principle of autarchy and which dominated JAPAN's economy since just before the Pacific War for about-eight years will be brought to an end.

The development leading to the adoption of the new policy by the Government were as follows:

(1) Criticism of the 1,800 yen wage system increased in intensity with the decision of the new rice price and adoption of the supplementary budget as a momentum, endangering the new price system. Faced with this situation, the Economic Stabilization Board is firmly determined to maintain the 1,800 yen wage system and the price system and to stabilize JAPAN's economy by forceful supplementary measures.

(2) The Government intends to maintain the 1,800 yen wage system at all costs with the establishment of order in circulation and the maintenance of the new price system as the center of its economic policy.

(3) Inspite of the reopening of long-awaited Japanese foreign trade, JAPAN's new economy, based on the principle of free competition indicated by the Anti-Monopoly Law and economic decentralization, has not achieved any substantial results since the establishment of the export-import fund. The people are now losing confidence in the present Cabinet due to the Government's failure to execute its emergency measures thoroughly and to the great difficulties they are experiencing. The Government is paying attention only to domestic economy, without considering making an adjustment between international and domestic economies or drafting a long-term economic policy. As a result, the Government is driving the people into greater privations.

(4) It is natural that the Japanese Government should not go so far as to examine the problem of international economy on its own responsibility, since the peace conference has not been convened as yet. Under present conditions, however, it is impossible to plan JAPAN's economy without considering international economic trends. It is undeniable that the Government has been making a full-scale study of this problem since the establishment of the export-import revolving fund. With the progress of preparations for the Japanese peace conference among Allied Powers, the international economy has enlarged its role in deciding the course of JAPAN's economic policy. JAPAN has now reached a stage in which all domestic economic measures should be drafted based upon a long-term program related to the world economy. This program is being created by the Economic Stabilization Board. It is evident that JAPAN, which intends to attain independence with its small acreage and poor natural resources, should pursue economic independence based on international free economy.

(5) The Government is stubbornly adhering to the policy of preserving the new price system and maintaining balance in the supplementary budget, in order to win international confidence and to expedite JAPAN's participation in international economy by putting JAPAN's economy on a sound basis and to lead JAPAN's economy to independence through international free economy.

(6) With the progress of the domestic experiment on a long-term program by the Economic Stabilization Board and with the development of the international situation, it has become definitely clear that, aside from technical aspects, JAPAN's economic policy will develop along the line of the realization of economic independence through international free economy.

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ITEM 2 Political Party Law Draft Due for Big Revisions - Yomiuri - 7 Nov 47.
Translator: K. Murakami. (AH)

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Full Translation:

On 1 November the Political Party Law Drafting Sub-committee had completed its outline draft, and was ready for the Political Party Law and Election Law Special Committee. It was decided, however, that the Drafting Sub-committee would meet 7 November to re-study the bill in the light of proposed revisions. The main points called for in the amendment are:

The Election Supervision Committee and the Political Party Supervision Committee, which is called for in the Political Party Law, should be united to form a single organization.

Strengthening of the regulations for the prevention of the corruption of political parties and elections. All existing regulations of the Election Law and other laws concerning this point should be written into the Political Party Law.

As for the form of ballot for the next general elections, adopt the notation system, thereby placing a definite limit to the entry of candidate's names. (Some people propose that in this case, even the names of those candidates who are not officially recognized by any particular political party, should also appear on the list, if they are indorsed by more than 5,000 voters.)

Points in the Revision

According to the Sub-committee's draft, joining, seceding from, forming, and dissolving a political party, is prohibited between the time of the general election and the time the Premier has been chosen at the Diet; also from the time of a general resignation of the cabinet until the time the next Premier is appointed. The amendment will change this period to that between the time of the general election unitl the formation of a cabinet, and between the time of a general resignation of the cabinet and the formation of the next cabinet.

Striking out of Article 17 of the original bill.

A member of the National Assembly is prohibited from deserting, joining, forming, or dissolving a political party, except in the following cases:

(1) He may secede from his present party on condition that he will not join any other.

(2) He may join a party provided he did not belong to any political party at the time of the election.

Consequently, the formation and dissolution of a political party is not restricted except from the time of a general election or a general resignation, until the time the cabinet is formed.

The application of the Political Party Law should be extended to include the local political parties. Namely, the Political Party Law should be made applicable to any political party which puts up candidates in the elections of the members of prefectural, municipal, town, village assemblies, and of governors, mayors and headmen of towns and villages.

Amendments Would Add Flexibility

As described above, the proposed amendments will make the bill much looser than the draft drawn up by the Drafting Sub-committee. However, as amendment points (1), (2), and (3) will result in causing revision of the Election Law, it is doubtful whether the proposed Political Party Law will be established by the time of the current National Diet session expires.

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ITEM 4 Inevitability of Personnel Adjustment - Nihon Keizai - 21 Nov 47.
Translator: S. Ota. (TK)

401

Summary:

The Federation of Government and Public Office Workers Union's demand for improvement of treatment, or more exactly the decision on a mediation plan for this issue offered by the Central Labor Committee, has brought the problem of administrative readjustment, to the fore ironical though it may seem. However, regardless of the workers' demand at this time, drastic regulation of administrative machinery is inevitable in view of the actual economic and financial situation. Reportedly, the Government has planned a 10-percent reduction of personnel. However, such a habfway measure will only leave the problem for the future.

Regulation of personnel has become increasingly necessary also in private enterprises. Rationalization of enterprises as well as administrative regulation is a prerequisite for stabilization of economy.

Full employment has been a most important postwar question in every country, and, also in our country, settlement of this problem has been one of the objectives of economic rehabilitation. However, it is wrong to confuse this problem with the regulation of personnel, since the former does not imply maintenance of surplus personnel where there is no work, as withessed at present.

Nothing illustrates so clearly the existence of surplus personnel as the fact that, while mining and industrial products are only 30 to 40 percent of the prewar level, the number of employees has remained almost the same. Of course, everyone has the right to live; in fact, it is for this reason that relief for the unemployed or protection of livelihood becomes necessary. However, it does not always mean the right to be employed.

Reopening of foreign trade and decision of exchange rate, for example, will be another factor for accelerating rationalization of enterprises. Moreover, drastic regulation or reconstruction of enterprises is urgently demanded in the light of available power sources and materials. The deficit in national finance and private management is considered a most pressing indication of its necessity. The Government and entrepreneurs, as well as labor unions, should not delay the solution of the problem. If our postwar economy is to be reconstructed, administrative regulation and rationalization of enterprises should be executed at the earliest period, and as smoothly as possible.

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ITEM 3 Existence of Underground Government - Tokyo Minpo - 28 Nov 47
Translator: K. Onishi (JJY).

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Summary:

Existence of an underground government, plotting to undermine all efforts toward JAPAN's democratization, was revealed by a SCAP release, according to a foreign dispatch. It is said that it comprises ex-soldiers, politicians, farmers, contractors, judges, and even murderers. According to this report, the secret government is supplying various political parties and political bosses with funds exacted from wayside stall merchants organized into a mighty nation-wide unity under the "OYABUN-KOBUN" (master-disciple) system as well as from gamblers and others. It also resorts to violence on behalf of the political parties and bosses and in return receives both legal and illegal protections from those recepients of the funds.

Chief Cabinet Secretary NISHIO told foreign correspondents that, while he admitted existence of such an organization, he denied that it had any powerful political influence. However, is is to be so quickly slighted as the Chief Cabinet Secretary says, despite the fact that we now find in every quarter. a trend suggesting existence of such a secret government?

Even among the political circles, where early democratization is most needed, personal influence under the "oyabun-kobun" system often sways political situations. A trend represented by this system still boldly survives in the literary world and in schools, and also among artists, and actors - especially classical drama players. In their circles, violence against their traitors is sanctioned. A certain idea or organization, which is originally common to all of them, still pervades JAPAN and is strongly obstructing her democratization both implicitly and explicitly.

It appears that the rampant violence, mounting with great strides of late, springs from such a social ground. The rowdyism in the Diet surrounding coal control was nothing but an example of the outcropping of feudalistic partisan spirit which still survives among all political parties. Despite their incantations of democracy, they often show their cloven hoofs when they face major problems that may truly affect their interests. If the people should slight their hocliganism in the democratic First Diet, it would mean that the people are betraying the feudalistic existence within themselves and that they have neither ruminated on nor liquidated their own feudalistic thoughts.

In giving warnings against ruffian newspapers, Maj D.C. IMBODEN, of SCAP's CI and E Section, must have implied expulsion of such papers which serve as tool of "feudalistic violence". A feudalistic underground government clearly exists in some form. Its social ground, with mighty power, still survives. If it is not yet politically powerful, as Chief Cabinet Secretary NISHIO avers, it must be ripped in the bud.

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ITEM 13 Japan Underground Movement Uncovered - Jimmin Shimbun - 23 Nov 47. Translator: B. Ishibashi. (DD)

401

Full Translation:

A monstrous movement by former Japanese Army and Navy officers to organize an extreme-right "underground government" inhibiting the democratization of JAPAN which is prescribed by Allied Occupation policy has been uncovered. Previously, news of a vain attempt made by President YOSHIDA of the Liberal Party to rebuild the military forces of JAPAN was reported and created a sensation. A Reuters dispatch from London reported the new development as follows:

(LONDON, Reuter-Kyodo) - Allied Headquarters sources revealed that recently a large-scale underground movement was being pushed and the existence of what might be called "an underground government" constituted a threat to Japanese reforms under occupation.

A Reuter correspondent on 18 Nov questioned the Japanese Government authorities on this point and learned that they were also aware of the existence of such a movement. A person close to Premier KATAYAMA stated: "Men of influence in JAPAN say that occupation forces should not be withdrawn even after the peace treaty is signed." The general public view this underground organization as springing up from postwar disorder and believe it cannot be eliminated until economic stability is restored here.

"Furthermore, an official of the Japanese Government stated that this secret underground Government was formed by some former military and navy officers who do not accept the reality of JAPAN's defeat in the war and who are hindering measures of the Japanese Government."

ITEM 6 Question on Japanese Underground Postponed - Shin Hochi - 29 Nov 47. Translator: N. Miwa. (FST)

401

Full Translation:

HANI, Goro (Independent), representing all political parties of the Upper House, was scheduled to make an emergency interpellation on the "secret underground government" reported in a foreign dispatch at yesterday's plenary session of the House of Councillors. However, it has been postponed until today at the request of the Government.

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ITEM 6 Early Change of Government Seen - Kokusai Times - 25 Nov 47.
Translator: H. Akutsu. (DD)

Full Translation:

The fate of the Katayama Cabinet appears to be sealed. As a saying has it, a single man is powerless to save a country on the brink of ruin. The desperate efforts of one or two NISHIO's can do nothing to bolster the imminent collapse of the Cabinet. From all indications the Katayama Cabinet has entered the last stage of its political life.

The Socialist-sponsored Coal Mines State Control Bill, whether or not it passes the Diet, cannot affect the political situation much. It is probable that rejection of the Bill will not result in

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outright resignation of the Cabinet; it will instead remain in office to look after the administration. This much, however, is certain: that the political situation will grow fraught with chances for a cabinet change.

No cabinet reorganization has ever been successful in keeping a cabinet long in office. All cabinet organizations in the past were ostensibly done for the strengthening or unity of cabinets but proved in vain. They only served to expose the cabinet's deterioration. A reshuffling of a cabinet, therefore, could be taken as a forerunner of its downfall. And this has been true even when reshufflings were smoothly executed. Things are different now. The agriculture and forestry post vacated by HIRANO is still unoccupied while Minister HAYASHI is openly agitating to overthrow the Cabinet.

In the last April election the Socialist Party became the first party and formed a coalition government under its leadership. This was considered most appropriate for the operation of constitutional politics. Generally speaking, there can exist no novel tactic in democratic politics. With the division of the party strength standing as it was there was no way but the formation of the Katayama Coalition Cabinet. A coalition government, like two men running on three legs, is apt to get out of step and fall down. The Socialist, Democratic, and People's Co-operative Parties, members in the Katayama team, instead of trying to keep co-operation among them, are preoccupied by troubles in their respective camps. There is, under the circumstances, every reason to believe that the Cabinet will sooner or later break down.

With the Hirano issue as a turn, the split between the leftists and rightists of the Socialist Party came to the surface. A strife for hegemony of the party is being contested by the former Japan Proletarian Party faction, former Japan Labor Party faction, former Labor and Farmers Party faction, JFL faction, former Social Democratic Party faction, JFU faction, and NFU faction.

Shidehara and Ashida Factions Collide

Due to the Coal Mine State Control Bill, the Shidehara and Ashida factions have again come to a collision, throwing the party into utter confusion. There are even rumors that some party members, formerly for the bill, have changed their attitude and now oppose the bill under the influence of monetary contribution by coal mine capitalists. The People's Co-operative is much disturbed by the mounting of the new party moves.

Meanwhile, the Diet floor was turned into a turmoil, when fist fights were staged by some party members. A charge was flung at a member for making water at the rostrum; the accused defended himself by asserting he was only pretending. At any rate the situation is disasterous. Undoubtedly the people as well as the Diet members have lost their interest in the Cabinet.

However, isn't the fact that the Cabinet has politically run into deadlock a more vital issue? Without a change in the political contents the people vaguely know that cabinet changes cannot better the situation. If the people should be required to continue to live under the stifling system of the 1,800 yen-wage standard their many grievances against the Government would mount and they would despair of it. It is natural that the people should get tired of the Government if the privation they are now enduring leads only to further privation. In fact, even the people of Premier KATAYAMA's constituency have sometimes been heard to make a complaint against the Government. "We are willing to support Premier KATAYAMA, who is a sincere gentleman but we are disgusted with the Government," they have complained.

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POLITICAL SERIES: 2107 (Continued)

ITEM 6 (Continued)

An opinion is being put forth that a general election, should it be held now, would retard industrial production during election days, and that careful consideration should be given before holding an election at this critical time. The opinion could be ascribable to the apprehension common among Diet members against elections. In one quarter, an attempt is being made to shift the premiership of the cabinet from the Socialists to the Democrats in hope of tiding over the prevailing situation. This would be meaningless in as much as the Government is politically deadlocked. Should the Liberal and Democratic Parties attempt a joint effort to organize a new party they ought to seek a vote of confidence of the public by holding a general election. Otherwise the political situation will continue to be dark.

Just the same, a cabinet change is near at hand. A Diet dissolution and a general election may come early next year. Or it may be that one quarter will organize a new regime by dividing the elements of political parties into progressive and conservative factions.

At this juncture the people demand that political parties prepare concretely their respective policies to help the country get over the crisis. They can achieve nothing politically without concrete policies.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

401

CAPITALISTIC STATE, MODERATE POLITICS, FAVORED FOR JAPAN

Occupation Planners Oppose Extremes; Future Held Still In Doubt

401

By RUSSELL BRINES
Chief of Tokyo Bureau,
The Associated Press

A growing Headquarters campaign against extremes recently has emphasized the intention of top Occupation planners to make Japan a capitalistic state, open to competitive enterprise and with middle-of-the-road politics.

Under occupation control they see this sort of a state emerging from a "revolution" which they say was essential because autocratic Japan was almost the reverse of this blueprint.

What happens after Allied controls are removed is still anybody's guess. Few expect the present structure to remain intact when the Japanese get it in their hands, but they believe it will provide the basis for Japanese adaptation of the essentially democratic political and economic organization.

Japan after the surrender was a hodgepodge of political, economic, social institutions. Its autocratic politics were governed on one hand by the emperor symbol, on the other by the legally acquired authority of the autocrats. Socially, it was a complete police state in which any democratic leanings had long been stifled. Its people steeped in traditions and customs little changed since feudal days.

Economically, the mixture was more varied. The Government owned most railroads, all telegraphic systems, many utilities and maintained revenue monopolies in tobacco and salt. The Government was so closely interwoven with monopolistic industry that essentially this amounted to a socialization for private profit of a few.

Cooperative movement was strong in the countryside until the war. Many villages still live communally.

Drive Still Under Way

Gen. MacArthur's campaign to break the power of the oligarchs is still underway. It began with the restoration of rights to the people long deprived of them. It included the breakdown of elaborate system controls by which the Government reached continually into every home.

Part of the campaign was dissolution of the zaibatsu and the current effort to break up excessive monopolies. The forced sale of landed estates is intended basically to break the power of absentee landlords who have proved among the most influental groups in postwar Japan.

SCAP officials say this revolution is necessary if the long re-

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Capitalistic State, Moderate Politics, Favored for Japan

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pressed people were to be given the "democracy" ordered by the Potsdam Declaration. Oligarchic power, unchallenged for centuries, was too strong for milder methods.

They repeatedly have said none of these measures will mark a step toward socialization or excessive Government control. In fact, control is being decentralized under SCAP direction.

Gen. MacArthur is long aware of Communist danger, particularly in a regimented country as this was. Some of his reforms have been delayed or apparently softened to avoid such a thorough breakdown of conservatism, including the emperor concept that leftists could walk into power.

These reforms are contrary to Japanese tradition. But autocrats made that tradition and any attempt toward democratization naturally would be counter to it. On the other hand, the social customs of the people are virtually unchanged and they still retain their ties with the past. The people give evidence they expect to compromise the new and the old as they always have.

After the occupation, the test will be three cornered. The oligarchs unquestionably will attempt a complete return on the basis of the people's lifetime habits. Leftists will attempt to capitalize upon any unrest or hunger. The people probably will not know their own minds until a crisis forces them to decide.

Gen. MacArthur and his key spokesmen contend that the people have gained a sense of freedom so powerful that they will not relinquish it easily.

NOV 1 1947
NIPPON TIMES

EDITORIAL

Rationalization Of Administration

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The Government, though belated, has announced in the National Assembly that it is planning to carry out an administrative readjustment.

Prime Minister Katayama and other Cabinet Ministers have stated that rationalization of enterprises has become absolutely necessary in order to tide over the economic crisis. They are also convinced that the Government must take the lead in this connection.

The administrative reforms made by the Katayama Cabinet to date have been based mainly on political necessity.

Creation of the Labor Ministry, proposed dissolution of the Home Ministry, planned establishment of the Judicial Board and resulting abolition of the Justice Ministry and Board of Legislation, and enactment of the Civil Service Law have been or will be executed to conform with the new Constitution and the pending political situation.

Administrative adjustment, however, has now become necessary from an economic point of view.

Though the Government must set an example before it asks civilian enterprises to carry out an industrial readjustment so badly needed for the country's economic reconstruction, the direct cause of the present Government administrative reform is that it is spurred by a more imperative necessity, that is, to retrench State expenditures.

The number of Government officials—slashed after the surrender—has again swollen, and today an average of seven Japanese people are feeding one official.

In the present reform, therefore, it is urgent that the Government should either abolish, merge, or curtail the multiplying administrative organs.

This can be applied even to the Prime Minister's Board under direct command of Tetsu Katayama. For instance, it is possible to merge the Economic Stabilization Board with the Price Board, and the Cabinet Statistics Bureau with the Statistics Committee.

Moreover, the Decorations Board has already outlived its usefulness since no official decorations exist in this country.

Existence of the Pension Bureau as an independent organ also is regarded as unnecessary.

We want to stress that such Government-controlled businesses as railways, communications, forestry and other monopolies should be disconnected with the general administrative departments and be adapted under a civilian management system so that they can be made to work independently from State subsidies.

As long as these businesses are linked with the present special account system in the budget, no improvement can be hoped for to eliminate inefficient and bureaucratic management.

MAINICHI NOV 13 1947

No Hidden Govt., Says Prime Minister

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TOKYO, Nov. 23.—Prime Minister Tetsu Katayama yesterday denied the report that a "hidden government" now exists in Japan.

