DECLASSIFIED E.O. 12356 SEC. 3(E) AND 3(B) OR (E) NNDG # 775 012

HONDA DENIES FURTHER GOVERNMENT REDUCTIONS:

State Minister Ichiro Honda yesterday denied that when he referred recently to a "rationalization" of the administration of government he meant a second series of personnel reductions, KYODO reports. By "rationalization" he meant a simplification of public service organizations and economy in expenditures, he said.

INDUSTRIAL WAGES IN ARREARS AMOUNT TO ¥455 MILLION:

The Labor Ministry yesterday announced that payment of wages and salaries in arrears during the first half of July amounted to ¥455 million, involving 673 cases, according to KYODO.

COMMUNICATIONS WORKERS LOCAL DISBANDS:

The 115 members of the Sabae local of the National Communications Workers Union on Wednesday decided to disband, KYODO reports. Their local was dissolved because (1) they agreed that the union movement had become a struggle between the Communist and anti-Communist Reconstruction League leaders, and (2) the union had lost its significance since issuance of the MPA regulation which banned political activities by public service workers.

TOKYO-OSAKA EXPRESS SHOWS PROFIT:

KYODO reports that the special express train "Hoiwa" during the 13 days of its operation ending 27 September yielded net profits amounting to ¥10 million, proving an "unexpectedly profitable source of income" to the National Railway Corporation.

"LION" COMPANIES SUSPECTED OF TAX EVASION AMOUNTING TO ¥100 MILLION:

The Tax Administration Board yesterday revealed that a thorough check would be made into the Lion Tooth Powder Company in Nihonbashi and the Lion Fat and Oil Company in Edogawa ward, suspected of having evaded corporation, income, commodity and transaction taxes amounting to ¥100 million during 1948, according to KYODO.

DECLASSIFIED PER PUBLIC LAW 95-6(E) AND 5(D) OR (E) NNDA # 775 012

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FINANCE MINISTRY SUBMITS BUDGET RECOMMENDATIONS TO THE CABINET:

KYODO NEWS reports that Finance Minister Hayato Ikeda stamped his final approval late Tuesday night on the Budget Bureau's rough draft of the 1950-51 fiscal year budget and the supplementary revisions to the current year's fiscal budget. The Cabinet yesterday afternoon discussed the proposed budget outlines submitted by the Finance Minister for the Cabinet's approval. The outstanding features of the Finance Ministry's budget outline for the next fiscal year are as follows:

1 - ¥102 billion for public work appropriations; about twice the amount for the previous fiscal year.

2 - ¥82.5 billion for price adjustment subsidies.

3 - ¥50.6 billion for debt retirements.

4 - ¥5 billion for the revived reserve fund system.

5 - Subsidies to Government corporations will be minimized.

6 - Tax revenue will be ¥104 billion less than in the current fiscal year's budget, or ¥45 billion lower than estimated by the Shoup Tax Mission.

7 - Abolition of the Civil Merchant Marine Committee.

Meanwhile, the Democratic Liberal Party yesterday approved the budget plans formulated by its Budget Deliberative Special Committee. The Democratic Liberals in their supplementary budget plan wish to place emphasis on natural disaster rehabilitation and unemployment appropriations. They also desire a ¥2 billion appropriation for school buildings already under construction. Their 1950-51 fiscal year budget draft calls for a ¥100 billion public enterprise appropriation and the abolishment of the transaction tax.

SOCIALISTS REJECT LABOR FARMER PROPOSAL:

KYODO NEWS reports that the Social Democratic Party has rejected the Labor Farmer Party's proposal for a joint struggle among the opposition parties to overthrow the Yoshida Cabinet. This decision was delivered to the Labor Farmer Party following a meeting between the two parties yesterday afternoon. The Socialist rejection was based upon opposition to Communist participation in the movement. However, the Social Democratic Party expressed willingness to cooperate with the Labor Farmerites in bringing about an early special Diet Session and in other activities outside of the Diet.

GENERAL WHITNEY

SOCIALISTS WILL WITHDRAW ANTI-MASS VIOLENCE BILL:

KYODO NEWS reports that Socialist Chairman Asanum Ito of the House of Councillors Judicial Affairs Committee has decided against submitting an anti-mass violence bill to the forthcoming special Diet Session. Ito's announcement came yesterday following a conference with Socialist members of the Judicial Affairs Committees of both houses of the Diet and Chairman Shoichi Miyake of the party's Diet policy committee. The Social Democratic legislators feared that the contemplated law would be abused by the Yoshida administration.

APPLICATIONS FOR LOANS FROM U. S. AID COUNTERPART FUND INCREASING:

Sources close to the Finance Ministry disclosed this morning that 42 applications had been received from private industry for loans from the U. S. Aid Counterpart Fund. According to KYODO, these applications total ¥10,700 million.

GOVERNMENT SEEKS PARTICIPATION IN THE INTERNATIONAL WHEAT AGREEMENT:

The Government yesterday formally asked GHQ, SCAP, for permission to participate in the International Wheat Agreement. According to KYODO, the amount of wheat to be imported has been fixed at 1,200,000 tons per year.

MAYOR OF KOBE PASSES AWAY:

The JIJI PRESS reports that Mayor Kenkichi Kodera of Kobe passed away Tuesday night. The 73 year old mayor had been suffering from kidney trouble.

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ONO DISCUSSES HIROKAWA ISSUE:

Banboku Ono, Democratic Liberal party adviser, yesterday told the press that a decision as to whether Kozen Hirokawa will continue as party secretary-general, as well as the election of other party officials, should be decided at the party convention expected to be held prior to convocation of the special Diet session, KYODO reports.

Ono denied that he was at "odds" with Hirokawa but was "merely acting in accordance with the wishes of a majority of party members" in his efforts to oust Hirokawa from his post. He said further that it was problematical whether a party convention would approve Hirokawa's remaining in his post even if Prime Minister Yoshida desired him to stay.

COALITION DEMOCRATS AGREE TO SUPPORT GOVERNMENT:

The coalition faction of the Democratic party, at a meeting of members of both houses of the Diet, yesterday agreed that frequent liaison meetings with leaders of the Government party were necessary in order to unify policies of the two parties as they pertain to the special Diet session scheduled to convene on 25 October, JIJI PRESS reports.

ANTI-COALITION DEMOCRATS ACCUSE INUKAI OF "INSINCERITY":

Leaders of the anti-coalition faction of the Democratic party, who yesterday listened to a report by Chairman Giso Tomabechi on his meeting with Ken Inukai, president of the pro-coalition Democrats, agreed that Inukai "lacked sincerity" as regards the unification issue and that they would "not work with" him in his efforts to unify the party, according to JIJI PRESS. The conferees agreed that they, without dealing with Inukai, should call on Democrats throughout the nation to "rally to the cause" of a unified Democratic party.

A meeting will be held tomorrow, according to the report, to decide on unification campaign policies.

FIVE ADDITIONAL CONCERNS TO RECEIVE LOANS FROM COUNTERPART FUND:

Finance Minister Hayato Ikeda, according to KYODO, yesterday said that four private and one prefectural business concerns in the near future will be authorized loans from the U.S. Counterpart Fund. They are: Mitsubishi Gosei (chemical), ¥35 million; Iino Kaiun (shipping), ¥219 million; Nagasaki Kogyo (mining), ¥21 million; Yutani Kogyo (mining), ¥42 million; and the Miyazaki Power Plant, operated by the Miyazaki prefectural government, ¥155 million.

HIROSHIMA AND NAGASAKI RECONSTRUCTION PLANS DRAFTED:

A tentative 5-year plan calling for an expenditure of ¥20,160,000,000 for reconstruction of Hiroshima and Nagasaki as peace and cultural centers has been formulated for presentation to the special Diet session, JIJI PRESS reports.

DEMOCRATIC LIBERALS TO PROPOSE PUBLIC WORKS BUDGET:

KYODO reports that the budget deliberative committee of the Democratic Liberal party is expected to decide today on a proposal that approximately ¥100 billion be appropriated for public works in the budget for the 1950-51 fiscal year.

According to the account by JIJI PRESS the committee meeting reaffirmed its policy (1) to realize a tax reduction from the budget for the next fiscal year and to place emphasis in the supplementary budget on natural disaster prevention and disaster relief measures, and unemployment relief; (2) to continue subsidies during the current fiscal year to fish-net manufacturers; (3) to abolish the transactions tax from the budget for the next fiscal year; and (4) to maintain the 6-3-3 educational system.

ABOLITION OF AGRARIAN REFORM ORGANIZATIONS OPPOSED:

Masami Shima, chief of the National Federation of Farmland Reform Committees, in a representation to the Finance and Agriculture and Forestry Ministries yesterday, declared that the proposed abolition of organizations concerned with agricultural land readjustment was counter to Occupation policy which aimed at democratization of rural areas, according to KYODO.

According to the report the Government proposes during the coming fiscal year to abolish the agricultural land sections of various prefectural governments, the agricultural land committees of various cities, towns and villages, and the Small Holder Creation Special Law.

SHIPMENTS TO HONGKONG SUSPENDED:

The Ministry of International Trade and Industry yesterday announced that shipments to Hongkong will be suspended until further notice, JIJI PRESS report

EXPRESS UNION SECEDES FROM NCIO:

According to MAINICHI the All Japan Express Workers Union, by a majority of 254 to 93, last night (2000 hours) voted to secede from the leftist National Congress of Industrial Organizations. This was the third time since June of last year that the issue had been presented for consideration, according to the paper. MAINICHI recalled also that a similar proposal at the Kotchira, Shikoku convention in April of this year resulted in 103 delegates walking out of the meeting.

MAINICHI said further that the effects of the resolution of the express workers was expected to have great influence on the general labor front, and in particular on the projected formation of a new NCIO.

RAILWAY WORKERS UNION TO EXTEND SUPPORT TO "SYMPATHIZING" DIET MEMBERS:

The National Railway Workers Union, in a statement issued yesterday following a meeting of the central executive committee, assailed the recent statement of Chief Cabinet Secretary Kaneshichi Masuda in which he rejected the union's demand for a new wage base of ¥9,700 as "improper", JIJI PRESS reports.

The union statement declared that it was "improper" for the Government to express its view regarding the wage issue when the wage dispute was being reviewed by the Central State Railway Mediation Committee.

The Union meanwhile decided to ask all Democratization League-led unions to extend their support to Diet members who are "sympathetic" toward the policies of the unions at the special Diet session. (One of the major policies of the railway union calls for repeal of the Table of Personnel Strength Organization Act.) Accordingly, union representatives will call upon the Democratization League (Minde) factions of the Federated Council of Government and Municipal Employees Unions to form with the railway union a "national congress for struggle in the Diet", and will solicit the support of Minde factions of the Japan Teachers Union, the Printers Union, the National Communications Workers Union and other labor groups, as well as lend their support to organization of a similar "congress" by the National Congress of Industrial Organizations and the National Federation of Labor.

NEW WHALING CONCERN TO BE ESTABLISHED:

A new concern, tentatively named "Kinki Whaling Company", capitalized at ¥35,000,000, will be established early in December with a main office in Tokyo and branch offices in Miyagi, Wakayama, and Iwate prefectures, and Hokkaido, JIJI PRESS reports.

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YOSHIDA AND INUKAI HOLD STRATEGY MEETING

Kyodo News reports that Prime Minister Shigeru YOSHIDA returned to Tokyo yesterday from Gotemba. He had been absent from the capital since 11 September. The JIJI PRESS reported that the Premier played host yesterday afternoon at a dinner party held at the Foreign Minister's official residence in honor of some thirty American correspondents. The newspapermen had arrived in Tokyo on Sunday aboard the Pan American Stratocruiser, "Southern Cross".

Prior to this social engagement YOSHIDA conversed for some two hours with President Ken INUKAI of the coalition Democrats. According to KYODO, YOSHIDA stressed the further strengthening of relations between the Democratic Liberal Party and the coalition Democrats prior to the opening of the special Diet session scheduled for 25 October. The two leaders, however, apparantly did not delve into a discussion of the conservative merger issue. It was also reported that they had reached some degree of agreement on election policies for the next House of Councillors election. INUKAI reported to the Premier on his recent meeting with Giso TOKUGICHI regarding the reunification of the Democratic Party.

Following the conference INUKAI revealed to the press that the Political Affairs Research Committees of the Democratic Liberal Party and his faction of the Democratic Party would cooperate on such problems as the rice coupon system and the decontrol of sweet potatoes. He also announced that the secretary generals of the two parties would jointly formulate campaign policy and select candidates for the House of Councillors election. In addition, the two parties will conduct their provincial stumping tours in conjunction with one another.

DLP STIPULATES CANDIDATE REQUIREMENTS FOR HOUSE OF COUNCILLORS ELECTION

Democratic Liberal Party Members of the House of Counsillors yesterday agreed upon a method for choosing their candidates in the next Upper House election. According to KYODO, all incumbent candidates will be given unconditional recognition by the party. The Democratic Liberal Party has thirty-two councillors whose term of office will expire next year. Meanwhile, new candidates will not be recognized by the party until they have been approved by the party's House of Councillors Election Policy Committee and party headquarters.

DEMOCRATS WILL SUPPORT REVISIONS IN THE HOUSE OF COUNCILLORS ELECTION LAW

Democratic Party Members of the House of Councillors yesterday agreed to extend their work on party unification. KYODO News also reports that the Democratic councillors will support in principle the proposed revision of the House of Councillors Election Law as agreed upon by the Election Law Revision Committee. However, the Democrats will seek minor amendments to the committee's drafted plan.

GEN WHITNEY
ATSF

FINANCE MINISTRY EXPECTS TO COMPLETE BUDGET STUDIES BY 29 SEPTEMBER

KYODO News reports that the Finance Ministry on Sunday began studies on the Finance Bureau's budget drafts. The Ministry hopes to complete these studies in time to present a general budget outline to the Cabinet on 29 September. It is expected that the Cabinet will begin its study on that day with respect to the next fiscal year's budget and the supplementary revision to this year's budget.

Meanwhile, Chief Cabinet Secretary Kaneshichi MASUDA told the press yesterday that the Cabinet intends to set aside between ¥70 and ¥80 billion for public works in next year's budget. He opinined that this appropriation was possible if economy could be achieved in other spendings. MASUDA's announcement reflected the Prime Minister's desire to see greater appropriations diverted to flood control and natural disaster prevention measures.

EXPRESS WORKERS CONVENTION FEATURED BY EXPULSION REQUEST

The second-day session of the National Express Workers' Union national convention was featured by a motion to expell a correspondent from the National Congress of Industrial Unions on the grounds that the NCIU was regarded as extreme leftist. According to KYODO, the motion was, however, rejected. The correspondent was cautioned to practice "self restraint".

The Democratization League faction of the union was credited with a victory over the left wing element in the opening day session when they defeated the leftist contention that this national convention was a continuation of last April's disrupted conference and that the old Board of Chairmen should conduct the convention. As a result Noboru TAHARA (Neutral) was elected convention chairman, and two Democratization Leaguers took over the posts of vice chairman.

RAILWAY WORKERS RECEIVE COOPERATION FROM OTHER UNIONS

Representatives of five unions yesterday made demands upon Prime Minister Shigeru YOSHIDA, Labor Minister Masabumi SUZUKI, and President Kiyoshi ASAI of the National Personnel Authority that the railway workers be granted a wage basis of ¥9,700. (KYODO News release)

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FINANCE MINISTRY AND DEMOCRATIC LIBERAL PARTY IN DISCORD OVER BUDGET

KYODO reports that there is some difference in opinion between the Finance Ministry and the Democratic Liberal Party over next year's fiscal budget. The Finance Ministry hopes to limit the General Account budget to ¥580 billion by abolishing the transactions tax. The Democratic Liberal Party, on the other hand, is working to increase public works expenditures to ¥110 billion by delaying the abolition of the transactions tax for one year. In short, the Finance Ministry is emphasizing tax reductions while the Democratic Liberals are seeking greater appropriations for the prevention of natural disasters.

EMPLOYERS ASSOCIATION IS SEEKING A SOLUTION TO UNEMPLOYMENT

The Japan Employers Association is expected to submit to the Government in the near future recommendations for developing capital goods industries as a solution to the unemployment problem. According to KYODO, the Association feels that increasing unemployment is being caused by a decline in purchasing demand. The development of capital goods industries is felt by the Association to be the answer to this deflationary trend. The Association also is of the opinion that existing anti-monopoly laws should be modified to prevent excessive competition. The Government, it is felt, should seek the immigration of surplus labor to the backward areas of the world.

WELFARE MINISTRY RELEASES UNEMPLOYMENT FIGURES

The Welfare Ministry stated yesterday that the unemployed in Japan during August numbered 70,000. This was an increase of 10,000 over the July figure. According to JIJI PRESS, the Welfare Ministry predicted that the unemployed would total between 150,000 and 200,000 during the third and fourth periods of this year. To combat this growing unemployment problem, the Welfare Ministry has already demanded a one billion yen appropriation in the revised budget for the current fiscal year.

EXAMINATION COMMITTEE WILL EXAMINE DR. NAGAI'S QUALIFICATIONS

The House of Representatives Examination Committee is scheduled to open discussions tomorrow on whether or not Dr. Takahashi Nagai is entitled to national recognition for his scientific research. Dr. Nagai's name was first mentioned for such recognition at a committee meeting on 12 September. However, since that time, JIJI PRESS reports that considerable opposition has arisen from various quarters towards giving Nagai any such recognition. Sources close to the Examination Committee believe that considerable time will elapse before any decision is reached on this issue.

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FINANCE MINISTRY SOON TO COMPLETE DRAFT BUDGET

According to JIJI PRESS, the Finance Ministry will soon complete a skeleton budget for the 1950-51 fiscal year which will include general account expenses totalling ¥620 billion. This amount is likely to be reduced by the cabinet, however, in view of Finance Minister Hayato Ikeda's recent announcement that the total should not exceed ¥580 billion.

IKEDA SAYS LOCAL GOVERNMENT FINANCE WILL NOT BE ADVERSELY AFFECTED BY SHOUP RECOMMENDATIONS

Finance Minister Ikeda told the press in Nagoya yesterday that local government finances would not be adversely affected by enforcement of the Shoup Mission recommendations, KYODO reports. New revenue sources will more than compensate for taxes proposed for transfer away from local municipalities, he said.