Speaking before the House of Representatives Cultural Committee in reply to an interpellation posed by Yoshio Namiki, Democrat, regarding the hidden government reported in a foreign dispatch, the Prime Minister said:

"As far as I'm concerned, I haven't said anything about the subject to the press.

"As I have not read the details of such newspaper reports, I know nothing about them. But, I think there is no such thing in this country at present."

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THOUSANDS of Japanese braved chilling rains to jam Tokyo's Imperial Plaza on the morning of May 3, 1947—the dawn of a new constitutional era for Japan.

As Emperor Hirohito nervously stepped to the front of the speaker's platform in his new role as "symbol of the state," he was greeted by an enthusiastic chorus of "banzais."

Deferentially following his appearance, Shigeru Yoshida, former prime minister, confidently proclaimed:

"I firmly believe that if the spirit of the new constitution permeates throughout national livelihood and is driven home, our nation, before long, will surely recover as a happy nation which cherishes freedom and peace and will ultimately make great contributions to the advancement of humankind.

"A new Japan is born. On this auspicious day, I rejoice over the effectuation of the new constitution."

World-Wide Scrutiny

The political regeneration of Japan during two years of SCAP surveillance has been a subject of world-wide scrutiny and concern.

Long-stifled political and social forces freed by General MacArthur in the early months of the occupation, touched off a tremendous chain-reaction of revolt that affected deeply every phase of Japanese life.

When General MacArthur landed at Atsugi Airport on August 30, 1945 he was faced with a dual assignment, dictated by the Big Three at the historic Potsdam Declaration and later reiterated by President Truman in his September 1945 pronouncement—namely, the destruction of Japan's ability to wage war, and secondly to reconstruct her as a democratic, self-sufficient nation.

Most Challenging Task

The second objective—infusion of western democratic ideologies into what was little more than a feudalistic police state, controlled by a hier-

TETSU KATAYAMA

persons had been barred and removed from positions in the political, social and economic life of Japan.

Meanwhile, as the purge axe cut deep into Liberal and Progressive party camps, rosy vistas opened up for the relatively untouched Social Democratic Party. Gathering popular support through an extensive trade union program, the Socialists were amassing strength to launch and sustain a powerful anti-cabinet drive.

Shidehara Residence Raided

On the afternoon of April 7, last year, a crowd of over 30,000 leftwing Social Democrats and Communists demonstration last December, as throngs of singing banner-waving strikers marched past the heavily guarded residence of the premier a cabinet secretary dryly remarked:

"The Prime Minister doesn't need a police guard. He would do better to hire a brass band and pass out song sheets to win back their support."

Tension Aggravated

Tension between the conservative government and its major opposition parties—the Social Democrats and Communists—became more aggravated as the winter dragged on with its shortages of coal and staple food pro-

of Kanju Kato was composed primarily of trade union elements.

Kato, who was partial at that time to the party's political bed-fellows—the Communists—declared at the rally that "if the Yoshida Cabinet does not resign as a result of this rally, the demonstration committee will keep agitating until it does."

The Government, on the other hand, refused to take any official position on the demonstration and proposals for dissolution of the Diet. One minister discounted the rally as mere "political play" to implement the Socialist-sponsored bill calling for dissolution and a new general election.

Ashida Appeals For Unity

Hitoshi Ashida, now Foreign Minister, in a plenary session of the Lower House, however appealed to opponents of the administration to cooperate in the effort to tide over the "impending national crisis."

The Liberal Party spokesman dramatically asserted that "this problem transcends that of mere political change. Whether or not the nation is able to stand the ordeal determines our racial fate."

Contention between the government and opposition forces reached its peak towards the end of January this year when over two million Japanese government workers in the Socialist-controlled Japan Federation of Labor and Communist-dominated Congress of Industrial Organization threatened a mass walkout.

SCAP Intervenes

General MacArthur in an eleventh hour move to avert the paralyzing general strike intervened and ordered the workers to remain on their jobs.

"It is with the greatest reluctance," he said, "that I have deemed it necessary to intervene to this extent in the issues now pending. I have done so only to forestall the fatal impact upon an already gravely threatened public welfare."

The following week, on January 7, SCAP, taking cognizance of the po-

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court from among the members of both Houses for the purpose of trying those judges against whom removal proceedings have been instituted.

2) Elevation of the House of Representatives to a leading position in the government and reorganization of the Upper House.

3) Popular election of local executives and destruction of the centralized control exercised by the Home Ministry over local government.

4) Public administration of the elections, formerly supervised in detail by government officials, with the Home Ministry exercising control on behalf of the government.

In the course of Japanese politics between the two elections of April 1946 and 1947, the majority-party line-up crystallized. Until February of this year the Liberal and Progressive Parties, holding a clearly defined majority in the Cabinet and Lower House comprised the conservative government bloc.

Conservative opposition, led by the Social Democrats welded itself into a three-party front and included the Cooperative Democrats and People's Parties.

On the eve of the election, however, the Progressive Party dissolved and effected a merger with two minority

Continued On Next Page

parties, the Cooperative Democrats and People's Party—completely altered its policies and platforms, adopting a 'middle-of-the-road' course more amenable to the Socialists and renamed itself the Democratic Party.

Democrats Part With Liberals

Enjoying a majority in the Lower House, the Democrats under the in-

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"BY THEIR FREELY Expressed Will"

By CPL LAWRENCE STERN

reiterated by President Truman in his September 1945 pronouncement—namely, the destruction of Japan's ability to wage war, and secondly to reconstruct her as a democratic, self-sufficient nation.

Most Challenging Task

The second objective—infusion of western democratic ideologies into what was little more than a feudalistic police state, controlled by a hierarchy of powerful monopolists and militarists—was, by far, the more challenging administrative task.

On January 4, 1946, five months after he had first set foot in Japan, General MacArthur rocked the Japanese Government with a purge directive ordering the removal from public office all persons who had been active exponents of militaristic nationalism and aggression.

SCAP's January 4 'house-cleaning' directive sliced off most of the Japanese Government's entrenched right-wing bureaucrats, hangovers of the 'Tojo Diet', and afforded a flock of new independents, heretofore curbed by local political machines, to enter the new political arena.

Purge Impact Profound

The impact of this initial purge upon the shaky cabinet of Prime Minister Baron Kijuro Shidehara was profound. Nine days after the directive was issued, three ministers, six cabinet executives and many other top-ranking government officials "resigned".

Prior to the final cabinet reshuffling, however, pessimistic observers doubted the government's ability to survive the crisis. The cabinet members themselves, were reported to have voted for a mass resignation, but persisted only upon the insistence of Emperor Hirohito and General MacArthur in replacing the purged ministers.

Petriotic Societies Outlawed

Equally important in its effect upon Japan's postwar political development was the outlawing of the "patriotic" and often terroristic secret war-time societies, foremost among which was the Imperial Rule Assistance Association.

In the year following the issuance of SCAP's January 4 directive, 1,067 party camps, rosy vistas opened up for the relatively untouched Social Democratic Party. Gathering popular support through an extensive trade union program, the Socialists were amassing strength to launch and sustain a powerful anti-cabinet drive.

Shidehara Residence Raided

On the afternoon of April 7, last year, a crowd of over 30,000 leftwing Social Democrats and Communists broke into the courtyard of Premier Shidehara's official residence, stoning windows and battling some 300 policemen. Shidehara refused to personally discuss the grievances of the demonstrators with 13 representatives.

Nevertheless fifteen days later Shidehara and his cabinet resigned en bloc "to stabilize the political situation."

Ex-Foreign Minister Shigeru Yoshida assumed leadership of the reshuffled Japanese cabinet on May 22.

The appointment of Yoshida drew immediate opposition of the Social Democratic and Communist Parties. They charged that the Liberal Party-dominated government could not satisfy the needs of Japan's working class and predicted that the new cabinet was destined to be short lived.

The phenomenal mushrooming of organized labor to a record five-and-a-half million union membership was another factor overlooked by the Yoshida Cabinet in the drafting of national policies.

During a heated anti-Cabinet "The Prime Minister doesn't need a police guard. He would do better to hire a brass band and pass out song sheets to win back their support."

Tension Aggravated

Tension between the conservative government and its major opposition parties—the Social Democrats and Communists—became more aggravated as the winter dragged on with its shortages of coal and staple food products.

Particularly under fire by the opposition forces were the financial policies of Minister Tanzan Ishibashi. Ishibashi, war-time editor of the widely circulated "Oriental Economist," was accused of safeguarding the interests of the "new yen" class—black market moguls and war profiteers.

He maintained as late as last November in an interview with this correspondent that no inflation existed in Japan and that corrective measures of the government would soon restore prices to a healthy norm.

Demonstrators Jam Plaza

Ishibashi's optimistic and somewhat paradoxical view was not shared by the opposition forces. On December 17 some 500,000 demonstraters jammed into Tokyo's Imperial Plaza to demand the resignation of the Yoshida Cabinet and "the establishment of a democratic government."

The demonstration, engineered by the Social Democratic Party's Labor Party Committee under the direction of the workers to remain on their jobs.

"It is with the greatest reluctance," he said, "that I have deemed it necessary to intervene to this extent in the issues now pending. I have done so only to forestall the fatal impact upon an already gravely threatened public welfare."

The following week, on January 7, SCAP, taking cognizance of the popular dissatisfaction with the government, ordered Premier Shigeru Yoshida to dissolve the Diet and call a new general election.

In a letter to the Prime Minister, General MacArthur declared "I believe the time has come for a general election. He pointed out that "momentous changes" had taken place in the whole fabric and pattern of Japanese life since the last election in April 1946.

While leaving the time and details of the election to the Japanese Government, SCAP insisted that the election should take place as soon as practicable after the close of the current session of the Diet "so that a new legislative body may intiate and synchronize with the introduction and effectuation of the new Constitution."

Socialist Hail SCAP Letter

The nation's leading political parties looked favorably upon SCAP's "election letter." The Socialists hailed General MacArthur's "recognition of the need for an expression of public opinion on the complex political issues confronting the Japanese people." One spokesman criticized the Yoshida cabinet for not having made the decision on their own initiative.

The April elections served to create deep and widespread interest in Japan's electorate from the standpoint of many major government reforms ushered in under the new constitution. Most prominent among the major changes were:

Prominent Reforms

1) Designation of the Diet as the "highest organ of state power" and "sole law-making organ of the state." The strong position of the Diet in relation to the judiciary is emphasized by the constitutional provisions that the Diet "shall set up an impeachment

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parties, the Cooperative Democrats and People's Party—completely altered its policies and platforms, adopting a 'middle-of-the-road' course more amenable to the Socialists and renamed itself the Democratic Party.

Democrats Part With Liberals

Enjoying a majority in the Lower House, the Democrats under the influence of liberal-thinking Hitoshi Ashida, parted company with the Liberal Party.

In all four scheduled elections, the Japanese electorate totally rejected communism but swerved rather toward a moderate socialism as a solution to the country's economic plight. The Socialists won a plurality in both houses of the Diet and loomed in a dominant position for the premiership.

On May 24, Tetsu Katayama, 60-year-old Socialist leader was elected prime minister of Japan by an almost unanimous vote of the House of Representatives. Polling 420 votes in the historic Diet session, Katayama became the first Christian and also first Socialist to win Japan's premiership.

Problems Of Cabinet

Facing Katayama and his cabinet was the problem of organizing a coalition cabinet in the face of Liberal Party opposition.

The bulk of Katayama's party is anti-Communist and dedicated to a socialization program somewhat more moderate than the British Labor Party.

Another handicap in Japan's new government is the drastic shortage of trained leadership. The purge is expected to debar some 200,000 Japanese technically under the purge criteria, from public office.

SCAP, however, has given every encouragement to young, forward-looking talent to fill the innumerable government posts vacated in the wake of the purge.

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The Unlikelihood of a Change in Government

In the opinion of the general public the reputation of the Katayama Government today is the lowest it has ever been. Paradoxically, however, from the point of view of practical politics, the Katayama Government has hardly ever been in a stronger position than today to immobilize any opposition against it.

It is not surprising that the general public should think that the Katayama Cabinet is beginning to wobble. The excitement over the ousting of Agriculture and Forestry Minister Hirano, the difficulty over the choice of his successor, and the tirade against Justice Minister Suzuki and Chief Cabinet Secretary Nishio delivered by Minister-without-Portfolio Hayashi in disregard of the advice of his own Democratic Party colleagues would seem to indicate that there are serious dissensions in both the Social Democratic and the Democratic parties. Ordinarily such dissensions within the Government parties are a prelude to the break-up of the Cabinet.

The Katayama Cabinet is furthermore confronted with the growing dissatisfaction of labor over the wage-price program, with the thankless task of preparing next year's more difficult budget immediately following this year's supplementary budget which was barely balanced with such great difficulty, with the coal mines control measure which is bound to please no one, and a host of other problems which just simply are not possible of complete solution under the economic conditions which prevail in Japan at this time. Ordinarily in such circumstances the occasion would seem ripe for the Government to fall easy prey to opposition groups striving to succeed to power.

In actuality, however, the opposition has virtually faded away. There is no question but that the Katayama Cabinet has been decidedly unsettled and weakened by recent events, but the opposition has been weakened even more. The Liberal Party is calling upon the Katayama Cabinet to resign, but the demand is purely perfunctory. The Liberal Party would really be most embarrassed if the Katayama Cabinet should resign and hand over the political power.

The reason is to be found in the power of organized labor. Labor not only constitutes a most powerfully organized group, but at the same time it represents the class most actively dissatisfied with present economic conditions. No Government could hope to remain in power in the face of widespread labor disturbances.

If even the Katayama Government, dominated by the Social Democratic Party which is the party of a substantial portion of labor, is having increasing difficulty in holding labor support, what chance has any other Government of doing any better? All the other parties are well aware of this situation, and they realize that even if they should ever manage to seize power, as long as the present economic unrest continues, they would need the collaboration of the Social Democratic Party to keep labor in line. Any party which incurs the implacable enmity of the Social Democratic Party by precipitating a Cabinet upset at this time runs a great risk.

The Liberals took this risk and failed. Although they realized they were helpless by themselves, they had hoped to succeed to power by forming a new conservative party with an expanded base which would draw off the right-wing section of the Social Democrats. Then with the help of the latter they hoped to be able to split labor sufficiently to manage to get by.

But the expulsion of Mr. Hirano from the Cabinet dashed these hopes to the ground. For the expulsion of Mr. Hirano was in a sense a disciplinary action for his having flirted with the plan of the conservatives, and by being forced to bow to this disciplining, Mr. Hirano lost his usefulness to the conservatives. Taking the hint, the Shidehara faction of the Democratic Party, which had also been flirting with the Liberals' plan for a new conservative party, scurried back to join closer to the dominant Ashida faction of the Democratic Party. The Liberals have thus been left alone in isolated impotence.

As for the Democratic Party, which has ambitions of some day reversing roles with the Social Democrats, it knows that its faithful cooperation in a secondary position with the Social Democrats in the present Coalition is wise. For, in addition to escaping the isolated impotence of the Liberals, the Democrats figure that by their present cooperativeness they are putting the Social Democrats under obligation to reciprocate with similar favors later on. In the meantime, when the general situation is so difficult, there is no need to hurry to assume primary responsibility.

Thus, weak as the Katayama Cabinet has become and relatively ineffective as it may be, no other political group has any confidence that it would be able to do any better. Hence it seems likely that the present Cabinet is destined to remain in power unmolested for a considerable spell of time yet.

NOV 14 1947

NIPPON TIMES

Govt. Workers To Get ¥10-Billion Allowance

Agreement Yet To Be OK'd In Cabinet Meeting

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TOKYO, Nov. 7.—The Government will disburse ¥10-billion as a "winter allowance" for the All-Japan Government and Public Office Workers Union, and simultaneously recognize the necessity of readjusting the ¥1,800 wage level provided that such readjustment will not nullify the new price structure and the economic emergency measures.

Director-General Hiro-o Wada and Finance Minister Takeo Kurusu agreed in principle with the above proposal submitted by Labor Minister Mansuke Yonekubo and Communications Minister Takeo Miki for the betterment of the treatment of government employees.

The agreement is yet to be formally approved at the Cabinet session today. If the proposal is fully realized, an employee would be provided with ¥2,000 and each of his dependents with ¥1,000.

MAINICHI NOV 8 1947

PRESS COMMENTS

Friday, November 21

INEVITABLE NATURE OF PERSONNEL CUT

401

NIHON KEIZAI—The demand of Government workers for more pay and the arbitration plan of the Central Labor Relations Board have added impetus to the personnel reduction trend and the Government is reported to be contemplating a 20-per cent cut in the civil service.

In the event that this retrenchment materializes, the strong wage raise demand of the Communications Workers' Union will have resulted in digging its own grave, but the fact is that the present economic and public finance situation is such that such a diminution in Government staffs is inevitable in any case. That the higher wage demand is accelerating the rationalization tendency should be regarded as part of the inevitable course of events.

But once such a rationalization is adopted, it should be thorough, for any half-way measures as a 20 per cent cut would only put off a more fundamental settlement of the trouble. Moreover, reduction in personnel is seen to be inevitable not only in Government offices but also in private business. Administrative readjustments and rationalization of business are two things that must be carried out some time or other if economic stability is to be achieved. Unless they are undertaken, no economic stability will be possible.

Another factor for rationalization besides the more pay demand of Government workers is the reopening of foreign trade and fixing of exchange rates. Also the shortages of materials and power will make retrenchment necessary in various enterprises. The deficits in public finance and corporate accounts are clear signals for economization. In deciding the arbitration plan, it was debated whether the capacity of different enterprises to pay should be made the criterion or labor reproduction the basis of decision. Supposing that the reproduction of labor is to be the basis, this also requires that the number of persons employed is commensurable with the volume of production.

In this sense, too, increased production is the only way to increase wages and reduce the necessity to cut personnel. Slow-down strikes and the like will only make the solution of the problem more difficult. But, still, rationalization is fundamentally inevitable. Thus neither the Government nor private business should postpone whatever retrenchments there are seen to be required but carry them out at once so as to rebuild postwar economy.

NIPPON TIMES NOV 22 1947

To Give Winter Allowances

401

The Government will earmark over three billion yen as winter allowances to be given to Government and public workers, instead of the "livelihood guarantee funds" demanded by them.

NOV 9 1947

NIPPON TIMES

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May Dismiss 10 PC Of Govt. Officials To Keep State Finance Balanced

TOKYO, Nov. 15.—The Government may be forced to dismiss about 10 per cent of the Government and public office employees in order to keep the State finance balanced, it is learned.

Should the Government comply with the mediation plan of the Central Labor Relations Committee regarding the demand of the All-Japan Communications Workers Union, about ¥8,500-million must be disbursed as living allowances for 1-million Government employees and another ¥1,600-million for 1-million public office workers.

This being apparently impossible, the Government is driven into a tight corner because it must respect the CLRC's arbitration and yet maintain the new price structure at the same time.

To get out of this dilemma, the Government seems to have resolved at the Cabinet Ministers conference on November 8 to carry out a drastic administrative readjustment with a view to dismissing about 10 per cent of the personnel.

MAINICHI NOV 16 1947

Reduction Planned Of Govt. Employees

Unions To Be Represented On Cabinet Commission

TOKYO, Nov. 17.—The Government seems to have finally resolved to carry out a drastic 10 per cent reduction of Government and public office personnel next January by organizing a powerful administrative readjustment commission directly responsible to the Cabinet before the end of this month.

Simultaneously, the Government intends to reinvestigate the unbalance between commodity prices and the existing wage structure and elevate the ¥1,800 base to the wage level of private enterprises without nullifying the new price structure. For this purpose, it also plans to form a temporary wage inquiry commission this month.

When the Yoshida Cabinet tried to reduce the number of Government Railway employees, the Government Railway Workers Union strongly opposed the step and this led to a turbulent labor-capital dispute spreading among various other industries.

The Government intends this time, therefore, to invite representatives of the All-Japan Communications Workers Union, Government Railway Workers Union, and other Government and public office workers unions as members of the proposed administrative readjustment commission, so that it may obtain their consent before the measure is actually put into effect.

MAINICHI NOV 16 1947

SCAP Headquarters Uncovers Hidden Government in Japan

Powerful Underground Regime Threatens Effort to Democratize People, Officials Declare

By HOWARD HANDLEMAN
Far Eastern Bureau Manager International News Service

Gen. Douglas MacArthur's Headquarters has uncovered a "hidden government" in Japan which threatens to wreck every effort to democratize this people.

The discovery came late because the "hidden government" is so well shrouded in secrecy, and because it was not until the various agencies of SCAP carried independent investigation far enough to learn that they were all working in the same direction—toward the hidden controllers of Japan.

Since Sept. 12, 1947, however, ten of Gen. MacArthur's agencies have been working on the problem of learning the identity of the men who control this country.

They also have been working overtime, to evolve a program by which those men and this system can be destroyed before the peace treaty is signed.

The controls are exerted in every phase of Japanese life. Bootblacks and cabinet ministers are involved. So are farmers and politicians, fishermen and gangsters, geisha and construction contractors, judges and murderers.

The "hidden government" involved blood pledges, in which a boss drinks the blood of his follower from a wine cup in a ritual which binds the pair together until death.

It involved the organization of the street stall vendors, of whom

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A year ago SCAP investigators found 20,000 Japanese slave laborers in bondage to Hokkaido coal mine operators.

These instances are evidences of the controls exercized by the "hidden government."

The "hidden government," is an extension of the Japanese family system, a rigid code in which every man lives within a well defined system of limits. The very words used to identify the system of controls reflect the family system idea.

The words are "oyabun-kobun" system, "Oyabun" means "parent function." "Kobun" means "child function."

The lines of control, from Oyabun, are vertical and start from the very bottom of Japanese society and run to some place very close to the extreme top.

And Gen. MacArthur's investigators have learned enough to know that the anti-democratic forces of Japan have utilized this historic system of control to preserve "old Japan" and prevent change.

They know that the lines of control run from the little people who are the victims and have to pay the cost, to the gangsters, to the gang leaders, to the politicians, to the Diet, to the Cabinet, to the politicians who control the Cabinet, to super-gang leaders, to super-politicians and then some place higher.

The Americans know that these secret controllers are men who are taking full advantage of the age-old Japanese system of selling a birthright for a mean of pottage.

In Japan, where the struggle for existence has been terribly hard for centuries, the people have consistently surrendered political or civil rights to gain economic security.

The Oyabun offer that security to their victims.

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SCAP HQ Uncovers Hidden Gov't Here

(Continued from Page 1)

there are 45,000 in Tokyo alone, of the bootblacks, prostitutes, gamblers, construction workers, fishermen and farmers.

It siphons money extorted from these humble people up into the political parties and the political bosses.

It provides strong arm men and, if necessary, killers, for the political bosses, who in return supply immunity from the law, freedom of action and other offical favors.

Gen. MacArthur's sections ran into the system at every turn. Purgees still wield enormous political power through puppets. Government agencies stand by without acting against racketeering construction contractors although the blackmarket prices they charge are wrecking the economy of Japan.

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Hidden Controllers Of Japan Sought By SCAP

'Hidden Gov't' In Japan Uncovered

Program To Install Democracy Threatened

401

By HOWARD HANDLEMAN
INS Staff Correspondent

Gen. Douglas MacArthur's headquarters has uncovered a "hidden government" in Japan which threatens to wreck every effort to democratize this people.

The discovery came late because the "hidden government" is so well shrouded in secrecy, and because it was not until the various agencies of SCAP carried independent investigations far enough to learn that they were all working in the same direction—toward the hidden controllers of Japan.

Since September 12, 1947, however, ten of MacArthur's agencies have been working on the problem of learning the identity of the men who control this country.

They also have been working overtime to evolve a program by which those men and this system can be destroyed before the peace treaty is signed.

The "hidden government" is so strong that one agency reported:

"The entire program of SCAP to install democracy in Japan will be a farce unless this system is first abolished by SCAP directive and SCAP enforcement."

The controls are exerted in every phase of Japanese life. Bootblacks and cabinet ministers are involved. So are farmers and politicians, fishermen and gangsters, geisha construction contractors, judges and murderers.

STARS & STRIPES NOV 23 1947

1,600 Racket Bosses Held In Big Drive

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By HOWARD HANDLEMAN,
INS Correspondent

Moving swiftly, SCAP has mustered all forces to attack a network of politicians and gangsters who for the past two years have tried to frustrate occupation objectives. More than 1,600 gangsters have been arrested since last June.

Arrest of numerous blackmarket operators this week is another move in the attack. A recent directive to the Japanese Government forcing them to pay no more than official prices for materials used in occupation construction was probably the biggest blow to the sinister combination of political, economic and gangster forces.

SCAP officials reported the following instances of "oyabun-kobun" activity that effects SCAP objectives:

Industry Division—Oyabun activity has disrupted production and hampered distribution of critical industrial materials by siphoning those materials into blackmarket works. The blackmarket provides much of the funds on which the system exists. Oyabun have sent their men into the coal mines of Kyushu to terrorize miners on the job. Oyabun organizes construction companies, obtain contracts for occupation work and buy construction materials from themselves at inflated blackmarket prices. The government pays.

Anti-Trust & Cartels Division—Oyabun holds monopolistic control in the field of construction and among street stall vendors. In Tokyo alone there are 45,000 street stall vendors, all of whom must pay exorbitant rents, dues, service charges and even official city taxes to the oyabun. Most street stalls are on public sidewalks, owned by the city, but the vendors must pay rent to the oyabun. The division said information has been obtained showing connection between the oyabun in this field and certain of the political parties; that ranking Oyabun have run for public office in large number of cases; that the oyabun-kobun system extends into all types of construction, trans-

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portation and other industries."

Finance Division—oyabun collect taxes for the government. Officially they receive two per cent of their collections. Unofficially they receive much more as they pay the government on an estimate basis which assumes that only half the street stalls, for instance, operate each day.

Government Section—Our investigation indicates extra-governmental controls are exercised by a number of political oyabun upon the national government, both in the Diet and in the Ministries, and also upon local governments.

Labor Division—In 1946, American authorities found 20,000 enslaved Japanese working coal mines in Hokkaido under guard night and day. Under American prodding, the slave labor gangs were broken up. Labor Division said "apart from the slave labor system, the oyabun control gets blackmarket rice and use it as an economic weapon to force new kobun to join and organize and remain out of any labor union."

Eighth Army Procurement—"The cost of occupation (to the Japanese Government) has been increased materially due to the fact that no inquiry has been made into the cost of procurement of materials by the contractor." It is clear, it was reported, that no inquiry has made because of the link between gangsters, turned contractors, and the political bosses, who get both economic support and the votes of the kobun by their work with the contracting oyabun.

Transportation Section—It was found that every port in Japan has a stevedore monopoly organized by oyabun.

Natural Resources Section—Both on land and sea the oyabun-kobun relationship is the rule. Landlords customarily were the oyabun who controlled village politics and the all-important agricultural society, which controlled fertilizer, rationing and marketing. The land reform law designed to limit the area of any farm to the amount the owner and his family can cultivate has tended to break the system on the farm, although it is still strong. Oyabun-controlled associations hold wide fishing rights, forcing individual fishermen into the inferior kobun position.

Public Safety Division, G-2—Gangs in the cities are divided into three groups—gamblers, strongarm men and street stall associations. "The police are severely hampered by the fact that the kobun are often well armed and because political pressure often prevents effective police action. Furthermore, the police are involved, being paid off by the system. In many cases the only way that the police can arrest a criminal at large in an area controlled by an oyabun is to ask the oyabun to turn over the criminal. Detailed investigations indicate the oyabun-kobun system extends into politics, controls blackmarket activities, controls the prices of everyday commodities, controls the flow of goods through regular channels and performs local governmental functions in the issuance of licenses and the collection of taxes."

STARS & STRIPES NOV 26 1947

452 More Included In New Purgee List

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Results Are Announced Of Nov. 1-15 Screening

TOKYO, Nov. 23.—The Government announced in an extra issue of the Official Gazette yesterday the results of the examination conducted by the Central Public Office Screening Committee between November 1 and 15.

Out of a total of 2,831 persons screened during the period, 2,379 were cleared and 452 adjudged as coming under the purge directives. They included those connected with the Butokukai and press and publishing companies as well as economic circles.

Prominent among the purgees were Gosaburo Omiya, Democrat member of the House of Representatives from Hiroshima; Shin-ichi Ohashi, president of the Hakubunkan Publishing Co.; Yoshio Akao, president of the Obunsha; and Ryuichi Kanda, representative director of the Shunjusha.

The announcement also added that Yujiro Chiba, president of the Chukyo Newspaper Co., who had been designated as purgee, was exculpated as a result of his petition.

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PERNICIOUS SYSTEM DEEP ROOTED HERE

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Oyabun Relationship Affects Almost Every Field of Japanese Endeavor

Goro Hani, independent members of the House of Councillors, is expected to make an urgent interpellation asking for definite statement from the Government in regard to the "underground in Japan" recently reported by foreign news agencies.

By HOWARD HANDLEMAN
International News Service Far Eastern Bureau Manager

Behind a "black curtain" of secrecy, bribery, threat and "blood pledges," Gen. Douglas MacArthur's investigators have uncovered a system of controls so deeply rooted in the Japanese culture that it exercises control without formal organization.

Basically the controllers offer economic security to a people who for centuries have had to fight a bitter battle to eat.

In return, the people who are protected offer abject loyalty to their leaders, the men who sit behind the scenes and pull the strings.

SCAP sections have run into this at every turn. On September 12, 1947, ten agencies of SCAP sat down to compare notes and found that the "oyabun-kobun" system affects almost every field of SCAP activity.

'Oyabun' Is the Boss

In the system "oyabun" is the boss, master or leader, the "kobun" the follower, servant, or disciple. Literally, "oyabun" means parent, "kobun" means child.

SCAP officials meeting on Sept. 12 reported the following instances of "oyabun-kobun" activity that affects SCAP objectives:

Industry Division—Oyabun activity has disrupted production and hampered distribution of critical industrial materials by siphoning those materials into blackmarket works. The black market provides much of the funds on which the

(Continued on Page 2)

Anti-Trust & Cartels Division—Oyabun hold monopolistic control in the field of construction and among street stall vendors: In Tokyo alone there are 45,000 street stall vendors, all of whom must pay exorbitant rents, dues, service charges and even official city taxes to the oyabun. Most street stalls are on public sidewalks, owned by the city, but the vendors must pay rent to the oyabun. The division said information has been obtained showing connection between the oyabun in this field and certain of the political parties; that ranking oyabun have run for public office in large number of cases; that the oyabun-kobun system extends into all types of construction, transportation and other industries."

Collect Taxes

Finance Division—Oyabun collect taxes for the government. Officially they receive two per cent of their collections. Unofficially they receive much more as they pay the government on an estimate basis which assumes that only half the street stalls, for instance, operate each day.

Government Section—"Our investigation indicates extra-governmental controls are exercised by a number of political oyabun upon the national government, both in the Diet and in the Ministries, and also upon local governments."

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Eighth Army Procurement—"The cost of occupation (to the Japanese government) has been increased materially due to the fact that no inquiry has been made into the cost of procurement of materials by the contractor." It is clear, it was reported, that no inquiry was made because of the link between gangsters, turned contractors, and the political bosses, who get both economic support and the votes of the kobun by their work with the contracting oyabun.

Stevedore Monopoly

Transportation Section—It was found that every port in Japan has a stevedore monopoly organized by oyabun.

Natural Resources Section—Both on land and sea the oyabun-kobun relationship is the rule. Landlords customarily were the oyabun who controlled village politics and the all-important agricultural society, which controlled fertilizer, rationing and marketing. The land reform law designed to limit the area of any farm to the amount the owner and his family can cultivate has tended to break the system on the farm, although it is still strong. Oyabun-controlled associations hold wide fishing rights, forcing individual fishermen into the inferior kobun position.

Public Safety Division, G-2—Gangs in the cities are divided into three groups—gamblers, strongarm men and street stall associations. "The police are severely hampered by the fact that the kobun are often well armed and because political pressure often prevents effective police action. Furthermore, the police are involved, being paid off by the system. In many cases the only way that the police can arrest a criminal at large in an area controlled by an oyabun is to ask the obayun to turn over the criminal. Detailed investigation indicate the oyabun-kobun system extends into politics, controls blackmarket activities, controls the prices of everyday commodities, controls the flow of goods through regular channels and performs local governmental functions in the issuance of licenses and the collection of taxes".

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Pernicious System Deep Rooted Here

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system exists. Oyabun have sent their men into the coal mines of Kyushu to terrorize miners on the job. Oyabun organize construction companies, obtain contracts for Occupation work and buy construction materials from themselves at inflated black market prices. The government pays.

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KATAYAMA DENIES UNDERGROUND BODY EXISTING IN JAPAN

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Democratic Forces Now Entrenched in National Life, Premier Tells Upper House

Prime Minister Tetsu Katayama categorically denied the existence of "underground organization" in Japan and expressed his firm belief that "democratic forces" were now strongly entrenched in every phase of Japanese life.

He made this statement yesterday in the course of the plenary session of the House of Councillors in reply to an urgent interpellation by Goro Hani, independent.

The interpellation was in reference to recent news agency reports of the existence of a powerful "underground organization" in Japan.

Mr. Katayama said that with the dissolution of the military clique and ultra-nationalistic organizations, the foundation of democracy in this country is now built on the new and rising forces centering around labor and farmer unions. He expressed his belief that the nation was no longer sympathetic with nationalism and the philosophy of violence.

Exterminating Rightists

The Prime Minister, however, admitted that vestiges of feudalism do exist in the country today and the process of democratization has not been completed. He expressed his conviction, however, that such feudalistic vestiges can be eliminated by further efforts of the people. Mr. Katayama added that the Government is conducting a drive to exterminate the remaining rightist influences centering around the "Oyabun" and contractor bosses.

Emphasizing that the Katayama Cabinet, ever since its inauguration, has made it the primary political goal to exterminate feudalistic and militaristic spirit, Mr. Katayama said that the law-enforcement agents are dealing sternly with gangster organizations. He concluded his address by emphasizing that democracy means a parliamentary government whereby the will of the nation is manifested in the Diet.

Mr. Hani, in his interpellation, pointed out that Chief Cabinet Secretary Suehiro Nishio had earlier issued a statement denying the existence of an underground organization. Through this statement, the Government tried to "whitewash" the problem without making any sincere effort to institute tangible counter-measures against the underground influences, the Councillor charged.

Pointing out that rightist influences were rising steadily, Mr. Hani said that "Oyabuns" are squeezing the staggering sum of ¥60,000,000 as taxes from Tokyo's roadside stall operators and paying only about 10 per cent of the money to the taxation agencies. The rest is being used by the "Oyabun" to preserve rightist influences, he said.

The Upper House, at the same session, approved the extension of the current Diet session by 10 days until December 9.

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ITEM 1 Another March Crisis Foreseen - Tokyo Mimpo - 25 Nov 47.
Translator: H. Sato. (UG)

401

Full Translation:

Reconstruction and readjustment of enterprises and financial institutions based upon cancellation of war indemnities are meeting with considerable obtacles. They are expected to clash with the problem of dividing enterprises as a result of the enactment of the Anti-Economic Concentration Law (KEIZAI SHUCHU HAIJO HO).

Consequently, it is impossible to forecast when the reconstruction of industries will be achieved, and banks are generally reluctant to issue large loans. Production will inevitably decrease due to inadequate coal allocations resulting from increased demands for winter heating and special purposes and further restrictions on the use of electric power.

Readjustment Finis Not Likely Before April

Currency will continue to increase in contrast with production decreases. It is believed that an economic crisis more serious than that experienced in March this year will occur sometime in February to March next year.

The date for the presentation of readjustment programs which was scheduled to be closed in September, has been postponed to the end of November. It is doubtful whether these will be completed within the year. Even if all plans are submitted by November, it will be sometime about next April before the readjustment of enterprises is brought to an end and new companies formally established.

The reconstruction and readjustment of financial institutions is also proving very slow. Large enterprises are now burdened with the problem of partitioning in accordance with the Anti-Economic Concentration Law. Enterprisers' efforts to modify its application and rivalry between conflicting interests have resulted in the loss of enthusiasm for the resumption of regular production.

Small Entrepreneurs Harassed by Financial Difficulties

Financial institutions are now acting with great caution due to the difficulties of forecasting the future of industries and are chary about issuing loans, thus aggravating the shortage of funds in industries.

On the other hand, medium and small industries are being completely abandoned by financial institutions. The heavy burden of taxation including revisions in the income tax and the exposure of tax evasion as well as the shortage of raw materials in stock are greatly hampering industrial activity.

Non-payment of wages is also occurring in many places.

Coal Dearth Aims Industrial Picture

Coal production was 99.2 percent of the goal in September and 92.9 percent in October. Though a certain increase in production is possible, the output will be far smaller than goals, with November producing not more than 2,500,000 tons against a goal of 2,700,000 tons.

Increase in the demand for coal for winter heating in HOKKAIDO and other areas and for power generation and other special purposes will necessarily reduce coal allocations to general industries.

Further, production decreases will be inevitable because of the shortage of electric power caused by the winter dry season.

Currency Issue May Top 190,000,000,000 Yen Estimate

Despite the nonincrease in the supply of materials, Government deficit expenditures resulting from unsuccessful taxation, will continue to increase. At the same time, loans from the Reconstruction Finance Bank amounting to about 5,000,000,000 yen a month depend largely upon the supply of new funds from the Bank of JAPAN.

Currency will show a remarkable increase due to demand for funds to tide over the New Year. It is, therefore, believed that the currency issue at the end of the year is bound to exceed the Finance Ministry's optimistic estimate of 190,000,000,000 yen, and reach approximately 210,000,000,000 yen.

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ITEM 2 Katayama Denies Underground Government - Seiji - 30 Nov 47.
Translator: T. Fukushima. (TK)

401

Full Translation:

In reply to an urgent question on underground organizations raised by HANI, Goro at the Upper House plenary session yesterday, Premier KATAYAMA replied that there exists nothing of that sort in this country.

HANI, Goro, nonpartisan of the national constituency questioned: "It is reported that there exist underground organizations in JAPAN. Though Chief Cabinet Secretary NISHIO denied this report, we are not satisfied with his statement. In fact there are gangs impeding free elections with violence. We will not win international confidence before we stop dark politics and black economy by stamping out the rightist elements and terrorist organizations which drove us to the reckless war. Now that the peace conference is drawing near, I want to know how determined Premier KATAYAMA is to tackle this problem."

Premier KATAYAMA answered: "I don't believe that at present there exist underground organizations in our country which attempt to overthrow governments and political parties approved by the National Assembly or to establish a regime of the extreme right by violence. Military cliques have collapsed, ultra-nationalistic organizations disbanded, and ZAIBATSU dissolved. On the other hand, the foundation of democracy is now being laid with the organization of labor and farmers unions. The people will not support such bodies as advocate ultra-nationalism and try to come to power by violence.

"However, I admit that there are some dregs of feudalism remaining in this country in spite of its steady democratization. I cannot deny, too, that feudalistic bodies of racketeers and terrorist organizations still continue their activities in the underworld. The Government is firmly determined to wipe them out. It has been my opinion ever since the outset of the Cabinet that the aim of government should be to accomplish a true democracy by exterminating feudalistic forces, eradicating ZAIBATSU, and extinguishing militarism. All our policies have been shaped along this line.