Ikeda also announced that government subsidies would be cut by ¥120 billion in the budget for the next fiscal year.

ESB TO PROPOSE ABOLITION OF KODAN

KYODO reports that the Economic Stabilization Board soon will complete a draft plan for abolition next year of all public corporations (kodans), which will be submitted to the Political Affairs Research Committee of the Democratic Liberal party.

GOVERNMENT PROMISES PRUDENCE IN INSTITUTING RICE COUPON SYSTEM

The Government will be prudent about instituting the proposed rice coupon system, which would permit free sale of rice after completion of quota deliveries, Chief Cabinet Secretary Kaneshichi Masuda told the press yesterday, KYODO reports. He promised that the government would take steps to prevent an increase in the producers' rice price from seriously affecting the consumers' price. Masuda also announced that potato controls would be removed as soon as possible, on or about 10 October.

COALITION DEMOCRATS AND DEMOCRATIC LIBERALS AGREE ON DIET POLICIES

Sigeru Hori, secretary general of the Coalition Democratic group, and Kosen Hirokawa, secretary general of the Democratic Liberal party, are reported by KYODO to have reached agreement on Diet policies. The agreement primarily concerned tax revision and budget policies.

Gen. Whitney

DISSOLVED ORGANIZATIONS APPEAL TO MINDAN FOR AID

Leaders of the Korean Residents' Association (Mindan)reveal that dissolved Korean organisations have appealed for assistance, KYODO reports. They indicated willingness to accept members of dissolved organizations but only after sifting subersivies. The Association indicated also that it is seeking to recover the confiscated assets of the dissolved organizations.

200,000 GOVERNMENT WORKERS TO BE DISCHARGED

State Minister Ichiro Honda announced yesterday that the government intends discharging an additional 200,000 public service workers under a second r etrenchment program, thereby effecting a saving of ¥22 billion, KYODO reports. Honda also revealed that the government eventually will discharge about 400,000 of the existing force of 850,000 public service workers.

NATIONAL INCOME EXPECTED TO INCREASE BY SIX PERCENT

The Economic Stabilization Board estimates that national income for the 1950-51 fiscal year will total ¥3,090 billion, six per cent higher than estimated income for the current fiscal year, KYODO reports. This year's total - expected to reach ¥2,908.3 billion - is 30 per cent higher than the total of ¥2,234.2 billion for the 1948-49 fiscal year.

REPATRIATES ISSUE STATEMENT

KYODO reports that repatriates from Manchuria who debarked at Maizuru yesterday appealed to the nation for combined effort to speed the repatriation of thousands of Japanese remaining in the area controlled by the Chinese Communists, adding that a minority of their group, who supported Chinese Communist policies, had opposed issuance of the statement.

HOUSE OF REPRESENTATIVES MEMBER DIES

Torao Wakamatsu, 60, Democratic Liberal member of the House of Representatives, from the Nagasaki first election district, died yesterday following a brain hemorrage, JIJI PRESS reports.

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IKEDA ESTIMATES A ¥55 BILLION SUPPLEMENTARY BUDGET

Finance Minister Hayato Ikeda revealed yesterday in a press interview that the Government is planning to submit to the forthcoming special Diet session a ¥55 billion supplementary budget revision for the current fiscal year. This KYODO release also stated that the Finance Ministry is planning to slash taxes by ¥20 billion during the current fiscal year. Ikeda estimated that the General Account budget for the next fiscal year will be in the neighborhood of ¥580 billion. In the event national bond retirement expenses are included, Ikeda believed the General Account budget would be raised to ¥600 billion. Ikeda estimated that Government revenues will exceed expenditures by some ¥40 billion. If possible, he said, the Government has hopes of setting aside this surplus fund as a source for possible tax reductions. However, he was mindful of the fact that the Government has the obligation of retiring its national debts, and consequently at least, a portion of this fund will be appropriated for this purpose.

The JIJI PRESS reported that the Finance Minister was of the opinion that the current yen-dollar exchange rate should not be lowered. He believed that the maintenance of the current rate would not hamper Japanese trade, but would serve to stimulate and increase the buying power of Japan.

ECONOMIC STABILIZATION BOARD PLANS TO FORECAST THE NATION'S ECONOMIC PROSPECTS

KYODO reports that the Economic Restoration Planning Board of the Economic Stabilization Board is planning to prepare a document entitled "Table of Japan's Economy." This document will take the form of an outline of the nation's economic prospects for the period 1950-52. In view of the fact that various economic controls are being lifted, the proposed document will not be of a "planned economy" nature.

ONO URGES THE REPLACEMENT OF HIROKAWA

Banboku Ono, advisor to the Democratic Liberal Party, told the press yesterday he would demand the replacement of Secretary-General Kozen Hirokawa at the party's executive officers conference scheduled for the early part of October. According to KYODO, some of the Democratic Liberal Party members had requested postponement of the conference for the sake of party unity. Ono, however, emphatically stated that he was opposed to any postponement.

TANRO HAS EXTENDED ITS NATIONAL CONVENTION FOR SECOND TIME

JIJI PRESS reports that the National Federation of Coal Mine Workers Union (Tanro) has extended its national convention for the second time. The three day convention was originally scheduled to have ended on Thursday.

General Whitney

However, the left-wing and the moderate elements of the union have been unable to reach agreement on the executive committee proposals that the "Tanro" should work for the unification of Japan's labor front along lines charted by the National Trade Union Congress and that the "Tanro" should join the New World Federation of Trade Unions. The two factions, unable to reach an agreement on either Thursday or Friday, were forced to extend the convention another day. Competent observers, however, appear to be of the opinion that the convention will be adjourned without a settlement.

HEAVY RAINFALL RESULTS IN CONSIDERABLE DAMAGE

The heavy rains which have swept Japan since Thursday night have inflicted considerable damage. The National Rural Police Headquarters reported yesterday that railways, bridges, roads, homes, and crops had been damaged in the following prefectures: Nagano, Gifu, Nara, Aichi, Mie, and Fukui. Nagano City (population 95,000) suffered heavily with an estimated 4,000 homes inundated. KYODO reported that there were over 4,400 flooded homes in Aichi Prefecture. Hyogo Prefecture had 1,400 homes under water, and Mie Prefecture which experienced its heaviest rainfall in sixty years had some 520 flooded houses.

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MEMBERS OF HOUSE OF COUNCILLORS PROBABLY WILL BE ELECTED EARLY IN JUNE:

The Cabinet yesterday appeared in general agreement that the term for 3-year members of the House of Councillors should expire on 2 May, 1950, three years after enforcement of the new Constitution on 3 May, 1947, according to JIJI PRESS.

Although the election for members of the Upper House was held on 20 April 1947, the Cabinet held the view that they could not be regarded as having acquired membership in the Diet until adoption of the new Constitution. It was therefore expected, the paper stated, that the election for members of the Upper House would be held early in June.

FREIGHT RATES TO INCREASE BY 50 PER CENT:

Transportation Minister Shinzo Oya yesterday told the press that a bill providing for an 50 per cent increase in railway freight rates would be presented to the special Diet session, JIJI PRESS reports. Passenger rates, however, he said, would remain at their present level.

SOCIAL DEMOCRATS AGREE ON CAMPAIGN TO UNIFY FARMERS' FRONT:

KYODO reports that leaders of the Social Democratic party and the New Farmers party yesterday agreed on an intensive campaign to promote unification of a "farmers' front". The parties agreed further to take unified action in agricultural matters whenever possible.

The two parties will sponsor a series of meetings with representatives of other agricultural organizations, including the Japan Farmers Union and the National Farmers Union, according to the account.

SOCIAL DEMOCRATS TO INTENSIFY "DOWN WITH YOSHIDA" PROGRAM:

The Social Democratic party, in accordance with a resolution adopted at a meeting of Diet members, introduced by Inejiro Asanuma, left-wing member, will intensify its "down with the Yoshida Cabinet" program, KYODO reports.

RAILMEN'S DEMAND FOR HIGHER WAGES "IMPROPER", MASUDA SAYS:

Chief Cabinet Secretary Kanechichi Masuda yesterday told the press that the demand by the Democratization League of the National Railway Workers Union for increased wages was "improper" in view of present conditions, according to KYODO. Labor conditions would not be improved by an increase in the wage standard alone, Masuda declared, adding that "the entire situation should be viewed from a wider perspective." He urged the union to increase its understanding of "the life of austerity" necessary for adherence to the "Dodge line".

REVISION OF NPSL NOT CONTEMPLATED:

MAINICHI reports that Chief Cabinet Secretary Kaneshichi Masuda on Wednesday told the press that the Government had no intention at the present time of taking action to revise the National Public Service Law despite the reported intention of the Opposition parties to protest the regulation prohibiting political activities by public service personnel.

REVOLUTIONARY PROGRAM OF COMMUNIST PARTY UNSUCCESSFUL:

TOKYO TIMES, in a feature article translated by Tokyo News, declares that "it is an indisputable fact that the Communist party has suffered serious setbacks as a result of the Taira and Mitaka incidents and other disturbances." The paper maintains that this is "eloquently" evidenced by (1) the results of recent local elections; (2) the fact that the "public accepted as only natural and proper the restrictions against political activities of public service personnel enforced on 19 September"; and (3) the "unexpected smoothness" of enforcement of the Government's administrative retrenchment program.

While newspapers in general are prohibited inside news of the party, the paper continued, a reformist movement which has the support of Sanzo Nosaka and Shigeo Shida, members of the 9-man Central Political Bureau, is being rumored within the Communist party. A leader of this reformist movement was thought to be Shigeo Kamiyama (imprisoned about 10 years since 1929 because he refused to renounce Communism) who since the war has headed the departments of labor union, publication, and propaganda of the Communist party, and who now is head of the party's "citizen policy" of the Central Committee. Although the Tokuda-Shiga group retain leadership of the Central Political Bureau by a ratio of 7 to 2, the paper declared that "they cannot forever ignore public condemnation for recent social disturbances" and against "the crudity of their methods".

The paper concluded by saying that while the Communists apparently were endeavoring to bolster Red factions in the National Railway Workers Union, the National Communications Workers Union and other labor unions, the primary aim of their revolutionary program was reported to be the fostering of illegal labor unions.

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KATAYAMA PREDICTS GENERAL ELECTION NEXT YEAR:

Tetsu Katayama, chairman of the Social Democratic party, yesterday told the press that he believed that the Government would be forced to hold a general election next spring or summer and he expressed confidence that the Social Democratic party would win a majority at the polls, JIJI PRESS reports. Katayama, who met the reporters aboard a train to Kyoto where he is to attend a series of party rallies in the Kansai district, declared that Democratic Liberal strength in the Diet was the result of an "unnatural expansion", and that the "people will come to realize the party's inefficiency and incapability during the forthcoming sessions of the Diet." He added that the election of members of the House of Councillors next April would reveal the attitude of the people toward the Democratic Liberal party.

Although Katayama expressed himself in favor of the idea of a two-party political system, he said that such a situation must come "spontaneously" and not "artificially". Prime Minister Yoshida is trying to realize the two-party idea "artificially" through what he calls fostering the Social Democratic party, the Social Democratic chairman stated.

Katayama said he would abide by his party's two-front tactics aimed against both the conservative party and the Communist party.

DEMOCRATIC LIBERALS DISCUSS BUDGET:

The Democratic Liberal party's budget committee yesterday agreed, according to JIJI PRESS, (1) that the party should base its budget policy on the "Dodge line" and the tax reform recommendations of the Shoup Mission; (2) because Government bills formulated on the basis of the report of the Shoup Mission will not be submitted to the Diet as early as expected the party should endeavor to effect tax reductions promised to the people in the next, and not the present fiscal year; and (3) the supplementary budget, therefore, should chiefly concern typhoon damage rehabilitation expenses.

GOVERNMENT TO ABOLISH SYSTEM OF ASSIGNING TAX COLLECTION GOALS TO COLLECTORS:

Keiichiro Hirata, director of the Taxation Bureau of the Finance Ministry, yesterday told the press in Osaka that the "blue return form", as recommended by the Shoup Mission, would be applied to a portion of the tax-payers from this fiscal year to test its effectiveness, KYODO reports.

Hirata said that the Government plans to increase the number of tax investigators in order to assess accurately the incomes of tax-payers. The practice of allotting tax collection goals to taxation offices will be abolished, he said.

COUNCIL AGREES TO SET RICE PRICE AT ¥4,700:

JIJI PRESS reports that the Rice Price Council yesterday agreed to recommend to the Government that the price of rice be set at ¥4,700.

4.5 PER CENT ABSTAIN IN FARMLAND COMMITTEE ELECTION:

KYODO reports that the abstention rate in the prefectural farmland committee elections, according to returns available at 1600 hours yesterday, was 4.5 per cent. Actual voters numbered 105,030, or 95.6 per cent of the total eligible voters.

The highest voting percentage was 99.8 per cent recorded in Yamagata prefecture, followed by 99.3 per cent in Miyagi. The lowest rate was 84 per cent recorded in Okayama prefecture. Results of the voting were as follows:

Party	No. Candidates	No. Elected	Percentage
Independent	931	264	28.4
Democratic Liberal	202	58	28.7
Democratic	62	21	33.9
Social Democratic	264	86	32.6
Communist	110	2	1.8
Minor parties	64	25	39.1

STREET STALL OPERATORS PROTEST CLOSURE ORDER:

KYODO reports that approximately 300 representatives of Tokyo street stall operators yesterday met to protest against the recent order to close street stalls. Resolutions adopted at the meeting stated that the Metropolitan authorities' unilateral order to close the stalls by next spring would deprive 10,000 operators in the capital of a livelihood.

FIRST GROUP OF CHINA REPATRIATES TO REACH JAPAN TOMORROW:

The first group of 1,127 Japanese repatriates from China will arrive at Maizuru aboard the Takasago Maru at 1500 hours tomorrow, according to reports received by the Shipping Corporation, JIJI PRESS reports. Among the group are 698 civilians, including 552 women and children, 172 former soldiers, and 57 former army employees.

DEPUTY DIRECTOR OF ESB APPOINTED:

Yoneji Yamamoto, member of the Foreign Exchange Control Board, yesterday was appointed vice director-general of the Economic Stabilization Board, according to KYODO. He succeeds Shino Noda who resigned.

UPPER HOUSE MEMBER JOINS SOCIAL DEMOCRATIC PARTY:

The Social Democratic party yesterday announced that Isuke Himei, Ryokufukai member of the House of Councillors, and Eki Sone, former deputy chief cabinet secretary, had joined the party, JIJI PRESS reports. The Social Democratic party now has 42 members in the Upper House.

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JAPANESE YEN - BRITISH POUND STERLING EXCHANGE RATE LOWERED

KYODO news reports that General MacArthur announced yesterday that appropriate administrative action had been taken to revise the Pound Sterling (English)-Yen (Japanese exchange rate. At present there is no intention of changing the present Dollar (U.S.) Yen exchange rate. Calvin Verity, Acting Chief of ESS, yesterday dispatched to the Japanese Ministry of Finance a memorandum which provided that as of 0001, 19 September, transactions relating to Pound Sterling. Yen will be based upon an exchange rate of 1008 Yen to 1 Pound Sterling.

"INDUSTRIAL RATIONALIZATION DELIBERATIVE COUNCIL" UNDER CONSIDERATION

As a result of the pound devaluation, KYODO news reports that the International Trade and Industry Ministry is contemplating organizing an "Industrial Rationalization Deliberation Council." The Council will be designed to streamline Japanese industry by instituting standard production costs, standard production unit costs and modern production formulas in those industries engaged in international trade. The International Trade and Industry Ministry believes production costs must be reduced if she is to complete successfully with Britain in the world trade market. However, the present Cabinet policy is that industrial reorganization is not primarily the concern of the government.

DEMOCRATIC PARTY UNIFICATION TALKS SCHEDULED FOR THURSDAY

The proposed meeting between President Ken Inukai of the Coalition Democrats and Chairman Giro Tomabechi of the opposition Democrats scheduled for yesterday was apparently cancelled. A JIJI PRESS release states that the meeting will be held on 22 September. The Coalition faction yesterday accepted the opposition faction's proposal for unification talks. Secretary General Shigeru Hori of the coalition faction stated that cooperation between the two factions is possible providing Tomabechi expresses intentions of cooperating with the Yoshida Cabinet.

TANREN AGREES TO DISBAND

The JIJI PRESS reports that the Federation of Coal Mine Workers Unions (TANREN) with a membership of 220,000 has decided to disband itself in the interest of streamlining the organizational structure of the National Federation of Coal Mine Workers (TANRO) of which it is an integral member.

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This decision was reached at meetings held on Sunday and Monday. The executive staff of the TANREN proposed that the TANRO refuse to join either the World Federation of Trade Union or the World Free Labor Confederation.

BLACKMARKET ARREST MADE BY TAKAMATSU POLICE

KYODO news reports that Kiyoshi Hashimoto, Managing Director of the Central Transportation Company of Takamatsu City, has been arrested by the police of Takamatsu on charges of having jointly blackmarketed automobile tires with Diet member Shigeyoshi Fukuda. Fukuda was arrested on the same blackmarket charge some time ago by the Tokyo Metropolitan Police.

CABINET APPROVE CRIMINAL COMPENSATION BILL

The Cabinet yesterday approved a Criminal Compensation bill for presentation to the forthcoming special Diet session. The bill if enacted will replace the present Criminal Compensation Law of 1932. The proposed bill will expand the scope of the present law and will increase minimum compensation payments. The bill as it is presently written will be retroactive to 3 May 1947.

The Cabinet was informed by the Finance Ministry that the completed drafts of the current fiscal year's supplementary budget and the next fiscal year's budget will be completed by 26 September. The Cabinet also heard a report from Director General Takayoshi Aoki of the Economic Stabilization Board on the rice price problem. Aoki recommended a rice price of ¥4,220 to ¥4,230 per "koku". The Rice Price Deliberative Council, meanwhile, is expected to adopt the recommendations of its subcommittee who favored a price of ¥4,700 per "koku".