"We shall never give in to feudalistic forces. It is the vital mission of the present Cabinet to fight them to the last. The judicial authorities will take the most powerful steps to suppress such organizations as try to attain their objectives by violence in defiance of law. Decisive steps will be taken against any persons or movements which try to come to power by violence or other illegal methods regardless of their beliefs. I want you to give your full co-operation to the Government in stamping out terrorist organizations and illegal feudalistic bodies."

ITEM 12 Can Democratic Forces Destroy Underground Government? - Jimmin - 24 Nov 47. Translator: B. Ishibashi. (BL)

401

Full Translation:

According to an English dispatch, SCAP sources revealed the existence of an underground movement in JAPAN, made up of former military and navy officers.

There is no doubt that some former military servicemen have no adequate understanding of the reality of JAPAN's defeat. The disorder in national life in the past two years constitutes a definite lure toward the hope of reestablishing a military organization, similar to that in the past.

Historically, it is a fact that phenomenon of this nature accompanies changes of a revolutionary period. The question is whether the substance of the democratic camp can successfully win over or destroy these forces. Whether the movement is underground or open is not the question. In the case of an open movement, it can be expected that these persons will emerge in smart foreign clothes, keeping their record as former military officers secret.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 1 Funds Supply Plan and Economic Restoration (by ICHINOTANI, Toichiro) - Magazine: Economist (Weekly) - 15 Nov 47. Translator: W. Takashima, (RL)

401

Summary:

(The author is professor of the Osaka University of Commerce)

Alarmed over the impending crisis of soaring inflation, the Government has decided to clear its deficit by fully retrenching the national finance and strictly controlling its reckless credit loans to enterprises by drawing up a funds supply plan.

We must study this plan from two view points: A source of funds to be raised, and the use of them by enterprises.

First, despite the fact that deposits are the only source of these funds, they are being swayed by inflation both in quantity and quality. Deposits have violently changed the distribution of national income among the people, and their capability or desire for saving.

The so-called new yen class are not so interested in saving, although they are most competent to do so. In anticipation that the value of money will drop, they prefer to maintain their fortunes by exchanging money for commodities or lending it to others at high, unauthorized rates of interest enabling them to cover the losses sufficiently should money drop in valve.

New Yen Class Won't Encourage Savings

Among the many reasons for the new yen class slackening incentive to save, the greatest contributing factor is the drop of money value due to inflation. This tendency is confirmed by recent press news, reporting that a blackmarket is being organized to make these loans. As a natural consequence, the degree of reliance of city banks on credit loans of the Bank of Japan was greatly intensified.

In addition, the Restoration Finance Bank's aid to enterprises depends chiefly on credit. Under such conditions, where national deposits are decreasing and money is flowing into the unauthorized money market, the basis of the funds supply plan will be shaken.

Secondly, pertaining to the use of these funds, it is worth notice that 3,400,000,000 yen of the total of 21,000,000,000 supplied to key industries as funds resulting from the plan was used as money to make up their deficits. The greater part of 4,300,000,000 yen financed by the Restoration Finance Bank, whose total amount of loans was 7,200,000,000 yen, went to various enterprises as business funds, and was also used for compensating their deficits.

Obviously, such a use of these funds is one of the reasons why production has not been increased despite our expectations. We conclude that its original purpose has not been realized, and that the present working of the plan contains factors to shorten the production process, and at the same time to accelerate inflation.

Seek to Eradicate Fund Defects

The fundamental condition for eradicating defects in the sphere of fund raising is that all industrial funds are supplied from national deposits. If this condition is satisfied and the national budget is properly balanced, the causes of inflation will vanish. In order to guide the plan in a proper direction, the stress of savings movement for attracting money to banks as a source of industrial funds must be laid on the new yen class. At the same time, some steps should be taken to make up for the future drop of money value.

On the other hand, it is necessary to choose strictly the enterprise to be financed, and at the same time to establish an organ for supervising the use of funds which are supplied.

If we can obtain satisfactory results from this plan, we will be easily able to check inflation, remove the unbalanced relationship of production and consumption, and open the way to economic restoration. Since the payment in blocked deposits is widely used at present, the amount of bank note issue does not necessarily indicate the degree of inflationing accelaration. We must maintain a watch on the amount of funds flowing into various industries.

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ITEM 4 Chaotic Enterprise Management - Tokyo Shimbun - 4 Dec 47.
Translator: K. Hirata. (FST)

401

Summary:

The Government, in its recent economic white paper, said that national finance, private enterprises, and household economy are the three important elements comprising JAPAN's economy. Among these elements, we have knowledge of the actual conditions of national finance through the Diet and of household economy through investigations of livelihood expenses. However, we have only vague imformation about private enterprises.

Properties of cinema companies were recently attached for unpaid taxes although these companies were generally believed to be flourishing. It is also rumored that mine operators spent a huge sum of money for the purpose of obstructing the state control plan, despite the fact that they were suffering from deficits. Furthermore, it must be pointed out that key materials have flowed into illegal channels.

We can easily imagine what was and is taking place between government officials and enterprisers when we consider that the Japan Industrial Council recently complained to the House of Councillors of government officials' requests for contributions. Such corrupt practices of enterprisers must be eliminated since these enterprisers are in a position to take the initiative in production.

The first cause for the present chaotic management is an accelerated inflation. It has confused management and the official control order. The second is a delay in establishing the reconstruction and reorganization program. The third is the failure of financial policies while the last is compromise between management and unions. For instance, unions gave tacit consent to blackmarketing by management to enable it to raise funds necessary for wage boosts.

We urge the Government and the Diet not to neglect the present chaotic conditions of management but employ strong and positive countermeasures.

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ITEM 5 We Oppose Bureaucratization of Culture - Yomiuri - 5 Dec 47.
Translator: M. Yasutake. (TK)

401.

Summary:

It is beyond the understanding of the people that the Government has drafted a plan for the establishment of a cultural state to break a deadlock in the execution of its economic policies. Culture cannot be established under economic and political confusion.

Culture should be a product of Japanese favor. We cannot have confidence in the Government regarding cultural issues, because we witnessed many times the Government making a pageant of culture in an irresponsible manner. Cultural enterprises of the Government are mostly perfunctory in nature. To launch upon a cultural enterprise which has no lasting character is a crime against the people who are suffering from the difficulty of living.

As a principle, cultural enterprises should not be placed in the hands of bureaucrats. The most egregious case of bureaucratization of culture appeared in Nazi GERMANY led by HITLER. Interference in culture by politicians is usually for the sake of evil conspiracy.

If Premier KATAYAMA's intention of pushing through a plan for a cultural state is motivated by pure fervor, he must, first of all, eliminate all bureaucrats with no understanding of culture who try to exploit cultural enterprises and willingly take on men of culture. It is comical that Japanese bureaucrats with little understanding of culture are crying for democracy and culture. The Government should keep in mind that the people have no confidence in bureaucratic cultural enterprises.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 8 Reform of Administrative Organs (by Iwabuchi, Tatsuo) - Magazine: Shakai (Monthly) - Nov 47. Translator: S. Shiina. (RL)

401

Summary:

Administrative reform is one of the most important problems confronting officialdom. With the Home Ministry about to be abolished, it appears that three agencies, police, an administrative committee, and a construction board, or Ministry of Construction, will be established to replace the Home Ministry.

A reform movement also is threatening to spread to other ministries and administrative bodies. With this in view, the cabinet seems to have established an agency similar to an administrative investigation board. Although its general policy is unknown, the cabinet appears determined to carry out a democratic administrative reform.

Administrative Reforms Needed

This tendency has emanated from requirements of democratizing all political, economic and social agencies and structures which had for so long rested on the basis of centralism and bureaucracy. It therefore seems desirable for the cabinet to initiate vigorous administrative reform, and make sweeping changes in the government service system.

During the war, administrative revision was often carried out under the name of internal reform for the purpose of forcing the will of both militarists and bureaucrats on the people. For instance, the Planning Board, Information Bureau, Office for Manchuria (TAIMAN JIMUKYOKU), Technical Board (GIJUTSU-IN), Asia Development Board (KOA-IN), and other government control agencies, established in conformity with the National Mobilization Law, were created to strengthen the Premier's power.

These agencies can be recognized as exceptional cases since they were born during the war period. For this reason, they should be thoroughly re-investigated. All preceding cabinets have been indifferent toward these agencies and had no fixed policy in regard to them.

For example, the Economic Stabilization Board, established by the YOSHIDA Cabinet, was practically indentical with the former Planning Board. The Premier's office, planned by the TOJO Cabinet during the war, was recently established by the KATAYAMA cabinet to strengthen the Premier's power.

Should Eliminate Old Bureaucrats

Politicians, especially, parliamentary politicians of this new age, should consider the fact that these agencies play the role of breaking the deadlock in personnel affairs and conducting delayed business. In order to democratize the administration, the old bureaucratic consciousness should be eliminated, and all departments should closely cooperate with each other in conducting state affairs.

Although JAPAN is an agricultural country, riparian works, road constructions, and other public works which have an important effect upon agriculture, came under the Home Ministry, and have no relation to agriculture.

In conclusion, administrative reform must not mean the mere reorganization of government offices. It must aim at fulfilling the people's expectations, and should result in a type of administration commensurate with the new age.

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ITEM 6 The Underground Government Issue - Provincial Paper: Godo Shimbun (Okayama) - 24 Nov 47. Translator: T. Naruse. (GBS)

401

Summary:

The recent Reuter report that a powerful underground organization and a hidden government exist in JAPAN came as a thunderclap to the Japanese people. According to the report, the underground government, which has been organized by former Japanese naval and army officers denying JAPAN's surrender, is threatening to wreck SCAP's efforts to reform JAPAN. The Japanese Government authorities, the report continued, admitted the existence of the underground organization, and a certain person very close to Premier KATAYAMA said that Japanese leaders hope the Occupation Forces will stay in JAPAN even after the conclusion of the Japanese peace treaty. The report added that such an underground organization comes naturally into existence from post-war confusion and unless JAPAN's economy is stabilized, it will not be stamped out.

We cannot properly criticize this issue because we have no information of the underground government reported. If the report is true, however, it deserves our due consideration. That ex-service men have organized the underground government by denying JAPAN's surrender roughly indicates what they aim at. We sympathize with them, but they obviously err in their aim and course. For, their intention to revive old JAPAN without admitting JAPAN's defeat is something absurd and proves their ignorance. However, we cannot overlook the existence of non-democratic forces stimyin the birth of new JAPAN. We must destroy their camp and must nip their secret activities in the bud.

There is something true in the opinion that an underground organization comes into existence naturally and it will not be eliminated unless JAPAN's economy is stabilized. However, to admit the existence of such a hidden organization is to approve of the existence of forces obstructing the construction of new JAPAN. It is imperative for the Japanese Government to take drastic measures to exterminate these conspirators instead of lamenting their existence. In conducting such a drive, the Government should first seek the co-operation of the people, or there will be danger that treacherous, underground forces may strongly entrench themselves in every phase of Japanese life.

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ITEM 3 The Authority of the Central Government and Local Autonomy - Dai Ichi - 2 Dec 47. Translator: Y. Ebiike.(GBS)

4/01

Summary:

Determined to eliminate the blackmarket, the Government has promulgated emergency measures to secure perishable foods, fire wood and charcoal, and sought the co-operation of the prefectural governors at the gubernatorial conference convoked especially for this purpose. In spite of all the conceivable measures enforced, every attempt in the past to control perishable foods and fuel ended in failure. This was due to the various attitudes concerning control, the incompetence and indifference of the government organs for control, and the inconsistent regulation of the authorities concerned.

The fact that the Government invited all the prefectural governors to the conference to ask their co-operation has two significant points. First, unlike the governors in the past, these were not appointed by the Government but chosen by the people in each respective prefecture. Secondly, this is the first opportunity which will show to what extent the policies of the central Government will be observed by the local self-governing bodies.

Under the political and economic situation of present day JAPAN, there can be no local self-governing body completely isolated from the nation. A local body must share the prosperity or poverty with the nation as a part of the latter. Needless to say, a local self-governing body must be freed from the despotic rule of the bureaucrats of the central Government which it obeyed in the past. This does not, however, mean sectionalism of local bodies under the pretext of local self-government. Since the prefectural governors have become popularly elected, the authority of the central government has weakened, and there is now seen a tendency for the prefectures to exchange products on a barter system, ignoring the program of the central government. The present economic situation in JAPAN, however, requires collective measures taken from the standpoint of the nation as a whole, and will not allow unconditional decentralization of administrative power.

The prefectural governors have expressed the opinion that, although it is preferable to abolish the control on perishable foods, they will co-operate with the Government's emergency measures, since it was decided at the cabinet meeting to strengthen controls. Here again is seen a difference in the opinions of the central and local governments. No matter how distinctly the relation between the central and the local governments is defined, and how thoroughly a local self-governing body knows the limit of local self-government, the success in economic control of the central government depends upon how much its administrative authority can command the local self-governing bodies. In this sense, we expect much from the Katayama coalition cabinet.

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ITEM 10 The Real Battle Awaits Us (by Masaki, Kiyoshi) - Shakai Shimbun - 1 Dec 47. Translator: W. Hayashi. (DD)

Summary:

(The author is chairman of the Diet Policy Committee)

Since the dismissal of HIRANO the Katayama Cabinet has faced various major problems. Needless to say, the wild controversy over the Temporary Coal Control Bill was the greatest issue. The Liberals attempted to win over the anti-control members of the Democratic Party, and resorted to every possible means to obstruct the deliberation. Facing this situation, the Socialist Party exerted unremitting efforts for the unification of the government parties, and its efforts were finally rewarded, 70 days after the presentation of the bill to the Diet. After many twists and turns, the coal control bill was passed by the House of Representatives on 25 Nov and was referred to the House of Councillors for deliberation. Since the Katayama Cabinet faced such difficulties concerning the coal control bill, some people talked about the fate of the cabinet, and witnessing the disorderly wranglings in the Diet, some also doubted the prestige of the National Diet. As public opinion has pointed out, the attitude of the Liberals who employed all available tactics only for opposition's sake and even resorted to violence, was indeed regrettable at the first session of the National Diet under the new Constitution.

However, the various issues which the Katayama Cabinet faced and the confusion in the House were only revelation of the impending crisis of the nation, which is under restricted international conditions today. To JAPAN, which is endeavoring to carry out peaceful democratic reforms, the Diet, especially its floor, is the center of politics. On the floor, we can clearly witness the two forces. One is striving to promote the democratic revolution of JAPAN while the other is attempting to disturb it. The reactionary force centering around the Liberal Party has been revealed clearly. The coal control issue was a skirmish between the revolutionary and the reactionary forces. Although we were victorious in this battle, it cannot be denied that the unification of the reactionary force has been strengthened through this battle. The members of the Farmers Party and the Dai Ichi Club, who have been maintaining their opposition stand since the formation of the Katayama Cabinet, have been connected firmly with the reactionary force, and the anti-control group among the Democrats has also clarified its true character.

We can predict that these reactionary forces, led by the Liberal Party, will continue to obstruct the coal control bill in the Upper House. In regard to the selection of the Agriculture Minister and other issues, they will launch nonconfidence votes and other moves. Also, in regard to its policy, the Government has to deal with various major problems hereafter, such as the compilation of the budget for the next fiscal year and the wage issue. The duty charged to the Socialist Party is to enable the Katayama Cabinet to carry out its initial policy strongly by realizing the consolidation of the democratic force as demonstrated at the Diet during the deliberation on the coal control bill, and act as the center of the democratic force out of the Diet. This is the way to solve the present plight of the nation, which is deteriorating daily, politically.

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ITEM 6 The Hidden Government - Dai Ichi - 5 Dec 47. Translator: T. Unayama. (GBS)

401

Summary:

A foreign dispatch reported that a hidden government exists in JAPAN, and is obstructing the occupation policy of the Allied Nations. We, at present, cannot recall any incident which gave rise to this dispatch, but, abstractly speaking we cannot conclusively deny the report. Not long ago, a group of demobilized soldiers led by a former military officer staged a gang robbery on the Shin-Etsu Railway Line, and this is evidence enough to prove that there is some underground organization composed of demobilized soldiers. The recent large-scale pilferings conducted on freight cars in various places also prove the existence of an organization of ex-soldiers, because the raids were carried out systematically, in a deft and orderly manner.

It is said that these demobilized soldiers have organized groups according to their graduation year from the military schools and secretly stocked away rifles for future use. It seems that they first attempted to get revenge for their defeat, but later awakened to the change in the social situation, the pertinent occupation policy of the Allied Armed Forces and their own understanding of the world situation. However, the precipitated economic crisis and the aggravated inflation due to successive maladministration on the part of preceding cabinets further intensified the living conditions of the ex-soldiers who were already in destitute circumstances. As a consequence, some of them formed tough gangs such as the one that robbed the train on the Shin-Etsu Line, and the rest presumably organized malcontent political groups. In other words, they who were treacherous foes of the allied nations during the war have now become oppositionists of the domestic government.

Another factor that has brought a change into the situation is the origin of an anti-Soviet or anti-communist sentiment among the people. This phenomenom has been brought about through the people's antipathy against the conspicuous advancement of the leftist group in postwar JAPAN and the personal experience of the repatriates who returned from regions under the occupation of the SOVIET UNION. It also seems that the whole resentment of the ex-soldiers who are originally conservative has been directed against both the leftists within the country and a foreign country which is backing the leftists.

According to the Reuter dispatch dated 21 November, Chief Secretary NISHIO slighted the existence of a hidden Government and stated that it will not constitute a serious menace to the Japanese Government and to the democratization of JAPAN. As a matter of course, as long as the Allied Armed Forces continue their occupation, the hidden government will not constitute any danger to the well-being of our nation, but its latent influence should not be wholly ignored. We should be ready for the future by strengthening the democratic structure of our nation, thus taking advantage of international as well as domestic conditions at present. This is the way to tackle the problem most effectively.

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ITEM 4 Problem of the Hidden Government - Provincial Paper: Shimo Shimbun (Matsuyama) - 26 Nov 47. Translator: M. Ohno. (RL)

401

Summary:

The Japanese people were greatly astonished to learn of the Router correspondent's announcement that SCAP had uncovered a hidden government in JAPAN. A SCAP official stated that various radical elements are trying to destroy all reformations carried out by the Allied Forces. Their organization, he said, should be called a secret government.

Chief Cabinet Secretary NISHIO, however, stated that the Japanese government does not know nor believe in the existence of a secret government in JAPAN. Some demobilized army and navy officers abhor the present chaotic political situation, but neither the present government nor democracy in JAPAN will be menaced by them, it was stated.

ITEM 11 The Facts on the March Crisis - Tokyo Mimpo - 5 Dec 47. Translator: E. Sato. (DD)

401

Summary:

There is strong possibility that the present economic unrest may reach a crisis between the end of this year and next March. It is natural, therefore, that a new rumor of March crisis has recently appeared. However, we must note that this rumor has been spread by the conservative forces presumably to check the present labor offensive centering around the All Japan Communications Workers Union and the Government Railway Workers Union.

Since the economic crisis which may occur next March will be an inflation crisis due partly to poor production, it cannot be surmounted through the anti-inflation steps taken heretofore. It is anticipated that by March the total issue of the Bank of Japan notes will increase drastically and the prices of commodities will skyrocket. Since the Government's extra expenditure is averaging 12,000,000,000 yen per month in the third quarter of the current fiscal year, it is certain that the total issue of Bank of Japan notes will exceed 200,000,000,000 yen by the end of this year. The amount of currency issue will increase all the more due to the enforcement of the huge supplementary budget in the fourth quarter of the current fiscal year. Some even anticipate that it will reach the 300,000,000,000 yen level by the end of the current fiscal year.