BANK OF JAPAN WILL PURCHASE NATIONAL BONDS

The Bank of Japan has decided to purchase ¥11 billion worth of national bonds from commercial banks during September and October. A JIJI PRESS breakdown shows that ¥8,100 million in national bonds will be purchased from commercial banks located in urban and rural areas, and ¥2 billion from the Cooperative Bank for Agriculture and Forestry. Life insurance companies will receive the remaining ¥900 million.

BLACKMARKET PRICES SHOW SLIGHT INCREASE

A KYODO news survey conducted in 53 Japanese cities indicates that blackmarket prices as of 15 September showed an increase of 3 per cent over those recorded during August. The survey items were described as "daily necessities". Those items which showed an increase in price were Irish potatoes, carrots, and salt.

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POUND DEVALUATION COMES AS SURPRISE TO JAPAN

The announcement of the devaluation of the British pound sterling has resulted in a multitude of opinions in Japan. For the most part the immediate reaction was one of extreme surprise. One spokesman from the Economic Section, Foreign Office, stated that the Foreign Office will be forced to make a drastic change in its pound sterling policy. He believed that the pound devaluation would have a very definite influence on current Anglo-Japanese trade talks.

Meanwhile, Economic Stabilization Board sources indicated that the pound devaluation would hasten the conclusion of the pending Anglo-Japanese trade pact. They believed that imports from the pound sterling areas of the world would increase, thereby leading to an early conclusion of the pact and eventually resulting in increased exports from Japan. These quarters, however, recognized the possible serious effects of the pound devaluation on Japanese exports in general. The textile industry in particular, it was felt, will have to drastically cut production costs in order to compete in the sterling areas. It was also generally felt that the iron and steel industries would be hard hit in view of the suspension of government subsidies to these industries.

A KYODO news release states that Finance Minister Hayato Ikeda desires the revision of the present pound-yen exchange rate of ¥1,680 per pound to a new rate of ¥1,008 per pound. In his press conference, Ikeda, however, stated that he did not believe a revision of the present dollar-yen exchange would be appropriate. Since Japan's present economic stabilization program is based on the current ¥360 to a dollar exchange rate, Ikeda believed that any fluctuation in this rate would only serve to hamper Japan's economic recovery.

Japanese shipbuilders believed the pound devaluation will deprive them of their advantageous position over British competition. They said that shipbuilding costs have been about 20 percent lower in Japan than in the United Kingdom, but now this relationship has been reversed. However, they were optimistic about the immediate future, since British shipbuilders have an estimated two or three year back-log of orders.

The anticipation of a possible change in the yen value as a result of the pound sterling devaluation caused considerable activity on the Tokyo stock market. Textile and ceramic stocks in particular showed increases of ¥25 to ¥30 per share. The over-all turnover was estimated at 2,220,000 shares.

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OPPOSITION DISBANDS THEIR "SPECIAL DIET SESSION LEAGUE"

The opposition parties at a meeting yesterday agreed to disband their joint league which had been organized for the purpose of demanding an early special Diet session. According to a KYODO news release, representatives of the Social Democratic Party, Opposition Democrats, and the New Political Council attended the meeting. The conferees, however, agreed to maintain close cooperation in the future.

SOCIAL DEMOCRATS MAKE DEMAND UPON THE NPA

The Social Democratic Party yesterday demanded that the National Personnel Authority retract its new regulation which retricts the participation in political activities of government employees. Three Socialist members of the House of Representatives delivered the demand to President Kiyoshi Asai of the NPA. Asai replied that any cancellation of the regulation would be difficult to accomplish. According to KYODO NEWS, the Social Democratic Party is planning a joint struggle with the National Railway Workers Union in protest to the regulation.

Meanwhile, two Communist Diet members yesterday called upon Chief Cabinet Secretary Kaneshichi Masuda and demanded nullification of the same NPA regulation.

TOMABECHI AND IKUKAI ARE SCHEDULED TO MEET TODAY

The JIJI PRESS reports that Chairman Giso Tomabechi of the Opposition Democrats will meet with President Ken Ikukai of the coalition Democrats today. This attempt at reconciliation was agreed upon yesterday afternoon by the leading figures in the opposition faction camp. Tomabechi will be accompanied by Wataru Narahashi and Sadakichi Hitotsumatsu.

In the meantime, directors of the coalition faction held a meeting last night in order to discuss the opposition faction overtures for reconciliation. However, they failed to accept any definite attitude on the opposition proposal.

LOANS WILL BE MADE TO AGRICULTURE AND FISHING COOPERATIVE UNIONS

The JIJI PRESS reports that the Agriculture-Forestry Central Fund will make available ¥2,600 million from the U. S. Aid Counterpart Fund for loan to various agrarian and fishery circles. The interest rate for these loans will be ten percent per year. For the most part, the loans will be made to agricultural and fishery cooperative unions.

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THE CHILDREN OF JAPAN ARE BEGINNING TO RECEIVE HELP FROM THE U. N.

KYODO reports that the first batch of American cotton from the United Nations International Children's Emergency Fund arrived in Kobe on Saturday. The cotton which totalled 1,382 bales, was valued at $250,000. This shipment was the first to have been received by the poor children of Japan from the UNICEF. It is expected that $200,000 worth of skimmed milk will also arrive in the near future as part of the $500,000 relief fund allocated to Japan by the UNICEF.

OPPOSITION DEMOCRATS PROPOSE A TOMABECHI-INUKAI RECONCILIATION MEETING

KYODO reports that a conference of top-ranking opposition Democrats reached an agreement on Saturday to work for the unconditional unification of the Democratic Party. This decision came in response to a request issued Thursday by the Federation of Democratic Members of the Prefectural Assemblies. The opposition leaders agreed that their chairman, Gizo Tomabechi, should make the initial move in this unification drive by proposing a meeting with the coalition leader, Ken Inukai. However, Inukai told the press on Saturday that he would not meet with Tomabechi since he saw no need for any such meeting.

PREFECTURAL RETRENCHMENT PROGRAMS MAY BE COMPLETED BY THE END OF SEPTEMBER

KYODO reports that all personnel retrenchment programs of prefectural, city, town, and village governments will be completed by the end of the month. All of the prefectural governments, with the sole exception of Shizuoka, have enacted ordinances designed to reduce their personnel. Despite the fact that prefectural governments are operating beneath present personnel limits, they are expected to fire an estimated 6,700 employees. Administrative reorganizations will perhaps result in the discharge of an additional 2,300 employees. The cities of Osaka, Kyoto, Yokohama, Kobe, and Nagoya are expected to dismiss 2,050 workers. The principal source of opposition to these retrenchment programs has come from organized labor.

RECONSTRUCTION LEAGUE, NCWU, ISSUES ORDER NO. 1 TO LOCAL CHAPTERS

The Reconstruction League of the National Communications Workers Union yesterday issued Order No. 1 to the various local chapters of the union throughout the country. The order called upon the local chapters to take immediate steps to register with the National Personnel Authority as "inside unions." According to KYODO, the order strongly urged union members to reject any illegal elements who advocate an "outside union" status.

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LATEST REPATRIATES ARE PEACEFUL

KYODO reports that the repatriates who landed at Maizuru yesterday from the Enshu Maru were the most peaceful group in this year's repatriation program. The captain of the Enshu Maru stated that there was no dancing or singing aboard, and that the repatriates appeared more interested in listening to baseball games on the radio than in native folk songs.

DEPOSIT BUREAU FUNDS NOW TOTAL ¥143,235 MILLION

The Finance Ministry has announced that funds in its Deposit Bureau totalled ¥143,235 million as of 31 August. According to KYODO, this marks an increase of ¥7,700 million over the previous month, and an increase of ¥20,400 million over the figure recorded at the end of the last fiscal year.

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IKEDA SAYS RECOMMENDATIONS RELATIVE TO ENTERPRISE REVALUATION SHOULD BE REEXAMINED:

Finance Minister Hayato Ikeda yesterday told the press that the Shoup tax recommendations, as they pertain to the revaluation of enterprises, should be re-examined, JIJI PRESS reports. He stated that the Government, in carrying out the reforms recommended by the Mission would endeavor, first of all, to "rationalize" the nation's tax system, and then to cut taxes. He added, however, that Government was adhering to its original policy of reducing existing taxes below the Shoup-recommended level. According to the account by KYODO, Ikeda predicted that the budget for the fiscal year 1950-51 would total approximately ¥620 billion.

Ikeda said the Government expects to complete its draft outline for the budget for the 1950-51 fiscal year, as well as the supplementary budget for the current fiscal year, by the end of the month and to begin its consultation with SCAP authorities early next month.

The Finance Minister said that, while nothing concrete had been decided yet, he thought that the Government should appropriate about ¥135,000 million yen to make up deficits in prefectural government budgets during the next fiscal year.

MASUDA PROMISES RATIONAL AND EQUITABLE TAX PLAN:

Chief Cabinet Secretary Kaneshichi Masuda yesterday told the press that the Government was fully determined to evolve a rational and equitable tax system in line with the recommendations fo the Shoup Mission, KYODO reports. "The Government", he continued, "therefore, will take the recommendation as a whole but not eclectically".

WITHDRAWAL OF ANONYMOUS ACCOUNTS TERMED "TEMPORARY PHENOMENON":

Finance Ministry and Bank of Japan circles, commenting on the shock to the financial world by the Shoup recommendation that anonymous accounts be abolished, expressed the view that withdrawal of the anonymous deposits would be but a temporary "phenomenon" which would not adversely affect the economy as a whole, KYODO reports.

They pointed out that anonymous deposits constitute roughly 47 per cent of all fixed accounts, aggregating about ¥55,000 million. Since the chief motive for utilizing anonymous accounts was the desire to avoid taxation, they said the deposits would be withdrawn and kept hidden in the form of cash, or would, in view of improved economic conditions, again be deposited in banks or invested in new fields such as stocks and bonds.

EARLY REDEMPTION OF FOREIGN DEBTS IMPOSSIBLE, IKEDA SAYS:

Finance Minister Hayato Ikeda yesterday told the press that early redemption of Japan's foreign debts was impossible, KYODO reports. He pointed out that Japan was unable to pay interest on these foreign obligations during the current fiscal year

"because we have no foreign currency funds". However, he continued, "a conscientious Government must start preparations for repayment of these foreign obligations immediately," adding that such a step also was necessary "from a diplomatic point of view".

AGENCY TO COORDINATE DISASTER REHABILITATION TO BE ESTABLISHED:

Chief Cabinet Secretary Kaneshichi Masuda yesterday told the press that the Government plans to establish within the Cabinet a powerful agency to coordinate and carry out the policies of the Construction, Transportation and Tele-Communications Ministries and other Government organizations concerning the rehabilitation of areas stricken by natural disasters as well as disaster prevention measures, according to KYODO. The agency's scope of activity will cover reforestation, flood control, road construction and repair, rehabilitation of crop lands and etc.

THREE ELECTRIC POWER PROJECTS TO BE BEGUN:

The Ministry of International Trade and Industry has instructed the Japan Electric Distribution Company to begin construction of three electric power projects, including the Asahi dam in Gifu prefecture, the Uchigaya dam in Gifu prefecture, and the Natsuse dam in Akita prefecture, JIJI PRESS reports. The Natsuse dam is to be financed from the US Counterpart Fund, according to the account, and the other two from the issuance of debentures.

1,100 METROPOLITAN WORKERS DISMISSED:

KYODO reports that approximately 1,100 metropolitan government workers were given dismissal notices yesterday. They were the first group to be dismissed under the Metropolitan Table of Personnel Ordinance.

A total of 2,000 metropolitan workers are to be discharged under the Government's personnel reduction plan. Of this number, however, about 900 are expected to resign voluntarily.

DEMOCRATIZATION LEAGUE CONSIDERS FUTURE POLICIES:

The Democratization League of the State Railway Workers Union, at a meeting of national delegates yesterday, concluded that the majority of local union chapters would send representatives to the general meeting to be held at Shiobara from October 7 to 10, at which time a "democratic reconstruction" of the Union can be effected, according to JIJI PRESS.

The conferees also agreed to strive to unify the Union in accordance a policy line which would expedite participation of Japanese labor in the Free World Labor Federation, proposed to replace the Communist-dominated World Federation of Trade Unions.

Meanwhile, however, the chief of the accounts section of the League disclosed that of 76 local union chapters only 30 so far had paid union dues for the month of August which might force postponement of the Shiobara general meeting.

JAPANESE SEIZURE OF PROPERTY OF DISSOLVED KOREAN ORGANIZATIONS "ILLEGAL":

Han Pum Chung, Head of the Korean Mission in Japan, in a press interview yesterday protested the Japanese Government's seizure of the property of the dissolved League of Koreans Residing in Japan and the Korean Democratic Youth League as "illegal", according to KYODO. He said he would negotiate for the return of the seized property to Korea.

Chung predicted heavier trade between Japan and Korea "because trade hereafter will be handled directly by the Mission". He estimated that three million koku of Korean rice could be exported to Japan each year.

According to JIJI PRESS, the special assets control department of the Metropolitan Government, with the aid of the Metropolitan Police Board, yesterday had taken into custody 23 of about 57 automotive vehicles owned by the dissolved Korean organizations. Virtually all other property of the organizations had been seized, it was said.

1,876 CASES OF SLEEPING SICKNESS:

KYODO reports that the Welfare Ministry yesterday revealed that there were 1,876 cases of sleeping sickness throughout Japan.

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TAX REFORM WILL CONFORM TO SPIRIT OF SHOUP MISSION REPORT, IKEDA SAYS:

Finance Minister Hayato Ikeda yesterday told the press that he considered the report of the Shoup tax mission "excellent", declaring that the Government would carry out its tax reform in conformity with the spirit of the report to meet actual conditions, JIJI PRESS reports.

Ikeda said bills to abolish the textile tax and to revise income and commodity taxes would be submitted to the special Diet session. Regarding revision of the liquor tax, the Finance Minister said he had not yet decided whether to ask the Government to present a bill calling for such revision.

NO LOCAL AUTONOMY REVISIONS DURING SPECIAL SESSION, ACCORDING TO KIMURA:

State Minister Kozaemon Kimura yesterday told the press that no bills to revise the local autonomy system would be submitted to the special session of the Diet scheduled to be convened on 25 October, according to JIJI PRESS.

Kimura declared that the local financial policy enunciated in the text of the Shoup recommendations is theoretically sound but he could not fully agree with Dr. Shoup's proposal that the Local Autonomy Board be abolished and a local Finance Commission created. To further develop local autonomy, the State Minister argued, an agency to deal with both administrative and financial affairs should be established.

While he realized the urgency of revisions to the local tax system, Kimura said, most of the time of the special session of the Diet would be consumed by deliberations on tax revision bills submitted by the Finance Ministry, leaving little time for consideration of projected revisions of the local autonomy system.

PRESENT POLICE SYSTEM ADEQUATE, PUBLIC SAFETY COMMISSION CHAIRMAN SAYS:

Jiro Tsuji, chairman of the National Public Safety Commission, yesterday told the press in Hiroshima that the present police system is adequate for the maintenance of public peace and order, KYODO reports.

FUTURE ACTIVITIES OF COMMUNISTS DISCUSSED:

JIJI PRESS reports that Yoshio Idei of the Supreme Public Procurators' Office yesterday told the press that the Communist party, which had talked of a "September revolution", now appears to be reflecting on past and future activities after a series of Communist-inspired disturbances had, contrary to their expectations, "put sand in the wheels of the party".

Idei expected that the party would now concentrate on re-education of party members, centralisation of power, and the installation of competent party members in strategic positions in government and industry. According to the account by KYODO Idei said he expected the Communists to stress increasing their influence in provincial governments.

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LOWER HOUSE MEMBER INDICTED:

Takashi Kanesuka, anti-coalition Democratic member of the House of Representatives, yesterday was indicted by the Tsuchiura Tax Office on suspicion that he evaded tax payments amounting to about ¥30 million, KYODO reports. Kanesuka is president of the Nisshin Company which produces "sake".

The paper further reported that the Investigation Section of the Kanto-Shinetsu Taxation Bureau has filed suits against the Iijima Spinning Company, Ibaragi prefecture, and the Sudo Spinning Company on suspicion of tax evasion. The companies are alleged to have evaded tax payments amounting to ¥120 million and ¥14 million, respectively.

TOKUDA ADVOCATES REDUCTION OF UNION DUES:

Kyuichi Tokuda, secretary-general of the Communist party, yesterday told a group gathered for a ceremony to dedicate the new hall of the All-Japan Shipbuilding Workers Union that he advocated reduction of union dues of rank and file members by half in order to lessen their financial burdens, according to JIJI PRESS. He urged the people to not neglect their economic struggle, adding that by carrying on a struggle through which they can attain a substantial wage income they can forestall attempts by the Mindo (Democratization League) to take advantage of complaints and grievances by labor.

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THE TAXATION ADMINISTRATION DELIBERATIVE COUNCIL ORGANIZED

KYODO reports that the Government has organized a special council to implement the tax recommendations of the Shoup Mission. This body which will act as an advisory organ to the Finance Minister will be temporarily called "The Taxation Administration Deliberative Council." Members of the council will be appointed from the various circles of life.

The Social Democratic Party, in the meantime, filed a representation yesterday with Chief Cabinet Secretary Kaneshichi Masuda asking the Government to effect a tax reduction on earned incomes. The Social Democrats believed that the above measure could be made a reality if the Government would take advantage of revenue surplus carried over from last year's fiscal budget, a rational reduction of price differential subsidies, and the deferment of public bond redemptions and Reconstruction Finance Bank debentures.

Masuda, however, told reporters yesterday that the Government does not contemplate introducing any bills designed to revise the existing Local Tax and Local Finance Laws at the special Diet session scheduled to open on 25 October. According to JIJI PRESS, Masuda declared that the Shoup recommendations do not call for any local tax reforms before the start of the next fiscal year, or 1 April 1950.

SIDEWALK STALLS ARE TO BE ABOLISHED

KYODO reports that the Tokyo Metropolitan Government and the Metropolitan Police Board at a conference yesterday decided that all sidewalk stalls in Tokyo would be cleared away by the end of May 1950. At present, there are 9,983 stalls in the capital, of which 5,934 are of the sidewalk variety.