The total issue of 200,000,000,000 yen of Bank of Japan notes

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ITEM 4 (Continued)

Under democracy, the people can freely receive all news throughout the country, and the government must make all administrative affairs known to the people. If an underground government actually exists in JAPAN, the government must frankly make this fact known to the people, and the people must cooperate with the Government to eliminate it. However, the people have never known anything about such a fact, nor can they believe it.

As stated by Chief Cabinet Secretary NISHIO, if any improper activity is found among demobilized officers, the people must strictly watch their attitude. SCAP's statement , declaring that it is not going too far to call the organization a hidden government, explains that any organization composed of reactionary or radical elements should be called an underground government, even though it is not actually an organized government. Herein lies the difference between the criticisms of Secretary NISHIO and SCAP authority. Whatever the case may be, we must not underestimate the importance of this problem.

Chief Cabinet Secretary NISHIO said that the hotbed of such reactionary elements can be found in JAPAN's unstable political and economic conditions. Some persons entertain very reactionary and aggressive views about the peace conference and foreign trade. These persons may have no relation to the underground government, but the impudent reactionary and feudalistic elements which are not aware of JAPAN's historic development will utilize them.

Even if the hidden government uncovered by SCAP is not actually a systematic political organization, the government and the people must not underestimate the importance of this problem.

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ITEM 11 (Continued)

is over one hundred times that of prewar days. Although almost all the European countries are suffering from inflation, in none of the countries has the amount of currency issue reached 100 times that of prewar days. The figure of 200,000,000,000 yen is more than two times the amount of currency issue at the end of last year, totaling 93,400,000,000 yen. This fact proves that the issue of Bank of Japan notes has increased more than two times in the course of one year. Furthermore, there is a possibility that the issue may increase to 300,000,000,000 yen by the end of the current fiscal year. It can be concluded, therefore, that the coming economic crisis in March will be more severe than heretofore experienced.

If the Government adheres to its present policies, it is inevitable that a grave crisis will arise next March. Without revealing the true cause of the crisis, the conservatives are now circulating a rumor of March crisis with a view to overcome it through the people's endurance of an austere life. The people must not be deceived by this propaganda. They must fully recognize that the crisis cannot be overcome unless their livelihood is guaranteed, and they must demand that the Government consider this point.

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POLITICAL SERIES: 2141 (Continued)

ITEM 4 Nishio Declares Four-party Policy Agreement Unchanged - Tokyo Shimbun - 17 Dec 47. Translator: K. Higashikawa. (FST)

401

Summary:

Chief Cabinet Secretary NISHIO yesterday made a flat denial of the leftist policy contained in a statement issued last Sunday by the SATSUKIKAI. He stated to the press upon his return to TOKYO from a trip to NIIGATA that the four-party policy agreement still exists and is binding, that the Government will not suspend payment of interest on Government bonds and that it is almost impossible to levy a second property tax. It is recalled that left-wingers within the Socialist Party demand scrapping the four-party policy treaty and call for the imposition of a second property tax, as well as the suspension of payment of interest on Government bonds.

Chief Cabinet Secretary NISHIO said: "The four-party policy agreement has not been scrapped. Although it has lost the positive significance it had at the time of the conclusion of the agreement, it still survives in a negative way. If, therefore, government parties want to make use of it, it will be binding on the Socialist Party. Under the prevailing political situation it would be unwise to scrap the agreement.

"The Government will not suspend payment of interest on Government bonds. In the four-party policy agreement, it is stipulated that the Government shall not do so. Conditions have changed since the time the Socialist Party for the first time advocated the suspension.

"The imposition of a second property tax is also just about impossible. Even if a good plan should be worked out for this, we cannot levy the tax unless we get the approval of the government parties. The Government will naturally strive to reflect the platform of all the government parties in its new policy and in the compilation of the budget for the 1948-49 fiscal year. However, since the Government is a coalition, it cannot afford to execute the policy of only one party in a daredevil fashion. The important thing is to find a common point of agreement. It is unreasonable to attempt to execute ideal ideology, unless one aims to have the Cabinet knock its head against a stone wall.

"We should not confuse the opinion of a group of partymen with the policy of the party as a whole. It is true that the policy of the Socialist Party should be reflected in the Cabinet's measures, but the question as to which is the policy of the Socialist Party is decided by who are the leaders of the party. Moreover, whatever policies the party may advocate must be such that the coalition Cabinet can execute. One most important thing is that we must establish a realistic policy for the reconstruction of our country from a broader viewpoint."

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ITEM 3 The Underground Organization in Japan - Shin Hochi - 8 Dec 47.
Translator: T. Unayama. (ED)

401

Summary:

At the recent sitting of the House of Councillors, Mr HANI, Goro made urgent interpellations on the "hidden government" in JAPAN. In reply Premier KATAYAMA explained that there is no such underground organization in our country at the present time when the military clique and the ZAIBATSU have already been dissolved and the foundation for democracy has been established. The Premier also stated that it is unthinkable that such dark influence as the so-called hidden government can usurp political power by violence.

We would like to believe the Premier's reply, and hope that such an abominable discussion need never take place again in the future. However, the brief answer of the Premier has not brough about any satisfactory solution to the problem about the existence of an underground organization in JAPAN. The hotbed for dark influences of this sort can be found everywhere throughout the country, even though they have not developed into a systematic organization as yet. The Premier admitted that there are traces of feudalism in the process of democratizing our country. Those traces of feudalism are the very factors pregnant with the danger of abruptly developing into the nucleus of fascism. Having been accustomed to the fascistic influence and system for many years, the Japanese people have an apathy toward problems of this sort. However, they should be aware that their indifference may be followed by serious consequences, when they remember the events of 26 Feb and 15 May.

Not only militarism, but also all feudalistic remnants hamper the democratization of our country. Nevertheless, we cannot deny the rumor that the survival of the ZAIBATSU and the antidemocratic political organizations are still existent in our country, to say nothing of the fact that there are numerous gangs called "GUMI" which are the most conspicuous remnants of feudalism.

Newly-risen democratic influences such as the labor and farmers unions are now undergoing a marked development, but on the other hand, old influences are spreading deep roots to restore former JAPAN. The democratization of JAPAN, therefore, is still far from the goal. Consequently, the Premier's declaration that it is the basic policy of his cabinet to root up all military factors in our country, should not end in a mere parliamentary reply, and the people should continue their unremitting fight against the enemies of democracy. This is also the way to arrest the growth of an underground organization.

ITEM 5 Triparty Agreement Would Be Accepted--Ashida - Mainichi - 17 Dec 47.
Translator: H. Miyoshi. (FST)

401

Full Translation:

President ASHIDA of the Democratic Party, who attended the party's national convention in MIYAZAKI yesterday, stated on a train as follows:

"During the past few days, I have heard various opinions of the Socialist Party's leftists on the agriculture-forestry minister and policy issues. However, since the Socialist Party is still, I believe, under the leadership of such persons as KATAYAMA and NISHIO, I shall be deaf to comments on the influence of left-wing Socialists. However, if the will of the Government should be determined by the force of the leftists, then I will reconsider the matter.

"If an opinion is voiced that the four-party policy agreement should be cancelled and a three-party policy agreement concluded, since there are such new problems as the present price structure, tendency toward higher wages and inflation to be reconsidered and because the Liberal Party has severed its relations with the other three parties, I think we may take up the problem, find points of agreement, and conclude a three-party policy agreement. In this connection, it is obvious that our party will insist upon revised capitalism at all costs. Therefore, we will absolutely oppose the cancellation of bond interests and the imposition of a second property tax."

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ITEM 9 Nisei Win Citizenship Suit in Tokyo District Court - Tokyo Shimbun - 22 Dec 47. Translator: M. Fujiyama. (RL)

401

Summary:

One of the most singular suits in world history was filed last October by second-generation Japanese born in the UNITED STATES, who entered JAPAN before the war. The second-generation Japanese appealed for "confirmation of the nullity of their Japanese citizenship," and sued the Minister of Justice for his illegal sanctioning of the coerced transfer of their citizenship.

The Tokyo District Court, which had been deliberating the case, finally ruled that the NISEI did not possess Japanese citizenship. On grounds that they were forced to accept Japanese citizenship against their will during the war and that they had the right to reclaim their American citizenship, the NISEI entrusted their case to the OKAMURA, Genji and ISHI, Ko's Law Office to take legal proceedings.

The first to receive this verdict were NAGASHIMA Kenkichi, ITO, Chuzo, and Ito, Tamae. For the first time the court applied Article VIII, stipulating that "all appeals for nullification or alteration of unlawful dispositions taken by the Administrative Board can be filed within six months after the person or persons concerned become aware of such an act." This article appears in the law concerning emergency measures of the Code of Civil Procedure, accompanying the enforcement of the new Constitution. Thus it was clarified that the Administrative Board's disposition of the NISEI had been unlawful, and the absence of their Japanese citizenship was validified.

The number of NISEI who asked the Okamura Law Office to take legal proceedings amounted to 119 persons. During the war, they were oppressed by militarists and bureaucrats, and were treated coldly by their relatives, friends, and neighbors because they possessed American citizenship. They were forced to change their citizenship against their will.

The six-month period during which an appeal should have been made has already passed. Because the transfer of citizenship took place during the war, and in view of the fact that there was no law to support their appeal, it is regarded that the valid period actually began from the time the new Constitution became effective on 3 May 47 and was terminated on 5 Nov 47. Anyone who filed suit during this period will be able to regain his American citizenship.

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401-1

Underground Politics Recognized By Press

Reports Show Japanese Gangs Hamper Democracy

401

Several organs of the Japanese press have recognized editorially the existence of "hidden government" gangs in Japan who are hampering democratization efforts, but one expressed belief that "so long as democratic organizations of working people are vigorous, they can never be a matter of great concern."

A Tokyo newspaper cited the "bosses" of the gangs as greatly disturbing the Japanese economy and corrupting the nation's politicians. The boss system must be destroyed "at all costs," the daily said.

In Kyoto, a paper declared that the organizations are not mere gangs. "They are intellectuals, some occupying posts as presidents and directors of newly-formed firms by virtue of embezzled Army goods."

A liberal Tokyo press service compared the boss system with the former Neighborhood Associations which were allegedly formed to prevent crime. They are providing ex-militarists an opportunity to build up continuancies for future political ambitions, it commented.

Tottori's journal said the situation was "alarming" but could be overcome by sincere counter efforts by democratic "working people."

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GOV'T. NOT CONTEMPLATING FURTHER NATIONALIZATION

401

Katayama Says No State Control Over Steel, Fertilizer

Prime Minister Tetsu Katayama categorically denied that his Government contemplated the placing of such key industries as steel and fertilizer under state control.

While increased production in these industries is as sorely needed as in the coal mining industry, there is no necessity at this time to nationalize them, Mr. Katayama emphasized.

Replying to an interpellation in the Upper House Mining and Industry Committee, which is deliberating on the coal mine control measure, the Prime Minister said steps may be taken by the Government to increase production in the steel and fertilizer industries, but they will not bear the ideological features of socialism.

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DECENTRALIZATION APPROVED BY DIET IN MODIFIED FORM

401

Both Houses Pass Measure After Drastic Easing of Terms in Draft

The controversial bill to decentralize large concentrations of economic power, watered into highly elastic form, was finally approved by the Diet toward midnight Tuesday in a hectic eleventh hour move to pass it before the end of the first legislative session.

As revised by the Upper House, the bill represents a drastic easing of the terms of the original draft. The term "excessive" was added to the title of the law and the minute description of the enterprises to be split up has been replaced by a broad and general characterization.

Together with the Excessive Economic Power Decentralization Bill, the Diet also approved three related measures including a bill partially revising the Holding Companies Liquidation Commission, the bill to eliminate Zaibatsu family influence, and the Temporary Money-Rate Adjustment Bill.

Marks Session's Finale

The passage of these bills and the Food Distribution Corporation Bill and three related measures setting up corporations dealing with fats and oils, feed and subsidiary foodstuffs in standing votes at the final moment Tuesday midnight marked the finale of the eventful 204-day session of the first Diet under the new Constitution.

The decentralization bill was taken up by the Upper House Finance and Banking Committee at 8 p.m. where amendments to the measure were approved. The Upper House plenary session at 9 p.m. passed the bill as amended and relayed it to the Lower House which omitted committee action and voted on the measure immediately at a plenary session.

Both Houses passed 39 bills during the course of the day.

The minute designation of enterprises falling under the decentralization framework in the Excessive Economic Power Decentralization Law was substituted by the following:

"Excessive concentrations of economic powers (to be broken up by HCLC) are profit-making private enterprises or their combinations which restrict competition in vital parts their operations, or prevent other enterprises from carrying out their business independently for the reason that they hold large-scale share in a single field or a large combined portion in two or more fields."

Permits Larger Margins

Because of its elastic provision, the new law permits larger margins in its operation than the provisions in the original draft.

Meanwhile, well-informed quarters believe that the HCLC will designate the first batch of economic concentrations by the end of this year. In preparation for this action, the body will shortly formulate concrete yardsticks and rules for the application of the newly enacted law. An extraordinary general meeting of the HCLC is scheduled around December 20.

More than a 100 corporations are estimated to be designated for decentralization in the first HCLC action.

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401

The New Tactics of Sabotage

Close on the heels of their recent tactics of absenting themselves from work en masse, the Government employes are now resorting to other methods of persuading the Administration to meet their demands for pay increases and for deficit-covering allowances.

One method being employed is the strict observance of office hours. The other is mass resignation.

The refusal to work overtime was started by the workers of the Finance Ministry on November 17, and it has spread to other Government offices. Ironically enough the employes of the Price Board, which was instrumental in establishing the present ¥1,800 wage scale and price standard, followed suit on November 24. The following day, the Agricutlure and Forestry Ministry employes decided on the same tactics. The Education Ministry workers made a similar decision on Friday. Unions of the Justice Ministry, Commerce and Industry Ministry, National Hospital, and Transportation, Communication and Marine workers are expected also to take steps to observe working hours strictly.

The tactics of mass resignation of employes was first started in Okayama Prefecture where Tax Bureau officials handed in notes indicating their decision to quit work unless their demands for higher pay were met. The movement has spread to adjoining Tottori Prefecture where tax officials similarly decided to resign from their posts.

Unlike the earlier methods of absenting themselves from work, the Government workers' literal observance of office hours and submitting of notices of resignation cannot be categorically condemned, for workers have the right to refuse overtime work or to quit. This right, of course, may be exercised by the employe without taking into account his sentimental attachment to the employer or to the work. It is within the rights of the worker to seek other employment if he cannot make a living. And it is perfectly right for him to refuse overtime work, provided he has put in a hard day's work.

When used not for bona fide purposes as purported, but obviously exercised in a perverted form only as a means of enforcing demands for the increase of salaries, however, the same methods become open to question. The Government has already gone on record to the effect that the salaries of the tax officials are under consideration. It is questionable whether they should have taken such headlong steps without further attempts to negotiate with the proper authorities.

Again, the strict observance of office hours may be justified only if the employes are sincerely exerting their utmost efforts during their regular hours. It is open to question, however, if they are working the full extent of their office hours from 9:30 a.m. to 4 p.m. With one hour off for lunch, the Government employes are working only five and a half hours in all, and that they are utilizing every minute of this time has still to be proved.

But what is of greater importance in considering the new tactics being employed by the Government workers is their status as public servants, and particularly the nature of their work in relation to the public welfare. National finances, already in a wobbly condition, depend to a major degree upon the efficiency with which the taxes are collected. Unless the tax collection officials carry out their work faithfully, the nation is headed for economic disaster, the like of which no tax official will relish. The mass resignation of tax officials may thus be considered treason in the light of its effects upon national welfare.

Likewise, the refusal of public officials to work overtime, when they are not applying themselves faithfully to their tasks during their regular hours, is an act which is deliberately sabotaging the administrative machinery of government. It is true, of course, that some offices are over-staffed while others are seriously undermanned. And in all fairness, it must be pointed out that the Finance Ministry, the Price Board, and the Agriculture and Forestry Ministry are handling a great volume of work in connection with the budget and taxes, with the price structure, and with the rice collection. These are tasks which must be considered of utmost importance to the public welfare. In view of the importance of their work, the workers cannot morally refuse to work overtime. And if an office really lacks sufficient personnel to handle the work, proper steps should be taken to make proper adjustments.

The final test of the various tactics now being employed by the Government employes in attempting to secure a response to their demands lies in their effects upon public welfare. It would be a poor policy for the workers to antagonize the people by taking steps without considering the welfare of the nation above all else.

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NIPPON TIMES

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Discharge Planned Of Govt. Employees In Next Fiscal Year

3 Points Envisaged In Labor Policy Plan Drafted By Yonekubo

TOKYO, Dec. 26.—The Administration's firm resolve to carry out a drastic personnel discharge of government workers and possibly employees of civil firms in the next fiscal year highlights a three-point labor program drawn up yesterday by Labor Vice-Minister Yoshitake and other top policy-makers of the Labor Ministry which was laid before the Cabinet meeting today.

The program, known as Labor Minister Yonekubo's draft plan for labor policy, envisages (1) basic counter-measures for the unemployed, (2) measures for sound labor movements which are sub-divided (a) increased production, (b) revision of the Labor Relations Adjustment Law and (c) labor education, and (3) basic measures for establishment of adequate wages and consideration over the minimum wage system which can guarantee workers' living.

Although an average 20 per cent personnel discharge of governmental employees is believed to bring about no serious repercussion, it evidently will spread into civil enterprises throughout the country and as a sequel, requires overall unemployment measures ranging from unemployment insurance down to emergency relief.

To cope with this situation, it was learned the Labor Ministry is setting aside approximately ¥7-billion as an appropriation thereof.

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401

A Political Survey

WEAKNESS OF NATIONAL TRAITS UNDERLIES TREND OF POLITICS

People Partly to Blame for What Social Democratic Party Has Not Achieved

401

By HIROO SASSA

(NOTE: The writer is a noted commentator and a member of the Finance-Banking and Budget Committees of the House of Councillors.—THE EDITOR)

I

The Social Democratic Party is dominant in Japanese politics today with its leader, Teisu Katayama, at the head of the three-party coalition Cabinet now functioning. The purpose of the present article is to review the political situation generally and study the future course of Japanese politics. For convenience' sake, I shall first look into the character of the Social Democratic Party which, as the biggest political party, holds political leadership.

No one can deny that a sort of popular acclamation greeted the birth of the present Social Democratic-led Cabinet, but it must be noted that this popularity was due to somewhat unwarranted expectations on the part of the general public. Abstract arguments and sanguine views freely advanced and expressed by the Social Democratic Party and its members in election speeches and on other occasions led the populace to pin high hopes on the policy of the Party. For the unjustifiably high hopes engendered in the public mind, therefore, the Party itself must assume one half of responsibility.

But the other half of the responsibility attaches to the nation, for one cogent contributory cause was the peculiar habit of mind ingrained in the Japanese who, through ignorance of various international relationships and of the position in which Japan is placed, are prone to hope for what cannot reasonably be expected.

In Evidence

This Japanese mentality was in evidence at the outbreak of the China Affair, and it asserted itself even more pronouncedly when the Pacific War broke out. The excessive reliance of the people on the Government and political parties is another manifestation of this besetting weakness.

The people who are now bitterly accusing militarists and bureaucrats of having deceived them are no other than those who were frantic in acclaiming, on his return home from Geneva, Yosuke Matsuoka, the protagonist of Japan's withdrawal from the League of Nations—a course which furnished one remote cause of the Pacific War—, and who were merciless in stigmatizing all critics of Hitler as traitors. It is true that much graver than the blunder committed by the Japanese populace through ignorance was the offence of agitators who deliberately misled them or the offence of unscrupulous journalism which helped to keep the nation blindfolded, but the fact is undeniable at the same time that it is generally greedy people who fall easy victims to fraud. There can be no sound development of democracy in a country where the people are always too ready to put the whole blame on the ruling class charging it with deception, they themselves being neglectful of self-examination and self-improvement.

Complaints Loud

Loud public complaints are now heard against the present Social Democratic-led Cabinet on the ground that the Social Democratic Party falsely promised the nation at the last election to increase rice ration to three "go" per person a day and to rid the country of inflation. Not only has there been no improvement in the general situation, compared with the days of the Liberal regime, but things are steadily growing worse, it is complained. Some members of the Social Democratic Party were, indeed, guilty of deliberate falsehood in giving impossible pledges in their election speeches. It is said that some leftist candidates were so unscrupulous as to promise three-"go" rice ration to urban voters, one one hand, and instigate rural voters to rice delivery sabotage, on the other, in the course of their vigorous onslaughts on bureaucracy.

Men with sound common sense would never be duped by such childish tricks. To allow themselves to be deluded into voting for wrong candidates at the election and to complain afterward of the trick played upon them is for them to cut as poor a figure as they did when they bungled in their attitude toward Matsuoka and Hitler.

There is no question as to the villainy of those who practise on gullible voters, but the victims to their deceptive tactics are not free from blame either. For their gullibility owes much to their own avaricious propensity.

Three Points Stressed

The weakness and crudity of Japanese national character which thus underlie the political trends of the country made me stress three points in an article I published in the Yomiuri when the political situation was in great confusion just before the formation of the present Katayama Cabinet. Firstly, in view of the fact that the three parties of the Social Democrats, Liberals and Democrats were fairly equal in strength and that it was considered likely that future elections might produce similar results, I pointed out the necessity, for advancing the future smooth transfer of power in similar circumstances, of laying down a rule or creating a precedent according to which the party which is numerically superior to any other even by the smallest margin assumes the reins of government.

In default of such a rule, I feared, room might be left for resort to no end of sordid bargainings and crafty maneuverings on the part of the parties whose strengths happen to be fairly matched and which are equally eager to step into power and the development of such a contingency would keep the political world in utter chaos in the meantime.

Political Necessity

As a natural corollary, I secondly, urged that the premiership of the new Cabinet should go to the Leader of the Social Democratic Party. I knew that the Social Democratic Party would find it hard to live up to the points of view and the basic policies it had been in the habit of proclaiming at other times. If I insisted on the creation of a Social Democratic Cabinet, therefore, it was by no means because I supported the views and policies habitually proclaimed by the Party. It was a foregone conclusion that a Social Democratic Cabinet would do no better than its immediate predecessor and that the public would become disillusioned in consequence. Yet, I held that it would never do for the Social Democratic Party, shrewedly foreseeing such a development, deliberately to shun the leadership of a new Cabinet and content itself with contributing a few Ministers concerned with economic administration, so that it might be able to fight the next election with a comparatively unsmirched reputation. It was necessary for the sake of fair politics that the beggest party should display the spirit of self-sacrifice in coming forward manfully to assume power, even with its eyes wide open to the tactical disadvantages of such a course. Thirdly I stressed the point that a new Social Democratic Cabinet should not allow itself to be swayed too much by ideological and theoretical considerations in framing its policies, suggesting at the same time that it should make it a rule to adopt, from a broader humanitarian point of view, such measures as would bring big concrete results.

Attitude Reprehensible

It seems that Mr. Katayama, the Prime Minister of the present Cabinet, and his colleagues close to him are adopting an attitude, just and proper, in administering the affairs of the State, but the general behavior of the Social Democratic Party as a whole does not seem to be altogether correct. The none too convincing excuse it offers in an attempt to justify itself against the public complaint that it played tricks on the voters only ends by making its attitude doubly reprehensible.

The idea obsessing the Japanese leaders that to end the China Affair inconclusively would be an act at once to wrong the memory of the hundreds of thousands of those killed in war and to provoke the ire of the nation was the main cause for protracting the conflict which was both senseless and harmful not for Japan herself only but for the world at large. With a view to maintaining their dictatorship, the militarists attempted "reforms." Then, in order to avoid public censure that they had inveigled the nation into the China Affair, they put a bold face on the matter and, blaming third Powers for obstructing Japan in her conduct of the conflict with China—the conflict of which the Japanese populace had inwardly been weary particularly because of the dubiousness of the cause of their country—they recklessly plunged the nation into the Pacific War.

The case of the Social Democratic Party and that of the Pacific War cannot, of course, be mentioned in the same breath; they are altogether different in nature. But so far as underlying mentality is concerned, there is some similarity between the two.

(To Be Continued)

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A Political Survey

RECENT BILLS AND MEASURES CANNOT CURE NATION'S ILLS

Boosted by Proponents But Their Effect Falls Far Short of Intended Mark

By HIROO SASSA

II

Various important bills were laid before the session of the Diet just closed and here I propose to make some comment both on the character of these bills and on the manner of their treatment, though I shall refrain from any detailed description of their contents.

The Establishment of the Labor Ministry

Very few people take exception to the establishment of the Labor Ministry, but there are many who oppose the provision of the bill which empowers the Government to decide, without consulting the Diet, important matters with direct bearings on the interests of the working classes such as the establishment of bureaus and sections. Much opposition in this regard prevails not only in the House of Councillors which amended it but among the members of the other House. Although it is the Government that issues the necessary decrees in this connection, it is the officials of the Government offices concerned that previously fix the details of these decrees. Such a stipulation implying a disregad of the Diet, the corner-stone of democracy, is certainly ill-adapted to restrain bureaucracy from its evil practices. The working classes hail the establishment of the Labor Ministry, but they are positively averse to any attempt made to retain bureaucratic rule.

Increase of Government Monopoly Prices

Though this is not a matter of legislation, there have been frequent increases of late in the prices of monopoly goods and in the charges of government services. Such a course on the part of the Government is beyond our comprehension. No end can possibly be put to inflation in this way; it certainly tends to aggravate inflation the more. Higher prices and charges fixed for Monopoly goods and for Government services naturally whet a rise in the prices of all commodities. If the Government means to adhere to the policy of pegging down the salary and wage levels, consistency demands that it should scrupulously refrain from any step tending to force up prices. Article 3 of the Finance Law stipulates that prices and charges in Government enterprises shall be fixed either by law or in accordance with the decisions of the Diet. This provision, if put into effect, debars the Government offices concerned from fixing such prices and charges arbitrarily, but under the rules supplementary to this Law, the date of the enforcement of this and some other articles is left to be separately fixed by Government order. And no date has since been fixed for their enforcement.

The Political Parties Law

With regard to the Political Parties Bill, it is too early to give definite verdict on its merits, as it is considered probable that its contents will be somewhat modified through amendments. In any case, the bill aims at defining the qualifications of a political party on the basis of what Japanese political parties generally are at present, denying the party status to political organizations which do not fall within this framework. By its very nature, however, a political party is an entity which can neither be called into being nor be improved by law. Its sound development depends on the healthy growth of the nation's discerning power. Democratic government thrives or declines according as the nation's discernment is developed or not. Even of the present legislators it cannot be said that they have been indiscriminately chosen from among the candidates of the parties, worthy and unworthy. It must be admitted that they are, on the whole, well chosen.

Regulation Futile

Another point deserving of careful consideration is that, transitional as the present period is, it is pregnant with turns and changes, and it would be futile to try to regulate all possible changes by a law enacted in advance. Highly diversified are the classes of people that live in this country today. There are repatriates and war-stricken people, and there is a mushroom growth of the people of the new yen class. We have also good-fibered middle-class people who are struggling to maintain undebased their intellectual and moral standards. There are then the medium and small commercial and industrial class of people who are making desperate efforts to rehabilitate their shattered fortunes. Nor can we make light of the existence of the farming class whose interests are in sharp conflict with those of the urban people.

Although I do not think it desirable for these multifarious classes of people to have separate political parties devoted to their respective interests, I am afraid that no good political party will come into being if the circumstances naturally emerging from such social phases of the vanquished country are left out of consideration. I think the nation can secure what is really good and true only when it has become sufficiently awakened politically after going through a succession of deceptions and disappointments in its political life. In a word, I believe the development of good sense in the nation is essential to good democratic government.

Law Uncalled For

Thus, both from the essential nature of a political party and from considerations of the stage of political development Japan is now in, it must be concluded that the promulgation of such a law is uncalled for. In Japanese party politics, the tendency is more marked for the political parties to become gradually merged into two or three major ones, as in America and England, than for them to carry on separate and rival existence in small groups, as in European continental countries. Consequently, if left to themselves, the Japanese political parties will gradually be banded together into two or three big parties, as order is restored in society and economic security returns to the country.

In my opinion, such a tendency will grow marked in a few days. In Japanese politics, it actually happened that a big party called the Progessives became converted overnight into a new party called the Democrats with little change in the membership constituting it. Such being the case, there is no warrant for legislation with regard to political parties. Nor is the time opportune for such a step. Worse still, there is even a danger of the nation's good understanding of democracy being thwarted thereby.

The National Control of the Coal Mines

Lastly, concerning the plan for the national control of the coal mines, it is doubtful whether increased coal production will result from its execution. For, it will necessitate the construction of new government offices, to begin with, and a large number of government officials and civilians will have to be collected for the transaction of the new business of control. Under the cirmustances, it will probably be several months before the business is put into working order. The lag of time thus involved will, no doubt, operate to produce adverse effects on production. Secondly, because of the establishment of local offices and from other causes there will be an increase of several billion yen in administrative expenditure. Thirdly, bureaucratic leadership which will certainly result, despite nominal official profession of regard for the views of civilian experts in the conduct of business, will, as in the case of state railways and other government undertakings, redound to business inefficiency and vacillation in business policy, with the result that the original object of increasing production will be defeated.

This verdict is based on a cool judgment of all related factors, free from wishful thinking. To reap good results, any enterprise must, of course, be managed efficiently but the efficiency of Japanese bureaucrats is so low that it is difficult to believe that under their management the plan will

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be carried out exactly as it is mapped out. Altogether, there is no warrant for optimism as to the results of the execution of the plan.

To sum up, although it must be admitted that democratic trends are discernible in these measures, there is no sufficient conviction and sincerity put into them. Fine slogans and high-flown phrases are used in profusion in an attempt to boost these measures, but the actuality falls far short of the mark. Japan in her present dire distress may be likened to an invalid in a critical condition. What such an invalid most urgently requires is the injection of grape-sugar or camphor. It would be absurd to lecture to him on physiology. In its statement of policy the Social Democratic Party is too fond of making use of slogans and fine phrases eulogistic of socialistic policy. It is like a physician who lectures to an invalid requiring immediate medical attention on the subject of physiology.

I have no intention to quarrel with the principle of placing coal mining and other industries of great public importance under state control, but I cannot approve of too rigid an application of theoretical formulae in coping with the problems of Japan, which may be likened to an invalid in a critical condition. Through coalescent of the Social Democratic, the Democratic and the Cooperative Parties, the present Cabinet is led by the first-mentioned party, and it is regrettable to note that this leading party neglects a scientific analysis of the political situation confronting the country, fails to form a correct synthetic judgment of affairs and is apt to indulge in too much theorizing.

(To Be Concluded)

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A Political Survey

BASIC PRINCIPLE OF POLITICS MUST AIM TO SAVE HUMANITY

Future National Policy Can No Longer Be Developed By Any Particular Theoretical System

By HIROO SASSA

III

The trade fund created some time ago let some light of hope into the darkened economic atmosphere of the country while the release of large quantities of imported food markedly eased the food crisis. But for these welcome steps taken by the occupation forces, a very grave crisis would surely have overtaken the country in the period of July and August. That Japanese economy was then on the brink of collapse is obvious for the following five reasons: First, the Government itself was contributing to the aggravation of inflation by its action of greatly raising the Monopoly prices and charges in State enterprises. Second, there were increasing signs of the spontaneous growth of a widespread labor demand for higher wages. Third, the movement was being pushed clandestinely by disruption elements to exploit.this growing labor discontent for the attainment of destructive political ends by precipitating something akin to a general strike. Fourth, in view of the approach of the season of the year when the food shortage is felt most disastrously, with the popular sense of alarm and uneasiness rapidly mounting in the meantime, it was feared that the outbreak of large-scale labor troubles would greatly accelerate the country's economic collapse. Fifth, it was believed certain that there would be a general decline in production as the result of soaring prices and increasing labor demands for higher wages.

Collapse Was Likely

There was thus every likelihood of a rapid aggravation of inflation, the collapse of economy and mass starvation overtaking the country soon. Indeed, we had been watching with intense anxiety the situation which was growing daily more critical when, to our great relief, those welcome announcements were made by SCAP regarding food and trade. The creation of the trade fund and the release of imported food saved Japan from the impending collapse of her political and economic order, but they cannot be efficacious enough to restore the "invalid in a critical contion" to complete health. If, there, the Japanese Government and people should fancy themselves out of the woods, relax in their efforts and engage in needless political strife, things will deteriorate again, compelling them to ask another big favor of SCAP before the conclusion of the peace treaty. When the country is "in a critical condition," it would be madness to indulge in useless political squabbles. Can the grave situation confronting the country be eased at all by political wrankles like the one recently arising out of the Hirano case? It is well for Prime Minister Katayama to try to have a deeper insight into the circumstances surrounding the country and shape his course more judiciously.

Must Understand Situation

It is of prime importance that the Japanese people should thoroughly understand the position in which their country is placed internationally. Unless they acquire a way of thinking based on the truth of the situation, which they should accept frankly and dispassionately, they cannot hope to shape their attitude correctly. Above all, they must have the fact indelibly stamped on their minds, ideologically, philosophically and religiously, that their country is and will remain disarmed completely and that it has definitely renounced war. It is not enough to conceive so mentally, for men have the weakness to revert to their old way of thinking once they find it to their interest to do so.

The position in which Japan is placed is entirely different from where Germany stood after World War I. For Japan rearmament is a matter of absolute impossibility. Even if an arch-Machiavellian might appear and sneakingly arm Japan with heavy artillery, machine guns or the like, such arms would hardly count as weapons of war in these days of atomic bombs, though they may not be without their uses in civil disturbances.

Japan's renunciation of war stands in black and white in the new Constitution. This constitutional provision seems to be provoking some unfavorable comment from a section of both rightist and leftist elements on the ground that the declaration is unilateral. But such criticism is absolutely uncalled for. Grave apprehension is now entertained over the prospect of the extinction of mankind and the ruin of civilization. How to preclude such a shocking contingency is the central subject of the twentieth century which ought to claim the closest attention of all.

Different From Other Eras

The late lamented H. G. Wells was greatly exercised over the matter. And so are Anthony Eden, Ernest Bevin and other British and American statemen and thinkers. In his "One World," Wendell Wilkie offers a sensible suggestion as to how to avert the feared catastrophe. Emery Reeves propounds a tentative plan in the same direction in his "Anatomy of Peace." This crucial problem of the twentieth century cannot be solved by any of the methods evolved in the past for tackling the major problems of different ages. We live in an age different from the age when there developed capitalism which, while designed to advance individual gains, served to increase the national wealth and promote the welfare of mankind to some extent.

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This age is also characteristically different from the age when industrial capital witnessed a rapid growth and unfair distribution of profits between capital and labor was the cause of greatest concern to the public, calling forth the Marxian theory postulating class strife. Nor is it like the age posterior to the Renaissance when racialism prevailed and the formation of states based thereupon meant the progress of the world. The Japanese have a painful memory of the very high price which they paid for their adherence to Nazism devoted to nationalism.

Class War Suicidal

What would be the result if the Japanese people indulged in strifes of various forms in their present ruinous situation. It would certainly be fatal for them to engage in class war claiming a larger share in profits at the present time when production is only restored to 20 per cent of the prewar figure and practically no industrial profits are realized. The work of reconstruction would then be hindered and production would decline further, with the result that the nation would be brought much nearer to ruin. The only way for the working people to safeguard their livelihood and contribute to national salvation is to stand staunchly for the Production—Assiduity First principle and act loyally upon it. Marxism endorsing class war can never work for the reconstruction of Japan.

Bad For Masses

Equally disastrous would be the consequence of allowing wanton pursuit of individual profits and free competition. Such a course may benefit the so-called new yen class of people, but it will render the livelihood of the masses impossible. Capitalism of this conventional type would never do for a country of Japan's low production and poor resources.

Nor is it necessary to say that exclusive and self-righteous nationalism does not apply in an age like the present when the development of all means of transport, land, sea and air, is bringing the world very closely together and when, economically too, the world is being made one unit.

In short, it is too obvious that none of the above-mentioned three theories which were feasible in some earlier periods of modern times is applicable to the present age or to this country. These theories are very crude compared with natural science which has attained a very high degree of development. They are a few score years behind natural science. Class, profit and race are, no doubt, actual in that each forms a human motive, but to treat each of them as though it were all-embracing in itself betrays a biased view of things. A theory comprehensive enough to be able to cope adequately with the fateful problem of this century confronting the world must be based on the full and harmonious play of all the attributes of man.

Time was when each of the theories referred to fit in with the needs of the day, but none of them meet the needs of the present day by itself. It is true that there exists the problem of individual profits, but a theory based exclusively on the furtherance of individual profits hardly suffice. Class problem we have too, but it is no longer the main issue. The same thing may be said of the racial problem. In my opinion, the solution of the problems besetting Japan may profitably be sought along the following lines: Capitalism cannot be adopted as the sole and absolute means of solution, but its principle must nevertheless be upheld in regard to the importation of raw materials, the export of manufactures, the fixing of the exchange rate and other matters required for maintaining the economic life of the nation.

The theory of class war must be emphatically rejected because, in view both of the scarcity of productive materials and the poor state of production and of the international status of the country, its adoption will prove ruinous to the State and the race. But socialistic policy on cooperative and mutual aid lines must be carried out extensively, as otherwise the masses will be exposed to starvation. Nor can nationalism be adopted as the sole basic theory for the reconstruction of the country. But it must be the racial sentiment and spirit which can revitalize national morals now deplorably degraded—not a racial sentiment which is self-righteous and exclusive but one of high humanitarian value.

Final Objective

For the successful reconstruction of Japan, a theory of such a complex form will have to be put into practice, and it must have for its final objective the saving of mankind and civilization from destruction—a matter of deep concern common to all nations of the world.

Renunciation of war to which Japan is pledged under Article 9 of the new Constitution, which means absolute pacifism, must constitute at once the very foundation on which Japan should be reconstructed and the ideal for which the whole world should strive. National policy can no longer be developed out of any one particular theoretical system transcending time and space. A political principle of high quality which is based on the historical actuality of the present age and which bears directly on the problem of saving mankind must be the fundamental principle of Japanese politics.

(The End)

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NIPPON TIMES

PRESS COMMENTS

Thursday, December 25

GOV'T'S PREPAREDNESS ABOVE ALL

MAINICHI—The Government is said to have decided at the Cabinet meeting of December 23 on taking up administrative personnel readjustments and administrative structural reforms but it remains to be seen how far it is determined to carry them out. If it is merely thinking of glossing over the existing difficulties by some such show of effort, then they will only bring on useless friction and confusion. If the Government is in real earnest, it must secure the full support of all the three Government parties.

According to the reported scheme for administrative personnel readjustments framed by the Administrative Research Department, some 20 per cent of the present civil service personnel is to be stricken off the list in the 1948-49 budget. The Government must now undertake a large-scale unemployment relief program in order to care for the officials thus to be thrown out of work and industrial and commercial personnel being rendered jobless under the industrial readjustment plan. Unless such constructive measures are designed, all the Government undertakings will end in mere cheer-leading.