1,685 CANDIDATES REGISTERED FOR FARM LAND REFORM COMMITTEE ELECTIONS

A KYODO survey indicates that there will be a total of 1,685 candidates in the forthcoming, nationwide, provincial Farm Land Reform Committee elections. The survey also indicated that conservative candidates far outnumbered candidates of other political leanings. A breakdown of candidates revealed that there were 368 tenant farmer candidates running for a fixed number of 92 offices; land owner candidates numbered 534, or four times their allowance of seats. Independent and neutral candidates totalled 885 as opposed to 275 seats alloted to them.

CABINET APPROVES THE LIQUIDATION OF THE COAL DISTRIBUTION CORPORATION

The Cabinet yesterday approved an Ordinance calling for the dissolution of the Coal Distribution Corporation on 15 September. According to KYODO, the Finance Minister will supervise the liquidation of the corporation. It is expected that this will be completed by March 1950.

The Cabinet also decided to extend ¥4,500,000,000 in short term loans from the Deposit Bureau, Finance Ministry, in order to facilitate the rehabilitation of typhoon damages. In addition, ¥3,800,000,000 will be advanced from the Public Works Fund for this rehabilitation program.

JAPAN'S INDUSTRIAL PRODUCTION FOR JULY APPROXIMATELY THE SAME AS FOR JUNE

The Economic Stabilization Board revealed yesterday that the nation's industrial production index number for July was 95.4. This index number is based on the average monthly production figure of 100 for the five-year period from 1932 to 1936. Although the July figure did not show any substantial increase over June's production output, KYODO noted that there was a 24 percent increase over the July 1948 figure.

LABOR MINISTRY AGREES UPON UNEMPLOYMENT RELIEF APPROPRIATIONS

JIJI PRESS reveals that the Labor Ministry agreed Wednesday to appropriate ¥100,000,000 a month for the purpose of unemployment relief. This decision was made despite an existing quarterly appropriation limit of ¥200,000,000 under the current budget. The Labor Ministry's action may result in a complete drain of unemployment relief funds by the end of November. The current budget only provides for a total outlay of ¥808,000,000.

RECONSTRUCTION LEAGUE OF NCWU WILL FORM A NEW UNION

A KYODO staff writer views the complete split which occurred between the Reconstruction League and the Communists at yesterday's Ninth Central Committee meeting of the National Communications Workers Union as a crucial turning point in the fight of moderate labor to overthrow Communist domination in the post war labor movement. The withdrawal of 74 Reconstruction Leaguers has resulted in an announcement issued by them yesterday that they will form a new union to be called "The Orthodox National Communications Workers Union." The left-wing faction of the union meanwhile decided late last night to discard the Reconstruction Leaguers in the event that efforts of reconciliation should fail.

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DIET TO CONVENE 25 OCTOBER:

The Cabinet yesterday agreed to call the special Diet session on 25 October. According to KYODO, Chief Cabinet Secretary Kaneshichi Masuda told the press that the special session would continue for about thirty days.

PRESENT POLICE SYSTEM SUFFICIENT, HIGAI SAYS:

State Minister Senzo Higai yesterday told the Upper House Committee on Provincial Administration that the present police system was powerful enough to maintain peace and order, KYODO reports.

GOVERNMENT DIRECTION OF POLICE ACTIVITIES OPPOSED:

Director General Noboru Saito of the National Rural Police, testifying yesterday before the Lower House Examination Committee, declared that both the National Rural Police and local autonomous police consider Government direction of their activities unnecessary, according to JIJI PRESS. Saito had been summoned by the Committee to testify in connection with recent incidents including the Taira riot, the strike of the National Railway Workers Union, and the Japan Steel Company incident in Hiroshima.

Saito told the Committee that police action to cope with the incidents had been "fairly" effective, but that the NRP could have rendered more effective aid if information to the national organization had been transmitted more expeditiously.

Saito said that according to law the authority of the Prime Minister over the NRP was confined to requests to the Diet for budget appropriations and supervision of the National Public Safety Commission. He declared further that he did not believe that contact between the Government and the NRP had been insufficient.

STATE RAILWAY CORPORATION REJECTS WORKERS' DEMANDS:

The State Railway Corporation yesterday rejected the demands of its workers' union for increased wages and year-end bonuses, JIJI PRESS reports.

A statement handed to the union declared that the corporation was in no position to comply with the union demands in view of present conditions brought about by enforcement of a balanced budget and implementation of the 9-point Economic Stabilization Program.

CONTINUING CONTROL OVER POTATOES URGED:

Shinichiro Kureda, director-general of the National Agricultural Readjustment Council, yesterday urged Shinkichi Katayanagi, vice-minister of Agriculture and Forestry to use his influence to prevent the lifting of Government controls over next year's potato crop, according to KYODO. His request was said made after he had visited SCAP officials to ascertain the true purport of the SCAP memorandum of 9 September. SCAP officials reportedly told him that the lifting of controls

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over these vegetables was a decision which rested solely with the Japanese Government.

KYODO recalled that the Agriculture and Forestry Ministry had advised a meeting of the Central Agricultural Readjustment Council in August of this year that the controls would be continued, and on 1 September a similar statement had been made at a gubernatorial conference.

VOORHEES MEETS JAPANESE FINANCIAL LEADERS:

The Japanese financial leaders, who yesterday conferred with Under-Secretary of the Army Voorhees, requested his assistance in the easing of reparations removals, the streamlining of operation of the US Counterpart Fund, and in revision of the Enterprisers' Organization Law and the Anti-Monopoly Law, according to KYODO.

Japanese representatives who attended the meeting included Ichiro Ishikawa, president of the Federation of Economic Organizations, Kiichiro Sato, vice-president of the FEO, Kumakichi Nakajima, president of the Japan Trade Association, Katsuhiko Hamaguchi, president of the National Federation of Banking Corporations, and Kaniehi Morei, managing-director of the Japan Entrepreneurs' Association.

SOCIAL DEMOCRATS TO CONFER WITH LABOR-FARMERS:

The Central Executive Committee of the Social Democratic party, regarding the proposal of the Labor-Farmer party to form a "joint front" against the Yoshida Cabinet, yesterday agreed that while they could not join with the Communists in such a campaign, they would send three party members to discuss the proposal with the Labor-Farmers, JIJI PRESS reports.

The Committee sharply criticised the Government for its announced decision to convoke the special Diet session on 25 October, asserting that the Social Democratic party would oppose steadfastly the Government party's undemocratic decision.

The Committee also formally agreed on a policy advocating establishment of the price of rice at 5,317 yen per koku.

SIX TAX BILLS BEING DRAFTED:

KYODO reports that the Finance Ministry is drafting six tax bills for presentation to the special Diet session to implement the recommendations of the Shoup Mission. They are (1) bill revising the income tax law; (2) bill revising the corporal tax law; (3) bill regarding net worth taxes; (4) bill revising the textile consumption tax law; (5) bill regarding imposition of taxes on profits resulting from the reappraisal of assets; and (6) bill revising the "sake" tax law.

39 JAPANESE VESSELS SEIZED DURING YEAR:

Takeo Okubo, director of the Maritime Safety Board, yesterday told the Local Administration Committee of the House of Councillors that 39 Japanese vessels had

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been seized by foreign authorities from January to August of this year, bring the total captured since 1946 to 102, JIJI PRESS reports.

Okubo advised the Committee that it was planned to increase the patrol force from 53 to 115 by the end of the next fiscal year and to equip all vessels with two-way radio sets.

DECLASSIFIED PER SCAP LETTER 383.6(2) AND 383.6(3) OR (2) NNDB # 775 012

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

- JAPANESE PRESS 13 September 1949

Governmental News Items

SCAP AUTHORIZES REMOVAL OF CONTROLS OVER POTATOES:

According to JIJI PRESS, a SCAP memorandum dated 9 September authorizes the Government to remove both sweet and Irish potatoes from the rationed foods list and to abolish existing official prices over these vegetables, effective next April. The news agency further reported that price and distribution controls over red beans, peanuts, cowpeas, peas, and kidney beans also will be abolished.

According to the report by ASAHI the Government will submit to the special Diet session bills to revise the Foodstuff Control Law and the Foodstuff Supply Guarantee Temporary Law.

ASAHI said also that the SCAP memorandum suggested that controls over rice and barley, instead of being lifted, should be strengthened.

REORGANIZATION OF TRADE AND INDUSTRY MINISTRY CONSIDERED:

According to KYODO, with the gradual return to a free economy, the International Trade and Industry Ministry is expected to undergo a fundamental reorganization which would change its primary function from that of a control organ to an organization to provide assistance and guidance in the promotion of foreign trade, development of small and medium industry, development of natural resources, and improvement of industrial techniques. Such a reorganization was said discussed in connection with budget appropriations for the 1950-51 fiscal year.

KOREAN ORGANIZATION ISSUES STATEMENT:

The League of Korean Young Men for Early Building of Korea (Chosen Kenkoku Sokushin Seinen Domei), a rightist group, yesterday issued a statement declaring that the Government's order dissolving the League for Koreans Residing in Japan (Chorem) was regrettable because of the effect it would have on the promotion of friendship between Japan and Korea.

RECONSTRUCTION LEAGUE OF COMMUNICATIONS WORKERS UNION FAILS TO ELECT CHAIRMAN:

JIJI PRESS reports that the Reconstruction League of the Government Communications Workers Union yesterday received a setback when it failed in efforts to elect its candidate for temporary chairman of the central committee meeting now being held in Kumisuwa, Nagano prefecture.

Voting on candidates for chairman ran as follows: Terase Shimamoto, neutral member, 181 votes, Kazuo Shonozuka, Communist, 96 votes, Akio Ishida, Communist, 92 votes, and Yutaka Yanagi, Reconstruction League, 88 votes.

GOVERNMENT TO REQUEST RESTORATION OF OIL REFINERIES:

The International Trade and Industry Ministry in the near future will request SCAP permission to restore its oil refineries on the Pacific coast of Japan, JIJI PRESS reports. Included were the refineries of the Japan Petroleum Company

GEN WHITNEY

DECLASSIFIED E.O. 14,032 SEC. 3(E) AND 3(D) OR (E) NNDG # 775 072

of Yokohama, the Toyo Fuel Company at Shimizu and Wakayama, the Showa Petroleum Company at Kawasaki, and the Maruzen Oil Company of Shimotsu.

EXPANSION OF HOSPITAL FACILITIES PLANNED:

KYODO reports that the Welfare Ministry will seek with an appropriation of ¥3,500 million during the 1950-51 fiscal year construction of 7,500 public hospitals in accordance with the Medical Law which became effective last October.

The plan calls for an increase in hospital beds from the present 21 to 30 for each 10,000 population, and proposes to expand and modernize the 280 Government hospitals. Construction expenses were estimated at ¥300,000 per bed, including buildings and equipment, with half the cost to be borne by the central government and half by local governments.

After discussion of the proposal by the Economic Stabilization Board and the Finance Ministry, the plan will be presented to the Social Security System Deliberative Council for final approval, according to the account.

INDEPENDENT JOINS SOCIAL DEMOCRATIC PARTY:

Yoshio Kuriyama, independent member of the House of Councillors from Aichi prefecture, yesterday formally joined the Social Democratic party, according to JIJI PRESS.

SUBSIDIES FOR NEXT FISCAL YEAR ESTIMATED AT 96.1 BILLION:

According to KYODO, the Price Board estimates that price differential subsidies in the 1950-51 budget will amount to ¥96,100,000,000.

29.5 PER CENT OF TAXES COLLECTED:

The Taxation Bureau of the Finance Ministry yesterday announced that a total of ¥151,565,000,000 in tax revenues, 29.5 per cent of the revenue estimated for the current fiscal year, had been collected as of 31 August, KYODO reports.

DECLASSIFIED E.O. 14032 SEC. 3(E) AND 3(B) OR (E) NNDG # 773 072

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GEN WHITNEY

SHOUP RECOMMENDATIONS TO BE ANNOUNCED AROUND 20 SEPTEMBER:

Chief Cabinet Secretary Kaneshichi Masuda yesterday told the press that, the Government administrative readjustment having been disposed of, primary efforts henceforth would be directed to industrial rehabilitation, the boosting of small and medium industries, and the financing of education in an endeavor to live up to the expectations of the people, according to MAINICHI.

Regarding specific issues, Masuda said (1) that the Government was giving no thought at the present time to a reorganization of the Cabinet; and (2) that the tax recommendations of the Shoup Mission would be announced on about 20 September. After announcement of the Mission recommendations, he said, the Government could then complete formulation of tax bills and compilation of the budget for the fiscal year 1950-51. He expressed the opinion that the Diet would be convoked in October.

The Chief Cabinet Secretary said Prime Minister Yoshida was deeply concerned over Japan's foreign credit and redemption of foreign liabilities and had asked Finance Minister Hayato Ikeda and other authorities to study the matter. He said the Prime Minister was also giving special study to the development of electric power resources and farming areas, and to rehabilitation of mountains and rivers.

Masuda urged the Social Democratic party to maintain an anti-Communist stand. He also urged the party, which derives its chief support from labor, to strengthen and encourage labor unions in their shift from "illegal" to "legal" operation under the revised Trade Union Law, declaring that the party's mission must be to assist labor in strengthening and improving its program.

KOREANS JOIN COMMUNIST PARTY:

KYODO today reports that approximately 50 members of the Miyazaki prefectural headquarters of the League of Koreans Resident in Japan, which was one of the four Korean organizations ordered dissolved on 8 September, last Friday joined the Communist party.

KYODO further reports that Osaka police yesterday had completed seizure of the offices and property of 76 branches of the Osaka headquarters of the League of Koreans Resident in Japan. Two Koreans were said arrested for alleged obstruction of official duty.

TOKYO-SHIBAURA ELECTRIC WORKERS AGREE TO REORGANIZE UNION:

The Federation of Tokyo-Shibaura Electrical Machinery Company Labor Unions, at a national committee meeting held in Kawasaki City on 10 and 11 September, agreed to revise the union constitution to comply with the revised Trade Union Law, according to JIJI PRESS.

FUJI SILK COMPANY EVADES PAYMENT OF TAXES:

The Kanto-Shinetsu branch of the Taxation Board yesterday charged that the Fuji Silk Yarn Company had evaded taxes estimated to amount to ¥18 million during the period from March 1946 to April of this year, KYODO reports.

DECLASSIFIED BY: 14652 SEC. 3(E) AND 3(D) OR (E) NNDG # 773 072

GENERAL HEADQUARTERS
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JAPANESE PRESS 11 September 1949

Governmental News Items

VOORHEES CONFERS WITH JAPANESE OFFICIALS:

The JIJI Press reports that United States Undersecretary of the Army Tracy Voorhees held a conference yesterday afternoon with various Japanese government officials. Economic, financial, and trade issues were discussed at the meeting. The conferees included Hayato Ikeda, Finance Minister; Heitaro Inagaki, Minister of International Trade and Industry; Takayoshi Aoki, Director General of the Economic Stabilization Board; and Hisato Ichimada, Governor of the Bank of Japan. Maj Gen William F. Marquat, Chief of Economic and Scientific Section, GHQ, was also present.

HOSOI, DIRECTOR OF INTERNATIONAL TRADE AND SUNDRIES BUREAU, RESIGNS:

The JIJI Press reports that Tomitaro Hosoi resigned yesterday from his post as Director of the International Trade and Sundries Bureau, Ministry of International Trade and Industry. Hosoi has announced intentions of running as a candidate in the House of Councillors elections next April.

ECONOMIC STABILIZATION BOARD HOPES FOR INCREASED SHIP CONSTRUCTION:

KYODO News reports that the Economic Stabilization Board is planning to boost the construction of merchant ships during this fiscal year by 50,000 gross tons. The increased construction is planned in order to cope with an unexpected demand on the part of ship owners for more new ships. This will necessitate a revision of this fiscal year's plan for the construction of new ships as well as for remodelling and repairing old ships. The ESB does not believe that an additional loan from the U. S. Aid Counterpart Fund will be necessary in view of the fact that building costs have decreased by 8.2 percent from the original estimates.

YOKOHAMA AIRSTRIP TURNED OVER TO THE JAPANESE:

The JIJI Press reports that the Yokohama airstrip used by the Occupation since 1945 has been returned to the Japanese. Official notification to this effect was received by Governor Iwataro Uchiyama of Kanagawa Prefecture from Lt Gen Walton Walker, Commanding General of the Eighth Army, on Friday.

KATAYAMA REEMPHASIZES HIS ANTI-COMMUNIST STAND:

Chairman Tetsu Katayama of the Social Democratic Party yesterday reiterated that his party would never cooperate with the Communists. Katayama asserted that he would keep a clear line between his party and the Communist Party. According to KYODO, he emphasized the Socialist reconstruction plans to collaborate closely with the working masses, farmers, the intelligentsia, and small businessmen.

Gen Whitney

DECLASSIFIED E.O. 12958 SEC. 3(E) AND 3(B) OR (E) NNDB # 775 012

GOVERNMENT EMPLOYEE UNIONS MAY LOSE LEGAL STATUS:

The National Personnel Authority announced today that virtually all of the labor unions organized by government employees may lose their status as legally recognized labor unions. According to KYODO News, the NPA statement revealed that these government unions failed to comply with a requirement in the Public Service Law calling upon all unions composed of government employees to register with the NPA by 1 September. The NPA statement said that, "instead of attempting to comply with the National Public Service Law, leaders of government unions generally engaged in threats and denunciations."

LABOR MINISTRY ISSUES DIRECTIVE TO TWO CONCERNS:

The Labor Ministry yesterday ordered the National Bankers Association and the Hitachi Manufacturing Company to suspend payment of salaries to their union officers. The Ministry threatened to sue unless their notice met with compliance. KYODO News understood that the management has been paying salaries to their union officers who were engaged exclusively in union activities. According to the Labor Ministry this is a violation of the three-month-old Trade Union Law.

302 KOREANS ARRESTED:

The National Rural Police Headquarters has announced that as of 1200 hours yesterday, 302 Koreans were arrested on charges of obstructing Japanese officials who were engaged in seizing the assets of outlawed Korean organizations. According to JIJI Press, 96 of the 302 have been released. The police also stated that 70 percent of the outlawed local chapters had been taken over.

DECLASSIFIED E.O. 11652 SEC. 3(E) AND 5(D) OR (E) NNDG # 775 012

GENERAL HEADQUARTERS
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9 September 1949

Governmental News Items

Gen. Whitney

FOUR KOREAN ORGANIZATIONS OUTLAWED

The Attorney-General's Office yesterday outlawed the below named organizations in accordance with the provisions of Article 4 of the Organizations Control Order:

1. League of Koreans in Japan. Including the Central General Headquarters, local headquarters, and all lower branches of this organization. Total membership, 365,792.

2. Korean Democratic Youth League. Including the Central General Headquarters, branch headquarters, and all lower echelons of the organization. Total membership, 39,740.

3. Miyagi Prefectural Headquarters of the Korean Residents Union and its sub-branches. Membership, 200.

4. Shiogama Headquarters of the Korean National Foundation Young Men's League. Membership, 35.

Attorney-General Shumkichi Ueda stated yesterday that the purpose of dissolving these Korean organizations has been to liberate the rank and file members from the domination of their undemocratic and destructive leaders. The properties of these organizations will be confiscated by the Government, continued Ueda. He also revealed that all executive officers of the outlawed organizations would be purged, while lesser officials would continue to be watched closely. The Attorney-General announced that his office would continue screening various organizations and would not hesitate to outlaw any which are found to be undemocratic or terroristic.

Meanwhile, KYODO reports that the Central General Headquarters of the League of Koreans in Japan was evacuated yesterday afternoon. Following the evacuation, officials of the Attorney-General's Office entered and began taking over the assets of the organization.

The National Rural Police Headquarters has announced that it is ready to cope with any disturbances which might arise from the dissolution orders. Yesterday instructions were issued to police chiefs throughout the country urging them to take necessary steps to maintain peace and order.

Kin In, a spokesman for the League of Koreans in Japan, stated yesterday that he would fight the dissolution order. He declared that this fight would be carried on within the limits of law, and that no illegal struggles were contemplated. He also predicted the continued unity of all Koreans in Japan.

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YAMAMOTO APPOINTED VICE DIRECTOR-GENERAL OF ESB

The Government has decided to appoint Yaneji Yamamoto to the post of Vice Director-General of the Economic Stabilization Board. According to JIJI PRESS, Yamamoto is a member of the Foreign Exchange Control Board, and a former director of the Bank of Japan. Yamamoto will replace Nobuo Noda who recently accepted the post of Dean of the Politics and Economic School, Seikei University.

SUB-COMMITTEE OF RICE PRICE COUNCIL FAVORS RICE PRICE BASED ON PRODUCTION COSTS

A sub-committee of the Rice Price Council yesterday agreed that the price of rice should be based on production costs. JIJI PRESS reports that such a policy will necessitate the payment of government subsidies to the farmers if consumer prices are to be kept at the present level. However, it does not appear likely that the Government will favor any subsidy payment plan. Therefore, this committee has requested Kazuyuki Kono of the Budget Bureau to explain the Government's position.

CONFERENCE HELD ON PUBLIC CORPORATIONS

KYODO reports that Agriculture and Forestry Minister Kotaro Mori yesterday conferred with officials of five public corporations on the subject of abolishing public corporations. It is understood that the Government has plans for abolishing the Grocery, Oilstuff, Fodder, and Fertilizer Distribution Corporations. Under existing law, these corporations will continue to operate until next March. However, it is possible that the forthcoming special Diet session may abolish these corporations at an earlier date.

FINANCE MINISTRY OFFICIALS QUESTIONED BY THE FINANCE COMMITTEE

KYODO reports that the Finance Committee of the House of Representatives yesterday questioned Finance Minister Hayato Ikeda and other Finance Ministry officials on the Shoup recommendations and the Government policy with respect to the completion of next year's budget estimates. In answer to a question placed by Socialist Tanaka, Ikeda stated that the Government should attempt the repayment of national debts despite its policy of attempting to curtail expenses. Director Kazuyuki Kono of the Budget Bureau in answering another Tanaka question, believed that the reduction of price subsidies would not have any serious effect upon present price levels or the national living standard.

FURTHER AGREEMENT REACHED BETWEEN RAILWAY WORKERS AND MANAGEMENT

JIJI PRESS reports that the National Railway Corporation and the National Railway Workers Union yesterday agreed that bargaining agents of the Union will be permitted to conduct union activities during working hours. It is expected that this provision will be included in an agreement which will be signed by the two parties on Saturday.

DECLASSIFIED E.O. 11652 SEC. 3(E) AND 5(D) OR (E) NNDG # 773 012

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JAPANESE PRESS

5 September 1948

Governmental News Items

GEN WHITNEY

MINISTERS CONFER ON MAINTENANCE OF PUBLIC ORDER:

Members of the Cabinet, concerned with the maintenance of public peace and order, yesterday met to discuss administrative reforms, the Police Law, and other related subjects, JIJI PRESS reports. While no definite decisions were reached, information and opinions were exchanged on a number of problems including conditions in typhoon areas, control of the illegal entry of Koreans, and the Communist party's "regional struggle" tactics. Similar conferences, according to KYODO, are expected to be held once or twice each week hereafter.

KYODO further reports that Chief Cabinet Secretary Kaneshichi Nasuda explained in detail the statement which he issued on Monday to clarify the Government's attitude toward the regional campaigns being carried on by the Communists. He urged the Ministries and agencies concerned to take effective measures against actions by the Communists and their supporters which are detrimental to public peace and order.

The news agency reported also that Kazuyoshi Dobashi and Kenichi Ito, Communist members of the House of Representatives, called on the Chief Cabinet Secretary on Tuesday to file a protest against the Government charge that the party had carried out "regional struggles" against provincial administrations.

HIGAI DENIES CHARGE BY BRITISH NEWSPAPER:

According to KYODO, State Minister Senso Higai yesterday categorically denied to the press the editorial comment which appeared in the London Times which charged that the Yoshida Cabinet planned to revive "public security officers - the hated secret police of pre-war days".

Higai said that the Government hoped to improve the police system "in line with SCAP's letter but so far no concrete decision on the issue had been reached at Cabinet meetings or in any informal conferences", adding that no responsible Government member had ever uttered such a statement as that mentioned in the British newspaper.

Higai declared that "while there is room for improvement in the police system which would contribute to the speedy democratization of Japan, revival of the pre-war police system would never be permitted."

PLAN TO DISPOSE OF EXPORT STOCKPILES PRESENTED TO SCAP:

JIJI PRESS reports that a draft plan for disposal of export stockpiles and coal surpluses yesterday was presented to General Marquat, SCAP, by Keitaro Inagaki, Minster of International Trade and Industry.

DECLASSIFIED E.O. 12356 SEC. 3(E) AND 3(B) OR (E) NNDG # 775 072

Following his call at GHQ Inagaki told the press that he had conferred with General Marquat on the Government's plan for disposition of export stockpiles totalling ¥6 billion, and regarding the possible transfer from the general account to the US Counterpart Fund of funds to cover a shortage of $200,000,000 caused by a decline in export sales.

Inagaki said he also requested SCAP permission to extend the time limit for disposal of stockpiles of coal amounting to 4,500,000 tons from March 31, the date specified in the SCAP memorandum concerning de-control of coal, to September 30. According to Inagaki General Marquat replied that the question would be considered around November when an appraisal of developments following abolition of controls over coal could be made.

POPULATION INCREASES 942,658 IN FIRST SIX MONTHS:

Japan's population increased by 942,658 during the period from January to June, or 563 more than the figure for the corresponding period last year, JIJI PRESS reports.

Births for the period totalled 1,434,722, the rate being 36 for 1,000, or .3 per cent less than for the same period last year. Deaths totalled 492,064, or 12,014 less than for the corresponding period in 1946.

There were 494,926 marriages, a decrease of 47,389 from the figure in 1946. Divorces totalled 41,516, a 3.012 per cent increase over the figure for the January-June period in 1946.

DAMAGE FROM POWDER EXPLOSION ESTIMATED AT ¥100 MILLION:

The Construction Bureau of the Tokyo Metropolitan Government yesterday estimated that damages caused by the explosion of the Cooperative Powder Plant in Shimura yesterday would amount to approximately ¥100 million, according to KYODO.

STOCKS TO BE ALLOCATED FOR PRE-WAR FOREIGN HOLDERS:

The Tokyo-Shibaura Electric Company yesterday decided at a meeting of its stockholders to set aside for the International General Electric and other Allied persons affiliated with the company in pre-war days 12,915,885 in stocks from 32,840,000 which are to be issued, KYODO reports. The company also decided to increase its capital from the present ¥958 million to ¥2,600 million, according to the account.

1,700,000 KOKU OF RICE DAMAGED BY TYPHOON:

Damage to rice crops by the recent typhoon "Kitty", as revealed by a survey conducted by the Kyodo News Service, is estimated at about 1,700,000 koku, KYODO reports.

MEMBER OF HOUSE OF COUNCILLORS TO JOIN SOCIAL DEMOCRATIC PARTY:

Yoshio Kuriyama, member of the House of Counsillors, will join the Social Democratic party in a brief ceremony to be held on 12 September, according to JIJI PRESS.

DECLASSIFIED E.O. 11652 SEC. 3(E) AND 3(B) OR (E) NNDB # 775 012

Twenty members of the National Teachers Union and a similar number from the All-Japan Medical Workers Union have also indicated their decision to join the Social Democratic party, according to the report.

DISPOSABLE NATIONAL PROPERTY SAID TO TOTAL ¥7,100 MILLION:

According to an inventory by the Finance Ministry, State-owned properties in the general and special accounts which may be disposed of totals about ¥7,100 million, KYODO reports.

The inventory was taken to determine national properties which could be sold to cover deficits in the government treasury, to compensate for tax reductions, and to cover appropriations for typhoon rehabilitation.

EXPANSION OF CERTIFIED PUBLIC ACCOUNTANT SERVICE CONSIDERED:

JIJI PRESS reports that an official of the Finance Ministry yesterday revealed that the Ministry was considering a plan to expand the certified public accountant service, introduced in Japan last December, to include banks and other similar institutions. He said such an audit by certified accountants would increase the confidence of foreign countries in the financial organizations of Japan.

DECLASSIFIED E.O. 14,032 SEC. 3(E) AND 3(D) OR (E) NNDG # 773 072

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¥16 BILLION NEEDED FOR TYPHOON REPAIRS:

The Construction Ministry yesterday announced that ¥16,342,200,000 would be needed for repairs to bridges, roads, rivers, embankments and coastal facilities damaged by the typhoon "Kitty", JIJI PRESS reports.

COMMUNISTS AGREE TO FORMATION OF COMMON FRONT WITH LABOR-FARMERS:

The Communist party yesterday formally agreed to the proposal by the Labor-Farmer party for formation of a common front against the Government, JIJI PRESS reports.

The Labor-Farmer party, in accordance with a decision reached at a recent meeting of its central executive committee, proposed to the Social Democratic, Communist, New Farmers' and Social Renovation parties formation of a "joint struggle" to bring about overthrow of the Yoshida Cabinet.

Prior to sending the 5-point proposal to the other Opposition parties Haruo Okada, leading member of the Labor-Farmer party, told the press that the movement was designed to replace the campaign to protect the Constitution launched by his party in July.

MASUDA DENIES ALLEVIATION OF PURGE DIRECTIVE:

Chief Cabinet Secretary Kaneshichi Masuda yesterday denied to the press rumors that the purge directive would be alleviated in the near future. He declared further that no responsible member of the Democratic Liberal party had ever referred to such alleviation. Masuda's statement was said by KYODO to have been made to quell rumors caused by the recent remark by Democratic Liberal party secretary general Kozen Hirokawa that "there will be bright, hopeful news in September".

According to JIJI PRESS, Hirokawa told that news service on Monday that there would be two "welcome announcements" within the period of one week, one of which concerned the release from the effects of the purge of a group of purgees in economic fields. Their release would be made possible, he said, through individual applications for reinstatement, and not through any adjustment in the framework of the purge directive. He said he was not at liberty to reveal the contents of the other announcement which "has an important international significance." Hirokawa added that the Prime Minister had explained the "depurge issue" during a meeting on Monday which was also attended by Attorney General Shunkichi Ueda.

JIJI PRESS this morning reports, however, that the Democratic Liberal party secretary general yesterday denied that Yoshida had referred during his meeting with Hirokawa and Ueda to the release of economic purgees. He also denied having referred in concrete terms to expected "welcome announcements" or having made any commitment on the "depurge issue".

GEN WHITNEY

DECLASSIFIED E.O. 14,652 SEC. 3(E) AND 3(D) OR (E) NNDG # 773 012

GOVERNMENT PARTY DISCUSSES ABOLITION OF GOVERNMENT CORPORATIONS:

KYODO reports that Democratic Liberal party leaders yesterday discussed proposed plans for abolition of Government corporations (Kodans), or simplification of their organization. They were said to have regarded abolition of the Food Distribution Corporation as impossible but believed that the Food, Fertilizer, Processed Food and Oilstuff Corporations could be abolished or simplified. It was also thought that the Trade, Industrial Recovery and Price Adjustment Corporations could be simplified but the Shipping Operation Corporation should be continued until shipowners are self-sufficient.

HONDA SAYS IKUKAI "WELCOME" IN DEMOCRATIC LIBERAL PARTY RANKS:

State Minister Ichiro Honda yesterday told the press in Nagasaki that the Democratic Liberal party would welcome Ken Ikukai, president of the pro-coalition Democratic faction, as a party member but not on the condition that he be given the position of vice-president, JIJI PRESS reports.

RAILWAY PEACE PRESERVATION OFFICERS PROPOSED:

According to JIJI PRESS, because of recent cases of railway traffic obstruction and train robbery the Judiciary Committee of the House of Representatives contemplates the creation of a 9,000-man force of railway peace preservation officers (Tetsudo Hoankan) who will have authority similar to that of police officers, in addition to the present force of railway security officers (Tetsudo Keankan) who are without such authority.

A Bill, to be introduced jointly by the Judiciary Committee and the Transportation Committee, providing for the new security system was proposed for introduction to the next ordinary session of the Diet.

EDUCATION MINISTRY ANNOUNCES APPOINTMENT OF COMMITTEE:

The Education Ministry yesterday announced the appointment of a 20-man committee to draft the University Administration Bill, KYODO reports.

LABOR MINISTRY ANNOUNCES ESTIMATES ON UNEMPLOYMENT RELIEF:

JIJI PRESS reports that the Labor Ministry estimates that an average of 150,000 unemployed persons will be eligible for unemployment relief during the third quarter (October through December), and an average of 200,000 for each month of the fourth quarter.

RICE CERTIFICATE SYSTEM TO BE DISCUSSED:

Prime Minister Shigeru Yoshida and other leaders of the Government party yesterday decided to begin in the near future conferences concerned with the party's proposed "rice certificate" system which would permit farmers to dispose of surplus rice after delivery of their quotas according to JIJI PRESS.

DECLASSIFIED E.O. 14,032 SEC. 3(E) AND 3(D) OR (E) NNDG # 775 072

MOTORI CHARGED WITH PURGE VIOLATION:

The Attorney General's office yesterday filed a complaint against Hidoichi Motori, former editor-in-chief of the Toito Nichinichi and publisher of the weekly Jitsugyo No Sekai for violation of the purge directive, JIJI PRESS reports.

According to KYODO, Tansan Ishibashi, Finance Minister in the first Yoshida Cabinet, also was summoned for questioning on suspicion that he had violated the purge directive.

COMMUNIST BRANCH HEADQUARTERS RAIDED:

KYODO reports that Osaka metropolitan police yesterday raided the Kisugawa district committee headquarters of the Communist party and the homes of ten committee members in search of documents relating to suspected tax evasion by the Communist district committee.

The search was made in connection with a complaint against the committee filed by Governor Bunzo Akama of Osaka prefecture charging that it had evaded ¥100,000 in admission taxes on performances by the Zenshinza theatrical troupe sponsored by the committee.

DECLASSIFIED E.O. 11652 SEC. 3(E) AND 5(D) OR (E) NNDG # 775 072

GENERAL HEADQUARTERS
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JAPANESE PRESS

2 September 1949

Governmental News Items

GEN WHITNEY

All major metropolitan newspapers this morning carried the full text of General MacArthur's statement issued on the fourth anniversary of Japan's surrender.

DEMOCRATIC LIBERALS PLEDGE "REDOUBLED" EFFORTS FOR RECONSTRUCTION OF JAPAN:

The Democratic Liberal party, in a statement issued yesterday, pledged "redoubled" efforts to be directed toward the reconstruction of Japan. According to JIJI PRESS, the statement declared that "the suspension of reparations removals, increased United States financial assistance, and authorization for development of electric power resources all had been made possible by the determination of the Democratic Liberal party and the international confidence placed in it."

The statement promised that "the party would strive to fulfill its campaign pledges to end the inflation from which the nation has suffered". According to the statement "the Government has decided to abolish the sales tax, and to reduce income and corporation taxes", and "will take definite measures to improve the daily livelihood of the people".

According to KYODO the statement bitterly denounced Communists and middle-of-the-roaders who were obstructing the progress of national recovery.

The statement concluded by saying that although there had been no formal peace treaty, "freedom, prestige and opportunity" were further being expanded, and the nation was on the firm road to restoration to international society.

KATAYAMA CALLS FOR NATIONWIDE MOVE FOR EARLY PEACE TREATY:

Tetsu Katayama, chairman of the Social Democratic party, yesterday urged more than 200 persons invited to hear a report on his recent trip to Europe and the United States to sponsor a move to appeal for early conclusion of a peace treaty for Japan, KYODO reports. "Such a campaign", he said, "had in the past been carried on by the Social Democratic party but a limit to their efforts had been reached and the campaign now must be made into a nationwide movement sponsored by the people themselves".

After an exchange of views on Katayama's proposal, according to the account, the group nominated Tamaki Uemura and 54 others to draft a program to carry on such a nationwide movement.