As for administrative structual reforms, the problem is manifold. The most noteworthy point is the structural reforms to be carried out in regard to the various Ministries. The railways and communications are to be placed on independent accounting systems and their personnel made independent of the general civil service. These measures are to be endorsed from the standpoint of increased efficiency and rationalization of enterprise.

Readjustments in the local system are also called for. An erroneous interpretation of the public election system for prefectural governors and too narrow a concept of prefectural economy are matters which should be remedied in the light of past experience. They should be studied from the standpoint of an overall administrative policy. The crux of the matter is to establish thorough contact between the central and local governments and to rationalize and render more efficient the administrative system as a whole. At every turn, however, officials are likely to counter-attack for their own self-preservation and the Government authorities would do well to put its shoulders to the task with full preparedness.

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'Underground' or 'Hidden Government'

There seems to be a contradiction between Prime Minister Katayama's denial of the existence of a political "underground" and various SCAP officials' warnings of a "hidden government" in Japan. Actually, however, there is no contradiction, for they are talking about two quite different things. If they were to define clearly just what they respectively mean by an "underground organization" and by a "hidden government," it is most probable that there would be found to be a complete unanimity of view.

What confusion there may have arisen in the mind of the Japanese public anent this matter was probably the sensational treatment given by some news agencies concerning the nature of the so-called "hidden government," aggravated by the misleading translation of these dispatches into Japanese. Receiving the impression that they were being accused of harboring a secret reactionary political organization made up to a large extent of embittered former army and navy officers and dedicated to the purpose of thwarting the Allied Occupation, the Japanese people were naturally incredulous but disturbed. But apparently that is not what was meant.

Prime Minister Katayama is perfectly right when he denies the existence of such an "underground organization" possessing an avowed reactionary political motive. And the overwhelming majority of the Japanese people agree with him in this denial. Of course there are a considerable number of reactionary individuals still alive in Japan, but they have been so discredited, they have been so confounded and demoralized, and they are being so carefully watched that there is virtually no chance of their engaging in any illegitimate organized activity. The overwhelming majority of the Japanese people are now so thoroughly committed to democracy and the democratic forces in the nation are now so potentially powerful that they would make it impossible for any reactionary political "underground" to survive.

But, at the same time, it must be recognized that the SCAP officials are equally correct in their warnings about the existence of a "hidden government." The exact nature of this "hidden government" needs to be exposed. It is not a "government" in the sense that it possesses a clear political purpose. It is not specifically organized to restore ultra-nationalistic ideals in direct opposition to the Allied Occupation's policies. It does not have a consciously formulated ideology.

But there undoubtedly is in existence a formidable "machine" made up of racketeers who are secretly tied up with certain politicians. Its sole interest is in graft, and it has no principles or ideologies except those of sheer expediency to extend its graft. But in its quest for more and more graft, this "machine" does not hesitate to corrupt politicians and to strive for political power. Although at its lower levels it may resort to intimidation and strong-arm tactics, at its higher levels it usually relies much more on the subtler methods of financial corruption and patronage.

Such an underworld "machine" may not be consciously pitted against the Occupation forces, but by undermining the effectiveness of an honest democratic government upholding the rights of all the people, it nonetheless does threaten the basic objects of the Occupation. Such a "machine" is not peculiar to Japan, for it does not differ in its essential characteristics and techniques from comparable systems often found in other countries. But whereas in other countries the influence of such grafting rings are usually confined to municipal or state politics, in Japan the system is entrenched from local neighborhoods clear up to the highest levels in national politics.

The great danger lies in the fact that the public does not clearly realize the extent of the unholy alliance between criminal racketeers and certain supposedly respectable political elements, primarily because they are such familiar figures who have come to be taken for granted. The SCAP officials are perfectly right in warning the Japanese people of the threat to democracy which lies in the existence of this system of corrupt politics, for the seriousness of this threat cannot be exaggerated. The desire of the Japanese people for democracy, no matmatter how sincere, can bring little result as long as they do not realize that dishonesty and corruption are utterly incompatible with the practice of democracy. For democracy is not a matter of ideology and intention alone, but is even more a matter of practical action in operating an honest and efficient government which truly represents the interests of all the people.

It would be unfortunate if the attention of the public should be diverted to the sensational myth of a cloak-and-dagger "underground" when their attention should really be directed to the practical work of cleaning out the very prosaic and sordid "punks" and ward-heelers and their bosses who are such familiar figures in the political and business life of this country. In this respect, it should be possible to discern no discrepancy between Prime Minister Katayama's denial of an "underground" and the SCAP officials' warning of a "hidden government."

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401

CABINET TO ADOPT STRONGER POLICY AGAINST WORKERS

Will Avoid Recurrence of Recent Dispute Tactics of Gov't. Employes

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A strong stand is expected to be taken by the Government in its relationship with labor as a result of Wednesday's Cabinet meeting where State Ministers agreed that the present "lenient" attitude should be replaced by stronger measures.

Welfare Minister Sadayoshi Hitotsumatsu opined that the Government should control its workers more strictly in the future to avoid recurrence of the recent dispute tactics employed by the communications and railway workers. All State Ministers concurred with this opinion.

The Katayama Cabinet, meeting daily in a whirlwind effort to iron out all outstanding differences among the three Government parties, decided to discuss the labor policy today as the second of the six major subjects on the Cabinet agenda before the year's end. Labor Minister Mitsusuke Yonekubo is scheduled to introduce concrete proposals for a clear-cut labor policy.

The administrative reform program was presented at Tuesday's session by State Minister Takao Saito. At Wednesday's meeting, Cabinet Ministers made suggestions in the drafting of the basic plan which will be prepared in time for today's session. Following the adoption of the basic plan, each Ministry will map out its own proposals.

Will Discuss Projects

Other major projects to be discussed by the Cabinet Ministers include a long-term economic plan wage system, and price structure, which will be presented by Director-General Hiroo Wada of the Economic Stabiiization Board, and the tax reform plan, which Finance Minister Takeo Kurusu will introduce on December 28, the last day of the daily cabinet meetings.

Observers opined that the question of adjusting the four-party policy agreement will follow the deliberations on the above six items, which must be considered preliminary steps to the compilation of next year's budget.

A Cabinet spokesman indicated that the Cabinet would tackle the budget problem after conferring with budget experts of the three Government parties in a joint session.

Other informed sources said in this connection that the controversial issue of the four-party policy accord would be circumvented in effect by placing main emphasis on Cabinet agreements while deliberating the preliminary conditions.

They added that it was "possible" that the Cabinet decisions reached in the course of its discussions in the coming week might go beyond the prescribed scope of the four-party policy agreement.

¥500 Billion Budget

Observers, meanwhile, predicted that expenditures for the 1948-49 fiscal year may top ¥500 billion. The Finance Ministry is now receiving estimated outlays from the various Ministries and is expected to arrive at a rough figure by the year's end.

Revenues, on the other hand, are estimated at not more than ¥260 billion, they said.

Finance Minister Kurusu in this connection said that the Government will not attempt to frame the budget on a quarterly scale, but will strive to plan a bill that will cover the entire fiscal year.

He admitted that it is likely the formulation of the budget will be delayed.

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The Need of Administrative Reorganization

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No one doubts the necessity to reorganize the present administrative set-up. No one, with the exception of office holders, argues the need to slash administrative personnel. The steps now being taken by the Katayama Cabinet are therefore welcomed by the vast majority of the people.

But the question still remains whether the Government will actually carry out drastic measures to trim the present sprawling bureaucratic system whose overlapping functions and gigantic payroll constitute a tremendous burden upon the people. This doubt persists because previous Administrations have attempted similar measures but with little success. The deeply entrenched influence of the bureaucracy and the power of political expediency have persistently and successfully undermined all moves in this direction.

It is nevertheless gratifying that the Katayama Cabinet is tackling the issue with doubtless sincerity. Sincerity alone, however, will not be enough. With it must go a firm determination to see the project through to the finish.

The administrative reform program presented to the Cabinet recently by State Minister Saito calls for a twenty per cent cut in personnel and an over-all streamlining of the administrative system. Viewed in its entirety the program, however, is mild. But perhaps its very mildness augurs well for its success this time.

The twenty per cent cut in personnel may seem drastic, but what it actually amounts to is a twenty per cent slash in the budgetary allowance for each Ministry. The actual number of employes on the Government payroll is in reality about twenty per cent less than the personnel provided for in the budget. Thus it can be seen that a twenty per cent cut will have little effect upon the Government workers. Mr. Saito in revealing his draft plan made this point very clear, probably to ward off strong criticism from the powerful Government workers. And he was quick to add that the amount of money presumedly lopped off the budget will be alloted to the Government employes in the form of higher wages. Actually, the twenty per cent personnel cut will have little effect upon Government economy in the budget and even less effect upon the Government workers.

A greater hope for economy and efficiency in the Government, however, lies in the reorganization of the present administrative system. A part of the program has been already carried out as seen in the decisions to abolish the Home Ministry and to dissolve the Justice Ministry. Draft plans, moreover, are being formulated for the complete reorganization of the Education Ministry. But it is to be hoped that the streamlining of the present cumbersome and overlapping administrative set-up be carried out thoroughly so that all unnecessary Government agencies will be judiciously and courageously abolished. Dissolution of an office will be meaningless if it results merely in a change of titles.

No Ministry will be willing to curb its functions voluntarily, but it is a well-known fact that many Government offices have little reason for continued existence. These must be abolished. It is also well-known that the influx of Government agencies into the prefectures has brought about a situation whereby many of the functions of the local and central administrations parallel each other and overlap. This situation must be remedied.

If carried out sincerely, the program of reorganizing the administrative system should throw numerous office holders out of jobs. In all fairness to them, a far-reaching unemployment policy must of course be instituted. If this is not done, the existence of a large body of disgruntled officials thrown out of their posts may create a social problem of the first magnitude. As a more positive step, large scale public works projects should also be undertaken in order to absorb the unemployed.

In the final analysis, the Government has a tremendous task ahead of it, if the administrative reform is to be carried out properly. As mild as they are, the steps now being taken must, on the whole, be commended as measures pointing in the right direction. But it is to be earnestly hoped that the Government will not be lacking in courage to execute the program with the proper determination and enthusiasm. Unless it is able to handle its own problem of reorganizing its structure and cutting personnel, the Government cannot demand industry, as it is doing now, to take similar steps.

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ITEM 4-1 Problem of Administrative Readjustment - Seiji - 3 Dec 47. Translator: B. Ishibashi. (GBS)

Full Translation:

The Government has made clear that it will carry out an administrative readjustment. In compiling the budget for the 1948 fiscal

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ITEM 4 (Continued)

year, the Government will adopt a drastic retrenchment policy as concerns personnel expenses so that the people's burden may be lightened. For this purpose, the Government is aiming to effect an administrative readjustment along with reforms in the administrative structure. It is considered that such government action will hurry the readjustment of private enterpises since it will be taking the initiative itself, thereby also serving to strengthen the people's will to bear hardships.

Apart from the government's intentions, the fact cannot be ignored that various obstacles lie in the way of an administrative readjustment. For instance, this country built up a democratic political system under the new Constitution but it has not succeeded in reducing the administrative business of the Government. Rather, administrative business is on the increase because of the present urgent situation. Furthermore, of the total amount of the general accounts budget, about 70 percent is earmarked for uses other than personnel expenses and cannot possibly be reduced. The ratio of personnel expenses to the total budget is only five percent. Therefore, a reduction in personnel expenses, while serving no good purpose for lightening the people's burden, will cause labor problems to occur as a matter of course. To prevent this, a large-scale public works program must be undertaken. However, this is extremely difficult due to shortages in funds and materials. Such being the case, if the Government tries to effect an administrative readjustment, it must be firmly determined to cope politically with the possible results.

This determination is a prime prerequisite for the enforcement of administrative readjustment. Without such determination, the projected reorganization may end in being just a negative and perfunctory step. To prevent this there must be a strong political power based on the support of the entire people. With this fact in mind, I will examine the problem of administrative readjustment in technical terms.

This is not the first time an administrative readjustment is to be carried out in this country. All such steps have been forced by the necessity for reducing the budget, and other considerations have been slightened. An ideal administrative structure, aimed at in the former administrative readjustments, could not possibly be realized. As a result, a 10 or 20 percent decrease of employees was effected throughout the ministries indiscriminately and the actual amount and degree of urgency of administrative business handled by the various ministries was disregarded. Such a situation clearly indicated the absence of an established and rational policy for reorganization of administration. In some cases, employees were re-appointed on a part-time basis soon after their dismissal, thereby nullifying the aim of reducing expenses. There even existed such cases where new employees were appointed on the day following their dismissal.

Administrative readjustment enforced by the Tojo Cabinet in the midst of the war can be said to have produced results. The reduction ratio for Imperial Appointees, employees appointed with Imperial approval, junior officials and other employees was set respectively at 30 percent in the central government offices, 20 percent in the local government offices and 10 percent in operational departments. In other words, a personnel reduction in the Imperial appointee class of officials in each ministry had the effect of readjusting the bureau headed by him. Through this formula, an effective reduction in the various ministries' organizational structures could be enforced. This is an example in which a method different from an indiscriminate decrease of personnel attained the objective of simplifying the administrative system. However, behind the success of this plan were the dictatorial political power of the Tojo Cabinet and the availability of other channels of employment for the readjusted personnel. The

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ITEM 4 (Continued)

projected administrative readjustment is not provided with such conditions.

Administrative readjustment must not be enforced solely for the purpose of reducing the budget. It must be considered as an integral part of the program for a rational reorganization of the administrative system. Therefore, after a close examination of the numerous businesses of the present government offices, a clear line should be drawn between the functions which will be very important in our future dministration and those whose necessity be reduced in the future. Furthermore, in both of the two types of businesses, a personnel readjustment policy must be pursued from the viewpoint of increasing administrative efficiency in each government office. It follows that a serious and scientific consideration must be given to the fundamental problem of what steps should be taken to establish a rational administrative system. (By SATO, Ko, an official on the Board of Legislation and a lecturer at Tokyo University.)

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ITEM 10 Destroy Nondemocratic Forces - Provincial Paper: 26 Nov 47.
Translator: T. Naruse. (DD)

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Summary:

According to a recent Reuter report, an underground government now exists in JAPAN and it threatens to destroy every effort of the Allies to democratize JAPAN. The report added that the hidden government has been organized by former Japanese naval and army officers who deny surrender of JAPAN.

On the other hand, the YOMIURI SHIMBUN, on 22 Nov, reported that SCAP authorities have been working on the problem of learning the identity of the hidden government since 12 Sep 47, and have finally succeeded in uncovering this so-called secret government. The secret government reportedly has great influence over people in all walks of life and is exploiting the lower classes by conspiring with the political bosses. Furthermore, according to the YOMIURI, the underground organization, that is nondemocratic forces in JAPAN, is trying to preserve old JAPAN and to prevent democratic reforms by utilizing the system of boss and henchmen relationship which is considered to be an outgrowth of the Japanese family system.

Chief Cabinet Secretary NISHIO, denying the existence of an underground government, declared, "Although it is conceivable that former army and naval officers are dissatisfied with the present political unrest, their dissatisfaction is no menace to the Government and JAPAN's democratization, and even the groups of gangsters have no political influence". According to this paper, dated 22 Nov, however, the SCAP authorities stated: "JAPAN's revolutionary forces are trying to nullify various reforms carried out by the Occupation Forces. Their organization may safely be said to be a secret government. Unless their camp is destroyed before the peace treaty is signed, they will try to get the reins of government." This statement contain something which deserves our due consideration.

First, we must take into consideration various antisocial groups organized in the postwar confusion. Among them are those of petty ruffians, gamblers and deliquent youths. In addition, there are many dubious characters among groups of construction contractors as well as cultural and political organizations. These groups only pursue their own interests by disregarding the welfare of the public, and for this end utilize their militant systems resorting to violence and violation of laws and regulations. Moreover, purgees still display their political influence through their cronies who act in their behalf and conspire with these antisocial organizations.

On the other hand, although the Japanese military system was dissolved with the surrender, no one will be able to believe that the system had completely been destroyed in a day. Furthermore, it is certain that JAPAN no longer has any standing troops, but we cannot believe that every thread of connection among the ex-servicemen fostered under a long military tradition had been completely cut off.

Another matter to be noted is the Communist Party's organization and its social and political activities. We do not regard the Communist Party in the same light with such antisocial groups as mentioned above. However, we can find many common features between the two. Democratic reforms now taking place in JAPAN will place these groups treacherous ex-servicemen and the Communist Party at a disadvantage. It is only natural that democracy leaves no room for compromise with these special groups. If they have powerful organizations and conduct underground movements to wreck every effort made by the Occupation Forces in democratizing JAPAN, it is incumbent on us to do our best to stamp out their activities.

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ITEM 11 Eliminate Undemocratic Elements (by Kiyonobu,Shigeru) - Provincial Paper: Tokai Yukan (Gifu) - 29 Nov 47. Translator: I. Kunike. (DD)

491.

Summary:

We Japanese were surprised by a foreign dispatch which reported that there is a hidden government in JAPAN. Although we do not know definitely what is meant by the "hidden government", we assume that it is any powerful organization which opposes the present democratic form of government. In the military trial for SEKINE, Ken, head of the Sekine Gumi and the biggest boss in the KANTO District, the chief prosecutor argued that gangsters have organized gamblers, contractors, and street-vendors through intimidation and violence. The hidden government may mean these powerful gangster organizations. It appears that these outlaws have been legally elected to the national and local assemblies.

Of course, we cannot underestimate the power of these special groups. We know that they have a voice in the Government and are oppressing the public, but we do not expect that they will become powerful enough to overthrow the present democratic government, for as our country becomes further democratized,the political power, he would have appointed HIRANO's successor immediately after his dismissal. If the appointment of the succeeding minister had been carried out immediately, the solution of the problem would have been much easier. Since the present Cabinet is a coalition, it is only natural that the one month's delay has further complicated the problem.

If the appointment of the new Agriculture Minister was delayed for fear that it would further complicate the coal mine control issue, we cannot overlook the Government's responsibility for employing the important personnel problem of the Cabinet as a political tool. The handling of the State Coal Control Bill and the appointment of the Agriculture Minister bear no relationship. to one another. If the problem was utilized as a political tool in complete disregard of this indisputable fact, we cannot but conclude that the tactics of present-day politicians are now better than those of the politicians in the past. It is only natural that the Government has fallen into the present plight due to its clumsy tactics.

The problem of the appointment of a new Agriculture Minister has been seriously complicated due to the uncompromising conflict between the left and middle factions of the Socialist Party and the People's Co-operative Party and the strong opposition of the Democratic Party to a Socialist candidate. This issue may cause the disintegration of the coalition of the government parties and the explosion of the internal conflict of the Socialist Party, The vulnerability of the coalition and the respective internal strike of the Socialist, Democratic, and Peoples Co-operative Parties have been clearly exposed by this issue. However, we must note that these conflicts are confined to the Cabinet and the government parties. We cannot permit the cabinet and party leaders' inability to solve these internal issues to hamper national administration. It seems that the Government is attempting to postpone the appointment of a new Agriculture Minister until the end of the present Diet session. We firmly oppose such a leisurely policy.

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ITEM 14 Working Masses Must Overthrow Underground Movement - Akahata - 30 Nov 47. Translator: F. Ota. (DD)

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Full Translation:

A foreign correspondent, on 19 Nov, created a sensation by a report that a reactionary underground movement exists in JAPAN. The Communist Party has, for a long time, been warning against such activities of antirevolutionary elements.