20 APPLICATIONS FOR LOANS FROM COUNTERPART FUND:

According to MINON KEIZAI, a total of 20 applications for loans from the US Counterpart Fund had been received by the Bank of Japan at the end of August. The requests came from 6 coal mining concerns (¥800 million), 4 pyrite mining

companies (¥300 million), 1 chemical concern and 2 pharmaceutical enterprises (¥200 million), 3 fertiliser industries (¥100 million), 2 electrical companies (¥400 million), 1 shipping concern (¥200 million), and 1 marine products company (¥20 million).

NO-CONTROL OF STAPLE FOODS NOT CONTEMPLATED, ACCORDING TO MORI:

Agriculture and Forestry Minister Kotaro Mori, in an address to the gubernatorial conference yesterday, declared that the Government does not contemplate the removal of controls from staple foods, including Irish potatoes, as had been reported in the press, KYODO reports. He stressed that this was a prob'em which could not be decided by Japan alone, adding that foods were still being imported from the United States.

Mori stated that the Government policy of purchasing over-quota shipments of sweet potatoes, after delivery of quota shipments amounting to about 700,000,000 kan, was unchanged.

POWER HIKE DISCUSSED:

According to KYODO, an increase in electric power charges, amount to 45.9 per cent, effective from October 1, is being considered by the Economic Stabilization Board and the Price Board.

EDITORIAL COMMENT:

Three newspapers commented on the Supreme Commander's statement. According to MAINICHI, although some people - Communists, ultra-nationalists, and members of former special social classes - may oppose Occupation reforms and objectives, the majority of the people today are enjoying benefits derived from these reforms. Occupation policies in Japan have sometimes been criticized by sources abroad. We, however, are grateful that existing policies were adopted and carried forward. The Japanese people are enjoying freedom and progress achieved through the bloodless revolution resulting from these policies.

NIHON KEIZAI declares that General MacArthur has made it clear that further improvement will depend on the efforts of all the Japanese people. The editorial says that the Japanese are an impatient people; they expect recovery overnight. Democratization, however, takes time and much determined effort.

According to YOMIURI, General MacArthur's statement points out the weak points in Japan's efforts toward reconstruction and advises concerning remedial action. Steady progress has been made in the reconstruction of Japan as a result of the material aid and spiritual guidance of the Occupation Forces and as a consequence of intensive effort by the Japanese themselves. The paper warns that difficulties lie ahead and that further effort is necessary in order to establish an "ethical basis" for free and responsible representative government.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

JAPANESE PRESS — 1 September 1949

Governmental News Items

GEN WHITNEY

YOSHIDA REPORTED OPPOSED TO CABINET DECISION RELATIVE TO DIET CONVOCATION:

Chief Cabinet Secretary Kaneshichi Masuda last night revealed that Prime Minister Shigeru Yoshida is opposed to the Cabinet decision yesterday "to take Constitutional steps for convocation of the next extra session of the Diet in October", KYODO reports. The Prime Minister, however, was reported to have consented to the plan for fixing the opening date at "around October 20".

The Prime Minister is expected to attend the regular Cabinet meeting to be held tomorrow. He is scheduled also to make a radio address on September 3 on the subject "Course to be Observed by Peaceful Japan".

REORGANIZATION OF ESB BELIEVED NECESSARY:

KYODO reports that with the growing trend toward a return to a free economy opinion is growing among Government circles that the Economic Stabilization Board should be reorganized. Reasons for the existence of the ESB, the pivotal administrative organization for economic control, were thought reduced by recent decontrol measures affecting coal and other commodities.

Prime Minister Shigeru Yoshida was thought, according to the account, dissatisfied with the present character and structure of the ESB, as evidenced by his opposition to the recent announcement of the organization's 5-year Economic Recovery Program, and both Government and Democratic Liberal leaders were said aware of the necessity of reducing or reorganizing the agency.

According to the report ESB Chief Takeyoshi Aoki, following the Cabinet meeting on Tuesday, told the press that the matter would be discussed with other Cabinet Ministers and party leaders in October, following completion of the Government's personnel reduction program.

HOKKAIDO FARMERS PARTY TO COOPERATE WITH SOCIAL DEMOCRATS:

Mosaburo Suzuki, secretary-general of the Social Democratic party, yesterday told the press in Sapporo that the Hokkaido New Farmers Party had agreed to fully cooperate with the Social Democrats, according to KYODO. Suzuki was accompanied on his speaking tour by Inajiro Asazuma.

Both Suzuki and Asazuma were bitterly critical of the statement by Banboku Ono, Democratic Liberal party adviser, that the Social Democratic party, being a middle-of-the-road group, was fated to crumble and disappear. Suzuki stated that Ono's remark was "extremely rude" and declared that his advocacy of a second conservative party was based upon a desire to restrain progressive parties by "handing the baton of Government power" from one conservative party to another. Such a plan, if it should materialize, Suzuki continued, would obstruct the

democratization of Japan and would have inestimable international repercussions. As a consequence, Suzuki said, the need for increased activity by the Social Democratic party, situated as it was between the extreme rightist Democratic Liberals and the extreme leftist Communist party, was greater than ever. He added that a healthy conservative party was possible only if the Democratic Liberals reform or the Opposition Democrats become more powerful.

APPOINTMENT OF ADVISERS ANNOUNCED:

The International Trade and Industry Ministry yesterday announced the appointment of a panel of 23 advisers to act as an accessory organ to deal with sundry affairs pertaining to commerce, trade and industry, JIJI PRESS reports.

Included among the appointees were Misato Ichimada, Governor of the Bank of Japan; Ichiro Ishikawa, president of the Japan Federation of Economic Organizations; Zenichi Shishitani, managing director of the Japan Trade Association; Ichiro Nakayama, president of the Tokyo College of Commerce; Teiichi Kawakita, president of the Industrial Bank of Japan; Takashi Miki, president of the Japan Steel and Iron Manufacturing Company; and Shoichi Enjoji, president of the Japan Coal Industry Association.

GOVERNMENT WILL NOT COMPENSATE COAL MINE LOSSES, INAGAKI SAYS:

Heitaro Inagaki, International Trade and Industry Minister, yesterday told a joint meeting of the Upper House Commerce-Industry and Labor Committees that the Government had no plan to compensate coal mine operators for losses resulting from de-control over coal, KYODO reports.

RATIONS FOR WORKERS INCREASED:

KYODO reports that the Government yesterday decided to increase the extra food rations of workers in key industries. The new extra rations range from 1 go to 2.7 go. Twenty-seven industries so far have been designated as "key industries", according to the account.

LABOR-FARMERS RESENT SUZUKI STATEMENT:

According to KYODO, Seiichi Suzuki, Labor-Farmer party leader, yesterday categorically denied to the press the statement of Mosaburo Suzuki, secretary general of the Social Democratic party, that the Labor-Farmer party would merge with the Social Democratic party. Suzuki said that the party had formally protested Suzuki's remark and had demanded that he retract his statement.

NEW TRAIN SCHEDULE TO START 15 SEPTEMBER:

In addition to the reorganization of its administrative structure, the National Railway Corporation on 15 September will initiate a new schedule of both passenger and freight trains which will speed and improve these services, according to JIJI PRESS. Agreement was said already reached with the National Railway Workers Union regarding the new schedules.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

JAPANESE PRESS — 31 August 1949

Governmental News Items

PUBLICATION OF SHOUP REPORT DELAYED:

JIJI PRESS reports that sources close to the Finance Ministry yesterday revealed that publication of the full text of the tax recommendations of the Shoup Mission, originally scheduled for 2 September, will be delayed. The delay was said caused by translation of the original text into Japanese.

PUBLIC WORKS EXPENDITURE DECIDED:

According to JIJI PRESS, the Cabinet yesterday agreed on public works expenditures for the third quarter of the 1949-50 fiscal year totalling ¥13,400 million yen. Of the amount ¥9,599 million (an increase of five per cent over the first quarter) will be spent for public works projects and the balance for disaster rehabilitation.

The largest single item in the public works program for the quarter was said river improvement totalling ¥4,195 million. Approximately ¥2,793 million would be spent for roads and harbors, ¥816,936,000 for public housing projects, and ¥2,565 million for agricultural improvements.

ESTABLISHMENT OF EXCHANGE RATE FOR FOREIGN DEBTS DISCUSSED:

Finance Minister Hayato Ikeda yesterday told the press that his Ministry on Monday discussed the establishment of a dollar-yen exchange rate for disposing of Japan's foreign debt totalling about $400,000,000, JIJI PRESS reports.

According to Ikeda a large portion of this debt is in the form of electric power shares purchased when one US dollar was quoted at two yen. If the current exchange rate of ¥360 were applied, the price of those shares would be 180 times their pre-war value. However, the electric power rate has not increased to that extent and redemption of the shares at the present exchange rate would result in a considerable loss, Ikeda said. More conferences will be held on this very complicated matter, he stated.

EXPORTS FOR AUGUST:

The Finance Ministry yesterday announced that during the second ten days of August Japan's exports totalled ¥4,306,209,000, according to JIJI PRESS. Exports for the first ten day period amounted to ¥1,959,000,000. Imports for the second ten day period amounted to ¥11,494,452,000 over ¥7,242,000,000 for the first ten days of the month.

GHQ WHITNEY

COAL DISTRIBUTION CORPORATION TO BE ABOLISHED SEPTEMBER 15:

The Cabinet yesterday agreed to abolish the Coal Distribution Corporation from September 15, and to discontinue simultaneously existing price controls over coal, according to JIJI PRESS.

STATE RAILWAY CORPORATION TO BE REORGANIZED:

JIJI PRESS reports that in accordance with a retrenchment program decided upon recently the working structure of the State Railway Corporation will be reorganized beginning 1 September. Under the plan all existing bureaus of the main office which are connected with transportation will be united in one bureau placed under the supervision of one chief who will be assisted by a transportation manager. Closer relations between the central and local offices of the Corperation regarding distribution and utilization of materials will also be sought.

CREATION OF NATIONWIDE FEDERATION OF PUBLIC SAFETY COMMISSIONS DECIDED:

The conference of representatives of national and local safety commissions yesterday agreed to establish a national federation of local public safety commissions, KYODO reports.

The conferees also discussed (1) readjustment of the basis for creation of a local autonomous police unit; (2) revision of payrolls of local autonomous police; (3) empowering the prefectural governor to declare a "state of emergency" in a particular region where necessary; (4) strengthening the system of mutual assistance between the National Rural Police and local autonomous police or between autonomous police forces; and (5) revision, in accordance with the above, of the Law of Criminal Procedures.

UNION RESOLUTION URGES RESIGNATION OF INAGAKI:

Representatives of the Federated Council of Government and Municipal Employees Unions yesterday presented to Heitaro Inagaki, Minister of International Trade and Industry, a resolution urging that he resign from the Cabinet to assume responsibility for alleged blackmarket deals, JIJI PRESS reports. The resolution was based on a decision "to expose illegal activities of the Yoshida Cabinet" reached at a rally last Saturday.

Inagaki denied to the union representatives any connection with alleged blackmarket dealings of the Yokohama Rubber Company and the Furukawa Electric Wire Company, adding that he, acting as chairman of the board of directors of the Yokohama Rubber Company, only participated in stockholders' meetings.

Inagaki answered in the affirmative, according to the account, when asked by the union representatives whether he would file a libel suit against them for their accusations of illegal dealings.

"WALL GAZETTEERS" SENTENCED TO FIVE YEARS:

KYODO reports that the Allied military court in Osaka City yesterday sentenced all six defendants in the "wall gazette" case in Osaka and the "anti-Occupation speech" case in Tsuruga City to five years imprisonment. Four of the defendants were charged with posting wall newspapers prejudicial to the Occupation in Osaka and two with making anti-Occupation speeches in Tsuruga City.

¥9,700 BASIC WAGE DEMANDED BY STATE RAILWAY WORKERS:

The Democratization League dominated Central Struggle Committee of the State Railway Workers Union yesterday agreed to request the Government to revise the base pay from ¥6,307 to ¥9,700, JIJI PRESS reports. The request will be submitted to the authorities with a demand that a reply be made by 3 September, according to the account.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

JAPANESE PRESS — 30 August 1949

Governmental News Items

GOVERNMENT CONTEMPLATES TAX REDUCTION BEYOND SHOUP RECOMMENDATIONS:

Chief Cabinet Secretary Kanechichi Masuda yesterday told the press that the Government contemplates an even more drastic reduction of taxes than was recommended in the report by the Shoup Mission. He said that an understanding in this respect was reached between Mr. Shoup and Prime Minister Shigeru Yoshida prior to Mr. Shoup's departure.

According to KYODO, Masuda said the Government hoped that the people would indicate their interest in the tax reform by freely expressed opinions, especially as regards a revision of the alcoholic beverages tax and the creation of new taxes.

Regarding the transfer of the tobacco industry to civilian management Masuda said that the Prime Minister believes it will be advisable to abolish the monopoly system provided a revenue source of ¥120 billion after abolition of the monopoly system can be assured. The Government will continue to study the problem, he said.

According to the account by JIJI PRESS Masuda pointed out that opinion in Government circles was divided over whether a tax reduction on earned income should receive preference /over reductions in other taxes. Opposition among Government circles also was increasing to an imposition of increased taxes on alcoholic beverages, he said.

REPORT TRADE PROMOTION PLAN TO BE SUBMITTED TO VOORHEES:

KYODO yesterday reported that according to Nihon Keizai the International Trade and Industry Ministry plans to submit to Under Secretary of the Army Voorhees a 5-point plan to promote foreign trade. The program calls for:

1. Establishment abroad of commercial agencies of the Japanese Government.

2. Organization of an agency enabled to make adjustments in trade activities. Such an agency, while contrary to the Anti-Trust Law and the Enterpreneurs' Organization Law, was said urgently needed in view of the lack of experience and knowledge in international trade of many Japanese traders.

3. Conclusion of more effective trade agreements.

4. Measures to increase trade with East Asiatic countries.

5. Utilization of Japanese ships. Japan's small merchant fleet was said not being fully utilized in the transportation of imports and exports.

GEN MARMAY

CONSERVATIVE MERGER DIFFICULT, ONO SAYS:

Banboku Ono, Democratic Liberal party adviser, yesterday told the press in Gifu that the question of a merger of conservative forces would "be settled at a party convention to be held at the end of October", according to KYODO. He said "there is much opposition to the merger within the Democratic Liberal party and I do not believe that it will materialize."

Regarding rumors that some Cabinet members would resign because of differences of opinion between the Government and the Democratic Liberal party Ono said that the situation had not yet advanced to the point where any changes were necessary but if it reached such an impasse a Cabinet re-shuffle, involving four or five ministers, would be carried out.

Concerning the question of strengthening the anti-Communist front Ono said: "It would be preferable to form two conservative parties rather than to build up the Social Democratic party since the Social Democratic party is a middle-of-the-road group fated eventually to be scattered."

OPPOSITION "FEDERATION" DEMANDS EARLY CONVOCATION OF DIET:

A 5-man delegation, representing the "federation of opposition parties for early convocation of the Diet", organized on Sunday by the Social Democratic party, the Opposition Democrats and the New Political Council, yesterday called on Deputy Prime Minister Joji Hayashi and Chief Cabinet Secretary Kaneshichi Masuda to present a joint demand for early convocation of the Diet, KYODO reports.

LABOR-FARMER PARTY WILL NOT PARTICIPATE IN OPPOSITION "FEDERATION":

The Labor-Farmer party, in a brief statement yesterday, announced that it would not participate in the "federation of opposition parties for early convocation of the Diet" formed on Sunday by the Opposition Democrats, Social Democrats and the New Political Council, according to JIJI PRESS.

The statement was issued subsequent to rejection by the three opposition parties of the Labor-Farmer demand that they "seek the immediate downfall of the Yoshida Government" in conjunction with their demand for an early Diet session.

"FEDERATION" TO SPONSOR LECTURE RALLIES:

The promoters of the "federation of opposition parties" at a conference yesterday decided to sponsor a series of lecture rallies in a direct appeal for public support of their campaign for early convocation of the special Diet session, JIJI PRESS reports.

PUBLIC HEARING TO BE HELD ON FREIGHT RATE INCREASE:

The Transportation Ministry will sponsor public hearings on September 1, 2, 5, and 6 on the projected 50 per cent increase in state railway freight charges, JIJI PRESS reports.

TYPHOON "JUDITH" CAUSES DAMAGES AMOUNTING TO ¥270 MILLION:

According to KYODO, information received by the International Trade and Industry Ministry indicates that damages to electrical power installations in Kyushu caused by the Typhoon "Judith" amounted to about ¥270 million.

KAGAYAMA RECOMMENDED TO SUCCEED SHIMOYAMA:

JIJI PRESS reports that the State Railway Management Committee yesterday recommended the promotion of vice-president Yukio Kagayama of the State Railway Corporation to the post of president left vacant since the death of former president Sadanori Shimoyama.

CHINESE OVERSEAS MERCHANTS ISSUE STATEMENT ON FORMOSA:

A statement issued by the General Association of Chinese Overseas Merchants Resident in Japan yesterday expressed strong opposition to any plan to "make Formosa a base for the National Government or a military base of a specified country", KYODO reports. The statement declared that Formosa belongs to China "as was clearly provided for in the Cairo Declaration and in the Potsdam Declaration."

While admitting that Formosans were dissatisfied with their present administration, the statement stressed that "the manner of improvement is an entirely domestic issue," adding that any plan "to make Formosa an independent country or to place it under military control or under international trusteeship will never receive our approval."

PAWN SHOPS TO BE INCREASED:

According to ASAHI, the Metropolitan Office will submit in the near future to the Metropolitan Assembly a bill to increase by from 40 to 50 the number of municipal pawnshops. Loans will be restricted to ¥1,000 per individual and ¥5,000 per household at an interest rate of three per cent. It was said that about 300 pawnshops now operate in Tokyo charging, in some cases, interest rates as high as ten per cent for a ten day period.

The bill will call for an expenditure of ¥200 million yen for the current fiscal year, of which ¥120 million would be spent for the purchase and repair of shops or buildings.

The new shops are expected to open for business the latter part of the current year.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

JAPANESE PRESS

29 August 1949

Governmental News Items

GEN WHITNEY

PROGRESSIVE ANTI-COMMUNIST ORGANIZATION TO BE FORMED BY SOCIAL DEMOCRATS:

Mosaburo Suzuki, Secretary General of the Social Democratic party, yesterday told the press at Aomori that with the return of Tetsu Katayama, Chairman of the central executive committee, efforts were being made to unify the party and to induce the Labor-Farmer party (provided it clarifies its stand against Communism) and other similar labor farmer groups to unite with it to form an anti-Communist progressive organization, MAINICHI reports.