The most remarkable point of this report is that the movement is so systematic. It stated, "Those who have control of JAPAN are involved," and, "People all the way from boot-blacks to cabinet ministers are taking part in the movement, including farmers, politicians, fishermen, gangsters, geishas, construction contractors, judges, and murderers. Blood pledges are taken to establish life-long relations as master and follower."

As revealed by the words that money squeezed from the lower classes is given to various political parties and bosses and that bosses are provided with strong-arm men and even assassins when necessary, the network of their funds is strongly tinged with crimes. At the same time, brute force is often mobilized.

Illegal transactions of hidden goods, systematic and unsystematic robberies and thefts, terror acts by tough gangs against labor disputes and other progressive movements by working people ---- whether all these are related with the policy of this "movement," is not certain, but too many things occur which remind us of this fact. However, more important is the fact that the Japanese Government remains idle and that a certain person close to Premier KATAYAMA said that Japanese leaders want the Occupation Forces to remain in JAPAN even after the Peace Treaty is signed. If that is the case, the present cabinet has confessed its incapability to deal with them by itself. This powerless cabinet is responsible for such a movement.

As is shown by the report, they do not recognize the defeat. They are either mental defectives who do not acknowledge that their conduct is that of those who are defeated, or too obstinate to acknowledge the fact even if they are aware of the truth. The working people must destroy their plot with democratically systematized reasoning.

ITEM 11 Important State Enterprises May Be Placed Under Independent Management - Shin Hochi - 1 Dec 47. Translator: T. Fukizawa. (DD)

461

Full Translation:

The Government is planning to reorganize such existing important State enterprises as transportation, communications and monopolies by separating them from the direct management of the Government and establishing public boards similar to the existing public corporations. For this purpose the Government is at present collecting the opinions of the Administrative Affairs Investigation Department of the Cabinet and the ministries concerned to study a new system of operating these Government enterprises.

According to the plan the Communication and Transportation Ministries will be combined into a Ministry of Traffic (tentative name) to direct and superintend the matters under the jurisdiction of these two ministeries. Each of the established public boards will have a control committee which will exercise supreme authority over the operation of the boards. All employees of these boards will be subject to the National Public Servants Law. The Transportation and Communication Ministries and the Monopoly Bureau each have individual accounts on the national budget; with the first two having especially large deficit accounts. According to the Supplementary Budget Bill now under discussion by the Diet, 7,500,000,000 yen (5,000,000,000 yen for Transportation; 2,500,000,000 yen for Communication) has to be transferred to them from the general accounts. It is believed that the new plan is based upon the policy of enabling these enterprises to operate under their own independent management.

The question of combining these ministries should be considered as affecting all government problems in general. In view of the importance of the matter this problem will require serious study and investigation before its realization. Considerable time will be needed for the plan to materialize.

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ITEM 7 Construction Board To Be Made Up of Six Bureaus - Asahi - 3 Dec 47. Translator: M. Ota. (DD)

~~404~~ 401

Full Translation:

With the dissolution of the Home Ministry, the Reconstruction Board is to be established, and the Government introduced the Reconstruction Board Establishment Bill to the National Assembly on the first. According to this bill, the Board is to consist of six bureaus, besides the Secretariat. They are the General Affairs Bureau, the Water Works Administration Bureau, the Land Administration Bureau, the Municipal Bureau, the Building Bureau, and the Special Construction Bureau (concerns work done for the Occupation Forces). Under the jurisdiction of the Premier, the Board is to be in charge of the various plans to be drawn up for national domain and the local and urban districts and of river, roads, sand control, engineering, construction, and building and repair works of buildings whose expenses are paid out of the National Treasury. In addition to these bureaus, the Technical Laboratory is to be established within the Board. The laboratory is to start operating on Jan 48 at which time it will make a study of the engineering and construction works and of city planning and also train technicians.

As to the controversial post of the Director of the Reconstruction Board, the Government bill stipulates that "the post may be filled by a State Minister ....," as was provided in the original bill. This stipulation can be interpreted to mean the Director does not necessarily have to be a State Minister. However, the feeling is strong within both Houses of the National Assembly that the Director should be chosen from among the State Ministers.

ITEM 1 Extreme Rightists and Leftists are Public Enemies - Provincial Paper: Daily Tohoku (Hachinohe) - 24 Nov 47. Translator: M. Chno. (GBS)

~~400~~ 401

Summary:

According to a foreign dispatch, SCAP announced that it had uncovered a powerful "hidden government." Upon being questioned by a Reuter correspondent, the Japanese Government confirmed SCAP's announcement. A government official also stated that this "hidden government" was organized by the demobilized army and navy officers. However, after close investigations, SCAP authorities stated that this underground is an extension of the Japanese family system. The influence of the "hidden government" extends vertically from the people to high ranking government officials. They said that they have learned enough to know that the anti-democratic forces of JAPAN have utilized this feudalistic system of control to preserve "old JAPAN" and prevent democratic changes. The Japanese people were astonished upon hearing such unexpected news.

The "hidden government" is an organization based on blood pledges and includes street stall vendors, farmers, politicians, fishermen, gangsters, geisha, construction contractors, judges, murderers, and street girls. We heartily desire that the true character of the secret organization be uncovered in the near future, but we fear that such underground forces will exert an evil influence upon the signing of the peace treaty. We condemn potential rightist forces which threaten to wreck in a day the results of the sincere efforts of JAPAN towards democratization during the past two years. We will always be brave and sincere in co-operating with SCAP authorities to eliminate these elements. The Japanese people will willingly sacrifice their lives for the establishment of a bright, democratic JAPAN.

We, at the same time, hate the extreme leftists. The extreme conservatives can be comparatively easily eliminated if we can grasp their true character. However, it is very difficult to destroy the extreme leftists who have a systematic organization. Taking advantage of the chaotic conditions since the defeat, the radicals have firmly entrenched themselves in the minds of the people. They are utilizing the innocent people for the establishment of a communistic dictatorship. Both the extreme rightists and the extreme leftists are hampering the democratization of JAPAN. A peaceful JAPAN can only be established through democratization which can be realized only when both the extremes are eliminated.

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ITEM 8 Hidden Government in Japan - Provincial Paper: Nipponkai Shimbun (Tottori) - 24 Nov 47. Translator: T. Unayama. (GBS)

Full Translation:

A foreign despatch reported that a "hidden government" now exists in JAPAN. This is alarming news, but even though an underground movement of reactionary influences has been instituted and a treacherous secret society has been organized by former military and naval officers, as long as the democratic organizations of working people are vigorous, it never can be a matter of great concern.

On the other hand, according to a despatch from NANKING, the Ho-ping-Daily News, the official organ of the Koumintang Government, in an article of 18 November argued that the conservative influence in JAPAN is carrying out a policy to hinder the democratization of the country through a split in the Katayama Cabinet. The paper also stated that the conservative influences, for instance the Yoshida faction, will possibly rise to power in the near future, because dreams of imperialism in JAPAN are still being nurtured. The shameful political conflict around the Coal Mine State Control Bill is indeed an apt example of "the split policy."

When we think over the two reports mentioned above, we foresee the possibility of the reactionary and conservative influences coming into power. It is, therefore, high time that our working people organize a vigorous campaign against Fascism. Exactly what does "the progress of the split policy" within labor unions and farmers' unions mean? Is there any relation between the fascistic Socialists and the reactionary conservatives who are under the cloak of the "anti-communist movement"?

These are the very subjects to be seriously examined by the organizations of our working people. The Socialist Party is not conscientious enough about the problems concerning the principles of democracy, and, on the other hand, it is very nervous about the cries of "the new conservative party." This attitude of the Socialists will hinder the democratic and progressive activities of our working people. The Socialists have really forgotten to go along the line of the "socialistic policy." They have entirely lost sight of the evil effect of "the split policy" which was painfully experienced by our working people before and during the war.

We do not mean that the Socialists are not "pro-communists," but that they should cultivate a critical attitude toward all fascistic tendencies. Concerning the hidden government, a person close to Premier KATAYAMA stated that he did not wish for the evacuation of the Allied Armed Forces from JAPAN, even after the conclusion of the peace treaty. We firmly believe, however, that the Socialists should, first of all, give up their conciliatory attitude toward all fascistic tendencies.

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ITEM 7 Government May Denounce Four Party Agreement - Tokyo Shimbun & Jiji Shimpo - 1 Dec 47. Translator: H. Akutsu. (DD)

401

Full Translation:

The Government has found itself confronted by the necessity to re-examine the four party agreement entered into at the time the present cabinet was being formed and which constitutes the base of its economic policies. The necessity was first voiced on 17 Nov, at the first of a series of meetings between the Government and the political affairs investigation committees of the government parties for the purpose of strengthening their political power over that shown during the deliberation of the Coal Mines State Control Bill.

The Government simultaneously is planning to hold a three party chiefs conference in view of the pressing necessity to solve important problems including the refilling of the posts of the Agriculture and Forestry Minister and a state minister and the appeals to the Central Labor Board for mediation by the Communication Ministry Workers Union and the Government and Public Office Workers Union.

The problems of administrative adjustment, adjustment of industrial enterprises, unemployment attendant with those adjustments and the policy making for 1948 fiscal year budget campilation are claiming the attention of the Government. In the light of meeting these problems the ESB suggested that the Government re-examine the four party agreement and decide either to renounce or to revise it. The government parties were said to be inclined to accept the suggestion.

The factors which are making the ESB suggestion acceptable for the government parties may be summed up as follows:

Another Four Party Agreement Necessary

1. The Government is bound to carry out positively its four basic economic policies.

2. The four party agreement, formed at the formation of the Katayama Cabinet, was designed to meet immediate needs and was, therefore, somewhat negative. For drawing up a long range economic recovery program, another agreement between the government parties to positively push permanent plans is felt necessary.

3. The Government's 1947 fiscal year budget was compiled after the pattern set by former Finance Minister ISHIBASHI. The 1948 fiscal year budget must fully reflect the character of the Katayama Cabinet and muat be a powerful evidence of the harmony between the budget and future programs. Accordingly, efforts must be made to take in the policies of the Socialist Party as much as possible.

4. To meet the necessity of compiling an additional budget for the 1947 fiscal year and of improving the wages of the government and public office workers, the imposition of additional taxes on the new yen class is inevitable.

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ITEM 7 (Continued)

5. The methods of levying taxes on profits in new yen has been ineffective. Though the necessity to absorb as much tax as possible from the "new yen" class is known, it cannot be achieved due to the restrictions in the four party agreement.

6. The four party agreement actually became meaningless after the Liberal's announcement in August of its opposition to the Government.

7. The Socialist Party on 27 Nov advised the Government to accept the CIC mediation plan in regard to Communications Workers wage hike appeal. The party suggested readjustment of the taxation system and tax imposition on "new yen" profits.

The intensity of the liaison between the government parties in its effort to face the delicate political situation after the passage of the Coal Mines State Control Bill is being watches with much interest.

Meanwhile, the JIJI SHIMPO in its 1 Dec issue predicted that in the third of a series of conferences between the Government and political investigation committees of the government parties scheduled for 2 Dec, the four party agreement and the problem of the suspension of interests on war bonds would be reconsidered. The article in part said:

The Political Affairs Investigation Committee of the Socialist Party has shown its determination to suspend payment of war bond interests in the next fiscal year. The loss which banking organs will sustain through the suspension of war bond interests can well be offset by stopping interest payment on frozen deposits, the committee believes. Thus, the money accruing from the suspension of the war bond interest payment, estimated at 3,400,000,000 yen can be used for expansion of the tax collection system. The committee also has a plan for the imposition of property tax for the second time as a means to increase the national revenues.

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ITEM 13 The Boss-dominated Japanese Politics - Jimmin - 2 Dec 47.
Translator: W. Hayashi. (GBS)

401

Summary:

Mr HANDLEMAN, of the International News Service, reported on 27 November in the Nippon Times that according to investigations made by SCAP sections, the boss system of control is deeply rooted in every field in JAPAN.

The influence of the bosses is hampering the democratization of JAPAN. Important materials are being blackmarketed by these bosses, and Japanese economy is being greatly disturbed. Furthermore, their affiliation with political parties and the bureaucrats is corrupting JAPAN's politics. Even the most democratic labor unions are sometimes converted into satellitic organizations of the capitalists or the Government due to the boss influence, and consequently, their democratic management is seriously hampered. advantage of the boss influences in various fields. Thus, the democratic new Diet, which should represent the free will of the people, was spoiled by these bosses, and the present political confusion was incurred.

What we cannot overlook is the fact that all of these bosses are the supporters of the emperor system, and their principle is based upon the exploitation of the people. All of them are affiliated with the conservative political parties. They sometimes make alliances with the remnants of Fascistic elements, and adhere to aggressive militarism. This indicates a close relationship to the new conservative political party now being proposed by the Liberal Party. Although the Liberals claim that the masses will support the new party, it is obvious that what they are aiming at is an alliance with the influential bosses, regardless of what the policy of the new party may be or however skillfully it may be disguised. Therefore, the new conservative party will eventually play the role of hindering the democratization of JAPAN in collaboration with the powerful bosses.

For the democratization of JAPAN, we must strive to destroy this boss system at all cost. Only the development of democratic labor unions and other popular democratic organizations, and a thorough democratic education can destroy this menace.

ITEM 7 Eradication of Anti-revolutionary Forces - Provincial Paper: Miyako Shimbun (Kyoto) - 27 Nov 47. Translator: W. Hayashi. (GBS)

401

Summary:

A foreign dispatch reported the existence of an "underground government" in JAPAN which is attempting to destroy all the democratic reforms realized by the Allied Powers. This has also been confirmed by responsible SCAP authorities. The news was indeed startling, and requires our earnest caution.

It can easily be imagined that there may be many anti-revolutionary elements among the Japanese people who are dissatisfied with the democratic revolutions instigated by the Occupation, the most radical element being composed of former professional army and naval officers. We cannot deny the possibility that those who experienced long military careers cannot understand the democratic reforms now under way, and are apt to form reactionary organizations [illegible] however, it is undeniable that the present political and economic unstability will enable the emergence of such secret organizations. The nation has been disarmed in form, but whether each individual has been disarmed mentally is very doubtful. Furthermore, there may be only a few who can understand the real meaning of Chapter II of the new Constitution. Should we allow the concentration of anti-revolutionary forces at this juncture, the reconstruction of the nation would become forever impossible.

Aside from the authenticity of the foreign report, we must pay attention to the fact that the difficulties of democratizing the natioh gave rise to such a report. Since it is an existing fact that the Diet is in substance an arena of violence today, how can we question the authenticity of the news? All the people must caution themselves, keep vigilant watch over anti-revolutionary speeches and activities, and strive to exterminate them.

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ITEM 13 (Continued)

Thus, it can be said that the democratization of JAPAN is suffering from the presence of these bosses.

The excessive influence of the bosses was demonstrated in the last general elections. They wielded their dreadful power in the first historic democratic elections in JAPAN. The votes in the farming communities were easily collected by them, and even in such large cities as TOKYO and OSAKA where the citizens are most advanced in democratic training, many candidates were successful by taking advantage of the boss influences in various fields. Thus, the democratic new Diet, which should represent the free will of the people, was spoiled by these bosses, and the present political confusion was incurred.

What we cannot overlook is the fact that all of these bosses are the supporters of the emperor system, and their principle is based upon the exploitation of the people. All of them are affiliated with the conservative political parties. They sometimes make alliances with the remnants of Fascistic elements, and adhere to aggressive militarism. This indicates a close relationship to the new conservative political party now being proposed by the Liberal Party. Although the Liberals claim that the masses will support the new party, it is obvious that what they are aiming at is an alliance with the influential bosses, regardless of what the policy of the new party may be or however skillfully it may be disguised. Therefore, the new conservative party will eventually play the role of hindering the democratization of JAPAN in collaboration with the powerful bosses.

For the democratization of JAPAN, we must strive to destroy this boss system at all cost. Only the development of democratic labor unions and other popular democratic organizations, and a thorough democratic education can destroy this menace.

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as a result of dissatisfaction and unrest. They are not mere gangs. Many of them are intellectuals and some of them are occupying posts as presidents or directors of the newly-born firms by virtue of embezzled army goods. Therefore, it must be noted that they are maintaining a certain influence in society.

As Chief Cabinet Secretary NISHIO declared, we were not aware of the existence of the reported facts within the country and hoped that the report was a mistake. Regrettably however, it is undeniable that the present political and economic unstability will enable the emergence of such secret organizations. The nation has been disarmed in form, but whether each individual has been disarmed mentally is very doubtful. Furthermore, there may be only a few who can understand the real meaning of Chapter II of the new Constitution. Should we allow the concentration of anti-revolutionary forces at this juncture, the reconstruction of the nation would become forever impossible.

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ITEM 12 Rumors of Secret Government - Provincial Paper: Ise Shimbun (Tsu) - 26 Nov 47. Translator: I. Hotta. (GBS)

Summary:

A recent foreign dispatch reported that in JAPAN there is a secret government formed by ex-army and navy officers. In answer to this news, State Minister NISHIO stated that the Japanese Government is not aware of the existence of such a secret government. Although we can believe that there are some ex-army and navy officers who are unsatisfied with the recent unstable politics, they would not be an important menace to the Government or Japanese democracy. Even if such an organization really exists, it is nothing but a small, powerless group which cannot have much influence on politics.

However, we must now consider the following two points. First, why was such a rumor started? It must be a result of the present political instability, but we cannot deny that militaristic and Fascistic elements which still survive in our country permit the undemocratic actions of some former military officers. Therefore, a vigorous democratic enlightenment movement must be carried out to suppress militarism and Fascism. The second problem is the national and international effect of the rumor. The story may cause those who are discontented with the present political situation and those who do not recognize the hard fact of the defeat to place their hopes on this secret government. The rumor's evil effect will be particularly great on the youth. The rumor also delays JAPAN's recovery of international trust.

Considered in this light, even a small group cannot be permitted to exist since it will hinder the construction of a democratic JAPAN. We need not be excessively worried by the rumor since this small secret group has negligible political influence. However, we must recognize that the blackmarket, vicious crimes, large quantities of hoarded goods, corruption of government officials, and the spread of eroticism do serious harm to Japanese politics, economy, society and culture and hamper the democratic reconstruction of our country. All these factors should be watched more carefully than the secret government which is being rumored to exist. We must now consider the complete elimination of these obstacles.

ITEM 11 Underground Organization Should Not Be Allowed in Japan - Seiji - 2 Dec 47. Translator: S. Sano. (RL)

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Full Translation:

Underground organizations in the past meant the Communist Party. However, at present when the Communist Party is legally recognized, it is not difficult to imagine what is meant by underground organizations, and if they really exist, undoubtedly the underground organizations are those of the ultra-rightists and ultra-nationalists, who are dissatisfied with present conditions in JAPAN, which is being changed into a democratic nation.

If relics of such an organization do actually exist, we truly have no words with which to apologize to the nations of the world. Fortunately, Premier KATAYAMA, in his address to the House of Councillors, flatly denied their existence.

It is true, of course, that JAPAN has started on the road toward democracy as a direct result of her defeat in the war. At the same time, the masses of people who have been freed from the bad dream of the war, which plunged the entire world into misery, have come to realize that democracy is an irrestible major world trend. If anyone thinks he can revive ultra-nationalism through violence and other illegal methods, he is nothing but an utter fool who is attempting to turn back the wheels of history.

The assurance that there are no underground organizations at present is no guarantee that no such organizations will exist in the future. It is necessary to eradicate the hot-beds of this foolish dissatisfaction by thoroughly sweeping away all relics of feudalism and militarism. With the recognization that this sweep will not reach far enough politically, economically, and socially, the government, together with the people, must make additional new efforts for this purpose.