According to the account in KYODO, Suzuki declared that the Communist party could be regarded as "having cooperated with the Government" in the sense that it had obstructed Social Democratic attempts to reveal the reactionary nature of the Democratic Liberal party and the incompetence of its government officials.

Reconstruction of the Social Democratic party "has been progressing far more smoothly than was expected," Suzuki asserted, and he added: "We will announce to the world the completion of our party reconstruction at the national convention to be held in November".

Suzuki said he agreed with Prime Minister Shigeru Yoshida that a two-party system was needed to maintain a balance of political power, adding that the ultimate aim of the Social Democratic party was to achieve a "stabilized single party Cabinet".

He admitted, however, that the people in general "were not inclined at present to launch a down with the Yoshida Cabinet" campaign and said that his party would not "in the immediate future" launch a "full-dress" offensive against the Government. The Social Democratic leader asserted that the party would be prepared to meet the Democratic Liberals at the polls for a "decisive battle" by March or April of 1950.

LABOR FARMER PARTY UNITED, OKADA SAYS:

Haruo Okada, Labor Farmer member of the House of Representatives, yesterday denied to the press that the Labor Farmer party had split, KYODO reports. "Rather," he said, "it is the various factions of the Social Democratic party who are struggling for power". He charged Mosaburo Suzuki, secretary general of the Social Democratic party, with acting in concert with Prime Minister Shigeru Yoshida in the promotion of two major political parties of conservatives and progressives.

OPPOSITION FORMS "LEAGUE FOR EARLY CONVOCATION OF DIET":

Leaders of the three Opposition parties at a meeting held in the Diet building yesterday agreed to form what they called an "opposition league for early convocation

of the Diet", according to KYODO. Present at the conference were chairman Toteu Katayama of the Social Democratic party, chairman Giso Tomabechi of the Opposition Democratic party, chairman Takeo Miki of the New Political Council, as well as other leaders of these groups.

A joint statement issued after the meeting declared that the newly-formed league was designed to "protect the livelihood of the people and eliminate social unrest", and would seek popular support for their demands for immediate convocation of the Diet.

COMMUNIST SUSPECT DETAINED IN MITAKA TRAIN CASE:

JIJI PRESS reports that a writ of detention yesterday was requested by the Hachioji branch of the Tokyo District Public Procurator's Office for Yuho Kiyataka, member of the Kitatama committee of the Communist party, suspected of complicity in the Mitaka runaway train case.

802 FOREIGN TRADE COMMUNICATIONS RECEIVED IN AUGUST:

According to SANGYO KEIZAI, as of 25 August 802 foreign communications regarding trade had been received by the Osaka Chamber of Commerce. This was said an increase of 55 inquiries over those received for the month of July.

Three hundred and twenty of the requests for information were said to have come from Africa, 207 from India, and 105 from Central and South America.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

JAPANESE PRESS

15 August 1949

Governmental News Items

COMMUNIST VIOLENCE SAID MAIN OBSTRUCTION TO PEACE TREATY:

The Democratic Liberal party, in a statement entitled "Road to Peace" issued in the name of chief party secretary Kozen Hirokawa on the fourth anniversary of the surrender of Japan, yesterday asserted that the Communist party's plan for a revolution by force was the primary obstruction to the conclusion of a Peace Treaty, according to YOMIURI. The statement declared: "We have faithfully observed the conditions of the Potsdam Declaration during the past four years. Fully realizing this, General MacArthur has pointed out that the causes for delay in the signing of a Peace Treaty are found in circumstances outside Japan rather than with the Japanese people.

"Since the formation of the second Yoshida Cabinet certain rights have been returned to the Japanese Government by the Occupation. The measures taken to place Japan's political and economic activities on a normal course in both external and internal phases can be considered as follows:

"External Phase: (1) permission to display the national flag; (2) attendance of representatives at international conferences; (3) participation in international agreements; (4) conclusion of trade agreements; (5) simplification of foreign trade procedures and the fixing of a rate of exchange; (6) travel by Japanese to foreign countries; (7) permission for direct communication between the Government and Japanese abroad; (8) vesting of control of export and import in the hands of the Japanese Government; (9) permission for international wireless broadcasting; (10) permission to set up aircraft navigation lights; (11) transfer of right to control harbors; (12) change in designation of military government units to civil affairs units and return of administration to Japan.

"Internal Phase: (1) establishment of a balanced budget on the basis of the nine economic principles; (2) establishment of the Counterpart Fund; (3) establishment of a single rate of exchange; (4) transfer of export trade to private sources; (5) substantial reduction in reparations; (6) re-establishment of Purge Appeals Committee; (7) issuance of a Government ordinance for maintenance of order among repatriates; (8) removal of various controls and the development of economic self-sufficiency based on the initiative of the people as well as a program of return to international economy".

The statement concluded by saying: "The primary obstruction to a Peace Treaty is the Communist party's plan for a revolution by force. We take this occasion to express our determination to develop a firm struggle against the Communist party."

COMMUNICATIONS BILLS BEING DRAFTED:

KYODO reports that the Government is drafting two bills pertaining to electric waves and broadcasting for presentation to the special Diet session.

GHQ, SCAP, MIS, CIVIL INTELLIGENCE SECTION

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

JAPANESE PRESS

12 August 1949

Governmental News Items

OZAWA TO REJECT FURTHER MEETINGS WITH UNION:

JIJI PRESS reports that Eizo Matsuyama, chief of the personnel control section of the Telecommunications Ministry, yesterday disclosed that Minister Saaki Ozawa told Chairman Kenji Yamaguchi and other representatives of the Government Communications Workers Union that he would not discuss further the personnel reduction issue.

GUBERNATORIAL CONFERENCE BEGINS:

A two-day gubernatorial conference, sponsored by the National Federation of Provincial Self-Government Councils, yesterday was begun in Tokyo. In addition to prefectural governors, the conference was attended by State Minister Ichiro Hoada, Construction Minister Hideji Nagutani and other government officials concerned with provincial government affairs.

According to JIJI PRESS, the governors urged the Government to take prompt action to eliminate the ¥15,000 million deficit in public works expenditures.

IMPOSSIBLE TO CONVENE DIET ON 25 AUGUST, DIET TOLD:

Chief Cabinet Secretary Kaneshichi Nasuda yesterday notified Tsuneo Matsudaira, president of the House of Counsillors, and Kijuro Shidehara, Speaker of the House of Representatives, that composition of the special Diet session on 25 August, as demanded by the Opposition, would be impossible, KYODO reports.

OPPOSITION PARTIES DENOUNCE YOSHIDA AS "UNDEMOCRATIC":

The Opposition Democrats, Social Democrats and the New Political Council, in a joint statement issued yesterday, denounced Prime Minister Shigeru Yoshida's refusal to meet with representatives of the group as "undemocratic". According to JIJI PRESS, the statement declared that the Prime Minister's rejection of their request for an interview was calculated to suppress the wishes of the Opposition parties to seek a rational settlement of various issues pending in the forthcoming Diet session and to encourage extreme leftist violence.

The three parties had requested a conference with the Prime Minister on 13 August. Chief Cabinet Secretary Kaneshichi Nasuda told representatives of the group that the Prime Minister requested that the meeting "be postponed for the time being".

LOANS FOR TYPHOON DAMAGE ANNOUNCED:

The Government yesterday announced advancement from the savings department of the Finance Ministry of short-term loans totalling ¥600 million to the prefectures of Fukui (39 million yen), Mie (129 million yen), Shiga (39 million yen), Kyoto

COL. ALVA C. WHITNEY

(159 million yen), Hyogo (60 million yen), Nara (30 million yen), Okayama (60 million yen), Tokushima (33 million yen), and Kagawa (51 million yen), KYODO reports.

DISTRICT CHAIRMEN OF RAILWAY UNION TO ATTEMPT SOLUTION OF CSC DIFFERENCES:

Chairmen of the eight district councils of the State Railway Workers Union yesterday met in conference at Atami to attempt to work out a compromise formula to unify the central struggle committee before the conference of the central committee proposed for mid-August, according to JIJI PRESS.

INAGAKI ACCUSED OF BLACKMARKETING:

The union of employees of the International Trade and Industry Ministry yesterday filed requests with the Lower House Examination Committee and the Public Procurators' Board for an investigation into alleged blackmarket activities of Heitaro Inagaki, head of the Ministry, JIJI PRESS reports. Documents submitted with the requests for investigation indicated that Inagaki, as president of the Yokohama Rubber Company, with Kiyoshi Nagata, president of the Japan Rubber Company, engaged in blackmarket dealings in rubber.

TRADE MISSION TO VISIT SOUTHEAST ASIA:

The International Trade and Industry Ministry is preparing to dispatch a special trade mission of five persons, including one Government official, to Southeast Asia on about 15 August, KYODO reports. The group will visit Bankok, Delhi, and Rangoon, according to the account.

REPATRIATION COUNCIL REQUESTS DISPATCH OF DELEGATION TO CHINA:

About fifty representatives of the National Council for Promoting Repatriation of Japanese Overseas, accompanied by Nobuo Asaoka, Upper House member, yesterday called on Chief Cabinet Secretary Kaneshichi Masuda to request the dispatch of a special Japanese delegation to China to facilitate the repatriation of Japanese from that area, according to KYODO.

They were told to initiate their request through the proper channels. Since China has no unified administration at the present time, Masuda said, it would be difficult to send such a Japanese delegation. He assured the group that SCAP was exerting utmost efforts to speed repatriation.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

JAPANESE PRESS

10 August 1949

Governmental News Items

CABINET DECIDES STATUS OF DISCHARGED LABOR UNION OFFICIALS:

The Cabinet yesterday formally decided that discharged labor union officials no longer have the right to participate in negotiations conducted with the management, JIJI PRESS reports. The decision followed conferences between the Cabinet and the National Personnel Authority relative to interpretation of Article 98 of the NPSL and NPA regulations governing the status of discharged union officials.

FISHING REGULATIONS TO BE STRENGTHENED:

The Cabinet yesterday agreed to issue a decree to further strengthen controls over operation of fishing vessels, JIJI PRESS reports. The new decree provides (1) an outline of the areas in which fishing craft may operate; (2) a requirement that fishing vessels report by 1200 hours their location; and (3) strengthening the provisions which deal with violators.

The paper further reports that the Agriculture and Forestry Ministry expects to put eight vessels on patrol duty from August.

FURTHER RELEASE EXPECTED FROM COUNTERPART FUND:

According to KYODO, the Finance Ministry in the near future will request permission to advance ¥3,200 million from the US Counterpart Fund to the national railways and ¥2,600 million to the government communications. The Ministry also will request permission to advance ¥2,700 million from the Fund for utilization by the Agriculture and Forestry Ministry in land improvement and for other purposes.

BANK DIVIDENDS EXPECTED TO BE REVIVED:

The Policy Board of the Bank of Japan is negotiating with the authorities concerned to revive dividend payments by banks, KYODO reports.

NO CONCLUSION ON SUBSIDY ISSUE:

JIJI PRESS reports that no decision was reached yesterday in Cabinet discussions on the price adjustment and Government subsidy issues. The matter will be taken up again today at a meeting to be held at 1300 hours, it was said.

RICE PRICE TO BE ANNOUNCED ABOUT 23 AUGUST:

KYODO reports that the new price of rice will be announced about 23 August.

COAL DISTRIBUTION CORPORATION TO BE ABOLISHED:

Naitaro Inagaki, Minister of International Trade and Industry, in a written reply to a questionnaire submitted by the Social Democratic party, yesterday said

it was his intention to abolish as soon as possible the Coal Distribution Corporation JIJI PRESS reports. In view of the importance of the issue, he said, it was desirabl that it be placed before the Diet for deliberation, however, increasing stockpiles of coal and the stringent money situation might necessitate Government action before convocation of the extraordinary Diet session.

Inagaki said further that the Government had not yet decided whether official control over coal prices should be lifted completely following abolition of the Corporation.

MEETING OF SHUU FACTIONS ENDS IN FAILURE:

No agreement yesterday was reached by the nine representatives of the Democratization League, Renovation League, and Communist faction of the State Railway Workers Union, JIJI PRESS reports. Following the meeting Chairman Etsuo Kato told the press that the meeting had ended in failure.

GOVERNMENT SAID CONSIDERING ORDINANCE TO GOVERN REPATRIATES:

The issuance of an Ordinance, based upon the Potsdam Declaration and SCAP directives, to govern repatriates yesterday was studied by the Cabinet, according to JIJI SHIMPO. Recent actions by repatriates aboard repatriation ships, their refusal to cooperate in debarkation procedures, and disputes and disorders occurring after they leave the debarkation center were said to have prompted the Cabinet action.

FOUR SHINYO MARU REPATRIATES INDICTED:

Four repatriates who arrived aboard the Shinyo Maru yesterday were formally indicted by the Kyoto district public procurator's office for alleged violence in the "tsurushiage" (people's trial) of the ship's captain and other senior officers of the crew, KYODO reports.

RECOMMENDATIONS OF SHOUP MISSION REPORTED ABOUT 25 AUGUST:

JIJI PRESS reports that "informed sources" close to the Finance Ministry yesterday disclosed that the tax reform recommendations of the Shoup Mission were expected about 25 August.

TWO KYUSHU CHAPTERS DECIDE AGAINST REJECTION OF DISMISSALS:

According to KYODO, two chapters of the Kyushu district Government Communications Workers Union on Monday decided against rejection of dismissal notices provided the union is permitted to conduct advance negotiations with the Government relative to the personnel reduction. The decision was reached at a joint executive committee meeting of the Telecommunications Ministry chapter and the Postal Ministry chapter of the union.

ANTI-DISMISSAL CAMPAIGN ENDS IN SENDAI:

According to JIJI PRESS, about 40 workers of the Sendai wireless communication administration office local of the Government Communications Workers Union on Monday demanded pledges from their office and section chiefs that "no workers would be be dismissed" under the Government's personnel reduction program. Locals of the

Asagaseki post office and the Aomori communications administration office on Monday began similar anti-dismissal struggles, according to the report.

The paper further reports that the Sendai postal administration office and the Tohoku telecommunications bureau are prepared to act to forestall violence anticipated upon announcement of the personnel dismissals.

NEW NCIC HOLDS FIRST EXECUTIVE MEETING:

The central executive committee of the new National Federation of Industrial Organizations yesterday held its first meeting since inauguration of the organization on Tuesday, KYODO reports. After appointing eleven standing executive committee members, the committee agreed (1) to extend positive assistance in the reform of the central committee of the National Railway Workers Union; (2) to oppose the "Independent Youth League" recently organized by democratization leaguers of the National Railway Workers Union and the All Japan Government Communications Workers Union in cooperation with the Youth Department of the Social Democratic party.

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SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

JAPANESE PRESS

9 August 1949

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YOSHIDA CONFERS WITH CABINET AND PARTY LEADERS:

A conference, attended by Prime Minister Shigeru Yoshida, members of the Cabinet and leaders of the Democratic Liberal party, yesterday discussed issues expected to arise during the special session of the Diet, according to YOMIURI, among which were the proposed revisions of the election law and police law.

Agreement reportedly was reached on proposed revisions of the election law, including abolition of certain restrictions to election campaigning, and abolition of the national district for election of members of the House of Counsillors.

No change was said envisaged in the organization of the police system, according to the report, but a revision, to be effected within the policies outlined by SCAP directives and letters, was proposed whereby increased efficiency in the liaison between the national rural police and autonomous police could be obtained and greater mobility ensured.

No legislative action was said contemplated in regard to anti-Communist activities since it was felt that existing laws were adequate to control the situation. If the aims of the Occupation should be endangered in future activities, or economic recovery obstructed, the question of appropriate legislation to meet the situation could then be considered.

Despite denials in foreign press dispatches, according to the paper, the Democratic Liberal party appeared to expect announcement of "some piece of good news" on or about 15 August, the fourth anniversary of Japan's surrender, or around 2 September, the date of the signing of the Armistice aboard the USS Missouri.

RE-EXAMINATION OF PRICE SUBSIDIES NECESSARY, MASUDA SAYS:

Chief Cabinet Secretary Kaneshichi Masuda yesterday told the press that a thorough re-examination of existing price adjustment subsidies should be conducted prior to the discontinuance of any such subsidies, JIJI PRESS reports.

ANTI-COMMUNIST YOUTH ORGANIZATION TO BE FORMED:

Eisaku Sato, chairman of the Democratic Liberal party's political affairs research committee, yesterday told the press in Niigata that an anti-Communist youth organization, to be known as the "New Japan Construction Youth Federation", sponsored by the Democratic Liberal party, would be inaugurated late this month, KYODO reports.

Sato further told the press that the party would present to the special Diet session a bill to abolish state control over coal mines, adding that the Diet should enact a new law to develop the coal mining industry and to restrict coal consumption.

GEN WHITNEY

REB LOAN COLLECTIONS FOR APRIL THROUGH JUNE ¥2,705 MILLION:

The Finance Ministry yesterday announced that collection of Reconstruction Finance Bank loans during the period from April to June totalled ¥2,705,577,000, leaving a balance of ¥116,105,795,000, according to JIJI PRESS.

NEWU'S APPLICATION FOR COURT INJUNCTION REFUSED:

The Tokyo District Court yesterday refused the application on 17 June by the National Railway Workers Union for a court injunction for resumption of collective negotiations with the railway authorities, KYODO reports. The court pointed out that the personnel reduction was "inevitable in the implementation of the 9-point economic rehabilitation program," adding that in the opinion of the court the right of collective bargaining "does not necessarily have priority over the interests of the public".

METAL MINE WORKERS SEEK WAGE INCREASE:

The Federation of Metal Mine Workers Unions has approached the Metal Mine Employers Association with a proposal that wages be increased to ¥14,000 for pit workers and ¥5,500 for surface workers, including taxes, JIJI PRESS reports. A reply to the proposal was asked by 20 August.

40 PER CENT OF KANAGAWA COMMUNICATIONS WORKERS TO RETURN DISMISSAL NOTICES:

JIJI PRESS reports that of the 45 locals of the Kanagawa District Headquarters of the All Japan Government Communications Workers Union, numbering about 9,500 members, about 40 per cent are believed in favor of returning dismissal notices issued in the Government personnel reduction. The other 60 per cent were thought to favor collective negotiations on the discharge problem.

The Kanagawa district headquarters, at an urgent meeting yesterday, decided to recognize the decision of each local relative to the issue, according to the account.

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8 August 1949

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GEN WHITNEY

PUBLICATION OF DISMISSALS OF COMMUNICATIONS WORKERS DELAYED:

Publication of dismissal notices in the personnel retrenchment of the Ministries of Telecommunications and Postal Administration, originally scheduled for today, has been postponed for several days because of the unexpectedly large number who have indicated their decision to resign, YOMIURI reports. Voluntary resignations at the close of last week numbered 13,000, the paper said.

LEFTIST LEADERS FAVOR STRIKE IF COMMITTEE MEMBERS DISCHARGED:

According to JIJI PRESS, information received by authorities of the Ministries of Telecommunications and Postal Administration indicates determination by leftist members of the Central Struggle Committee of the All-Japan Government Communications Workers Union to direct member unions to strike if any leftist members of the Committee are discharged under the personnel retrenchment program.

COMPLAINTS FILED AGAINST TOKUDA AND NOZAKA:

NIHON KEIZAI reports that the Akita District Court on Saturday began examinations in connection with complaints filed by Yataro Takahashi, chief of the Akita prefectural branch of the Nihon Kokutai Association against Kyuichi Tokuda and Sanzo Nozaka, Communist members of the House of Representatives, on charges of violation of the Potsdam Ordinance and abuse of Occupation policies in speeches made at Akitashi on 20 February (Tokuda) and on 29 June (Nozaka).

DRAFT OF LOCAL PUBLIC SERVICE LAW TO BE COMPLETED THIS MONTH:

According to KYODO, the Local Autonomy Commission expects to complete by the end of the month its draft of the Provincial Public Service Law, which stipulates working conditions for employees of local government agencies.

JULY EXPORT FIGURES PUBLISHED:

The International Trade and Industry Ministry yesterday announced that 5,483 export contracts were concluded during July, totalling $33,747,884.39, JIJI PRESS reports. Export contracts for June numbered 5,963 for a total of $39,736,674.19.

OSAKA COMMUNISTS TO BE TRIED BY MILITARY COURT:

JIJI PRESS reports that Yukio Tsuneruka, council chairman of the Communist party of Fuse city, Naomi Inaji, member of the Ikuno county council of the Communist party, Tadano Aoki, chairman of the struggle committee of the Han-shin Electric Railway local and Yuzuru Yoshimura, member of the Nerigashi Municipal Assembly will be tried by Occupation court in connection with the Osaka "wall gazette" case. Other persons connected with the case will be tried by Japanese courts, according to the report.

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CABINET APPROVES BUDGET POLICIES FOR NEXT FISCAL YEAR:

According to KYODO, the Cabinet yesterday approved the following budget policies proposed by Finance Minister Hayato Ikeda:

1. Keep government costs to an absolute minimum and maintain a truly balanced budget.

2. Reduce subsidies to private business and industry and revise or abolish economic controls.

3. Expand and develop basic industries and reduce unemployment.

4. Improve the taxation system.

5. Initiate measures to assure the financial independence of local government entities.

In the course of the Cabinet meeting Ikeda opposed industrial subsidies, arguing that continuance of subsidies would be detrimental to the free enterprise system.

It is predicted that the budget for the next fiscal year will be balanced at between ¥350 billion and ¥600 billion.

BOARD OF AUDIT TO MAINTAIN CLOSE CHECK ON ACCOUNTS OF GOVERNMENT CORPORATIONS:

The Cabinet yesterday asked the Board of Audit to keep a watchful eye on the use of nine billion yen soon to be advanced to government corporations, JIJI PRESS reports.

Special precautions were recommended in view of the ¥5,400,000,000 deficiency recently discovered in the accounts of the branch firewood and charcoal offices of the Agriculture and Forestry Ministry. According to Chief Cabinet Secretary Kanashichi Hosada the "accidentally" created deficiency probably had developed over a period of several years.

Hosada explained that the Board of Audit could not be held directly responsible since it had not had sufficient personnel to maintain a close check on the accounts of all the firewood and charcoal offices scattered throughout the country.

LEFTIST UNIONS DEMAND CABINET DOWNFALL:

A six-point resolution, calling for "downfall of the Yoshida Cabinet" and "immediate opening of an extraordinary Diet session", was approved during yesterday's rally of leftist labor unions held in the Palace Plaza, KYODO reports. The resolution, which was submitted to the Prime Minister and other leading government officials, also protested the mass discharge of public service and industrial workers, demanded "unification of the labor front" and "immediate release of the arrested suspects of the Mitaka case."

According to police estimates about 10,000 persons attended the rally, which was sponsored by the National Congress of Industrial Unions, the National Liaison Council of Labor Unions, and the National Federation of Government and Public Workers Unions.

COMMUNICATIONS WORKERS UNION TO OPPOSE DISMISSAL OF COMMUNISTS FROM TELE-COMMUNICATIONS MINISTRY:

Leftist members of the Central Struggle Committee of the All-Japan Government Communications Workers Union (Zentai) are determined to call a strike should any Communist members of the Committee be discharged under the impending personnel reduction program to be carried out by the Tele-communications Ministry, according to JIJI PRESS.

It is predicted that lists of personnel to be discharged from the Telecommunications and the Postal Affairs Ministries will be announced on or about 10 August. The actual number of dischargees from both ministries is expected to total 17,000 to 18,000. Several thousands more are expected to resign voluntarily.

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6 August 1949

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COMMUNICATIONS WORKERS UNION DECIDES ON "LAWFUL STRUGGLE":

According to information received yesterday by the Government, YOMIURI and TOKYO TIMES report, the central struggle committee of the Government Communications Workers Union, at a meeting held on August 2nd, reconsidered its resolution adopted at the Akita convention held in June (to use force including strikes, as was adopted at the Atami convention of the National Railway Workers Union) and decided (1) to reject dismissal notices; (2) to keep its struggles within the bounds of law; and (3) to exchange pledges among members.

The "exchange of pledges" was believed to commit union members to the following: (1) to exert all efforts toward a campaign to collect funds and signatures in opposition to the dismissal of communications workers; (2) to receive dismissal notices only when accompanied by other workers; (3) to accept dismissal notices only after all (family and colleagues) were satisfied with the "reasons" for the dismissal; and (4) to carry on an active propaganda program to the effect that the dismissal of communications workers would greatly inconvenience the public.

COAL OUTPUT FOR LAST TEN DAYS IN JULY 109 PERCENT OF GOAL:

The International Trade and Industry Ministry yesterday announced that coal output during the last ten days of July amounted to 1,200,000 tons, or 109 per cent of the goal set for the period, according to JIJI PRESS.

SOCIAL DEMOCRATS OPPOSE ABOLITION OF STATE COAL CONTROL; BREAKUP OF ELECTRIC INDUSTRY:

The Social Democratic party has agreed to appoint two special committees to sponsor a nationwide campaign in opposition to the Government plan to break up the electric power industry into smaller components and to abolish state control over coal mines, KYODO reports. The committees also will formulate a statement expressing the party's opposition for presentation to SCAP officials and to the Government.

INCREASED TYPHOON DAMAGE RELIEF DISCUSSED:

The Provincial Administration Board, meeting with representatives of the Ministries concerned, yesterday discussed increased loans for typhoon damage relief, according to KYODO. The meeting adjourned without arriving at a decision, it was said, but would resume the discussion today.

Appropriation of ¥1,030 million for emergency typhoon damage relief was agreed upon at a recent Cabinet meeting, but according to the Board typhoon damages thus far have amounted to ¥36,753,690,000.

FARMERS' ORGANIZATIONS PROTEST NAMING OF RICE COUNCIL:

Representatives of seven agricultural organizations, including the Agricultural Rehabilitation Conference, the Japan Farmers Union and the National Farmers Union, yesterday filed with the Government a protest against what they termed "unilateral action" in the selection of members of the Rice Price Council which was created on 2 August, JIJI PRESS reports.

LEFTIST LABOR UNIONS SPONSOR RALLY:

A labor rally, sponsored by the National Congress of Industrial Organizations, the National Liaison Council of Labor Unions, and the National Federation of Government and Public Workers Unions will be held at the Imperial plaza today at 1300 hours to protest enforcement of the Government personnel reduction program, KYODO reports.

WARRANT ISSUED FOR ARREST OF LOWER HOUSE MEMBER:

According to KYODO, a warrant yesterday was issued by the Tokyo District Court for the arrest of Hideji Goshima, Democratic member of the House of Representatives. As president of the Goshima Fishing Net Manufacturing Company in Shizuoka, he is charged with implication in the blackmarket disposal of large amounts of fishing nets, said to amount to about ¥1,300 million. About 100 persons have been arrest so far in connection with the case, according to the account.

29 ARRESTED IN ¥10 MILLION FRAUD:

KYODO reports that metropolitan police on Thursday had arrested 29 persons on charges of fraud in connection with the forgery of cotton yarn allocation coupons of the International Trade and Industry Ministry. Among those arrested in the fraud case, said amounting to ¥10 million, were Ketoku Araki, a broker and president of the Shanghai Repatriates Society, Sakuro Funayama, Chiba City, Toshio Iida, an offici of the International Trade and Industry Ministry, also of Chiba City, and Takeshi Kuramoto, Kyobashi, believed to be central figures in the fraud.

PARTICIPATION OF DISCHARGED OFFICIALS IN NEGOTIATIONS SHOULD BE DECIDED BY UNION:

Labor Minister Masabumi Suzuki yesterday told the press that the National Railway Workers Union should decide whether the discharged leftist members of its Central Struggle Policy Committee qualify to represent the union in collective negotiations with the National Railway Corporation, KYODO reports.

Governmental News Items

TAX FIGURES ANNOUNCED

Director General Mamoru Takahashi of the National Tax Board has announced that the nation's tax payments in arrears as of 30 June totaled ¥73,156 million. The JIJI PRESS states that this figure includes ¥64,576 million from the 1948-49 fiscal year, and ¥8,580 million from the current fiscal year. Mr. Takahashi stated that his board hoped to collect at least 70 to 80 percent of these overdue tax payments during the next three months. He also announced that 2,500 board employees, or 80 percent of the total number to be discharged under the administrative retrenchment program, were handed dismissal notices on 29 July.

"BOOTLEGGING" FIGURES RELEASED

The National Tax Board has announced that 9,149 persons were arrested for making "bootleg" liquor during the six months period from 1 January to 30 June. Last year 7,591 arrests were made during the same period. This JIJI PRESS report continues with the announcement that illegal brewing resulted in a loss of ¥52,531,000 tax revenue. Fines assessed against "moonshiners" totalled ¥72,046,000.

INDUSTRIAL OUTPUT FIGURES REVEALED

KYODO reports that the International Trade and Industry Ministry has estimated last year's industrial output at ¥817,136,000,000. The Ministry's survey included all of the nation's industrial plants employing five or more employees. Last year these plants numbered 108,821. Today there are 100,116 plants employing at least five people. However, there are today 3,060,000 persons employed in these plants, an increase of 311,000.

MINING AND MANUFACTURING FIGURES ANNOUNCED

The Economic Stabilization Board has announced that the nation's mining and manufacturing output for the period April-June was 70.9 percent of the basic 1930-4 level. KYODO revealed that for the similar period last year the figure was 51.3 percent. It was found that mining was 7.4 percent below its production goal; textiles, 0.8 percent below; manufacturing, 1.8 percent above; and metal, 14 percent above.

MEIYU MARU REPATRIATES START LANDING

KYODO reports that repatriates aboard the Meiyu Maru have started landing after a stay of six full days in Maizuru harbor. However, there are a few who still refuse to leave the ship. Repatriation officials will in all likelihood force their landing. Meanwhile, the Takasago Maru repatriates were still refusing to land. Talks between them and repatriation officials resulted in complete failure.

SPECIAL DIET SESSION TO BE DELAYED

Chief Cabinet Secretary Kaneshichi Masuda has revealed that the forthcoming special Diet session will be delayed for at least a month after Dr. Carl Shoup presents his tax recommendations. Mr. Masuda believed that the formulation of a revised budget would take more than 30 days. JIJI PRESS reports that two other important measures also being formulated by the Government are a tax reform bill, and an unemployment relief program.

COMMUNISTS PRESENT DEMANDS

JIJI PRESS reports that the Communist Party has filed a 14-point demand with the Government urging among other things the immediate release of the Mitaka incident suspects, and the withdrawal of the Government's personnel retrenchment program. The delgation which called upon Chief Cabinet Secretary Kaneshichi Masuda included Communist Diet members, labor union representatives, and repatriated war prisoners.

EDITORIAL

Communist Party Diet members today presented a joint statement in AKAHATA charging the Democratic Liberal Party with plotting to make the Examination Committee "a tool for leading Japan to fascism." They charged the Committee with using "thought police" attitudes toward witnesses and with forcibly restraining members from other parties from speaking. The group then announced that they would "struggle to frustrate the Democratic Liberal Party attempt to control the Committee."

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Governmental News Items

DEMOCRATIC LIBERALS ANNOUNCE PLAN TO SAVE SMALL BUSINESS

The Political Research Committee of the Democratic Liberal Party have announced their plan to meet the present tight-money situation and thereby aid the nation's medium and small business enterprises. JIJI PRESS announced that the plan consists of the following points:

1) The Government will loan ¥15,000 million to medium and small enterprises.

2) Existing short term loans will be extended.

3) The Government will furnish funds to designated banks for the purpose of refunding loans made by these banks.

4) The Government will make maximum use of existing banking institutions.

5) Make it possible for private banking institutions to extend real estate loans.

6) The establishment of cooperative unions among small enterprises will be encouraged.

WORKERS' INCOME SHOWS SLIGHT INCREASE

The monthly income survey conducted by the Cabinet's Statistics Bureau shows that the average workers' household income increased 3.7 percent during the month of June. In May the average income was ¥12,757. In June this figure increased by ¥321. Yawata City's (Fukuoka Prefecture) average income was ¥17,838, the highest in the nation. Omura (Nagasaki Prefecture) was at the bottom of the list with an average of ¥10,190.

COMMUNISTS ARRESTED IN HYOGO PREFECTURE

JIJI PRESS reports that 25 Communists were arrested in Hyogo Prefecture on the suspicion of engaging in acts inimical to the interests of the Occupation. Among the Communists arrested were Hideo Urano, head of the AKAHATA'S Himeji office, and Fumio Ota, a village councilman for Suma.

ONLY THREE APPLICATIONS HAVE BEEN RECEIVED FOR COUNTERPART LOANS

JIJI PRESS reports that only three applications for United States Aid Counterpart Fund loans have been received by the Finance Ministry as of 1 August. These applications total ¥600 million. The Finance Minister, Hayato

Ikeda, believed this situation was due in part to preoccupation on the part of businessmen with redeeming thier Reconstruction Finance Bank loans. He also stated that the Government might consider advancing the redemption date on these Reconstruction Finance Bank loans. The present deadline is 1 October.

REPATRIATES REFUSE TO LAND

KYODO reports that the repatriated war prisoners aboard the Meiyu Maru still refuse to land. This marks the fourth day of their sit-down strike. The entire group appears to be under the control of from 30 to 40 leaders. Repatriation officials feared that strong measures may become necessary to force the repatriates to land.

Repatriates aboard the Takasago Maru were also refusing to go through the regular repatriation procedure. There are 2,002 repatriates aboard the Takasago Maru.

DEMOCRATIC LIBERAL PARTY PRESENTS POLICE SYSTEM REFORM PLAN TO GOVERNMENT

NIHON KEIZAI reports that the Democratic Liberal Party has submitted a tentative program for the revision of the police system to Prime Minister Shigeru Yoshida, Chief Cabinet Secretary Kaneshichi Masuda, and State Minister Senzo Higai. Some form of revision was deemed necessary in view of a series of recent incidents, such as the national railway strikes, riots in Taira and Hiroshima, and the political conflict between the Government and the State Public Safety Commission.

TODAY'S EDITORIALS

AKAHATA's editorial attacks the Government's proposed police system revision. They charged the Government with exploiting the Special Examination Committee of the House of Representatives as a means to suppress the people and the Communist Party. As a means to propagandize their proposed police strength revision, the Democratic Liberal Party accused of monopolizing the radio and press. The recent police raid on AKAHATA's headquarters was termed a Democratic Liberal maneuver to justify their revision plans.

On the other hand, YOMIURI praises the police for their "dauntless attitude" in raiding the headquarters of the Communist Party's organ and in arresting additional seven suspects in the Mitaka Station case. The editorial comments that the people have been "imbued with the impression that the Nation's police have no power to control the Communist Party and itsmembers," adding that these recent police actions have helped restore the people's confidence in the police authorities.

Japanese Press

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2 August 1949

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TALK OF COLLAPSE OF YOSHIDA CABINET "PREMATURE", WADA SAYS:

Hiroo Wada, chairman of the Policy Committee of the Social Democratic party, yesterday told the press in Sendai that reports circulated in political circles that the Yoshida Cabinet would collapse before convocation of the Diet in December were "premature" and but a "figment of wishful thinking", according to JIJI PRESS.

Wada said that the Social Democratic party had no intention of participating in a coalition government, adding that the party would be in a position to form a Socialist Cabinet in a year or two.

REGIONAL BRANCH OFFICES TO BE TRANSFERRED TO LOCAL GOVERNMENTS:

The Cabinet yesterday agreed on transfer of regional branches of the International Trade and Industry Ministry to local governments, KYODO reports. The transfers will be made effective 1 November where revision of laws was not required, it was said, and simultaneously with the promulgation of revised laws where such action was necessary.

PLAN ANNOUNCED TO EXTEND LOANS TO SMALL AND MEDIUM BUSINESS:

The Democratic Liberal party yesterday announced a plan to extend loans amounting to ¥15,000 million to small and medium business, KYODO reports. Following approval of the plan by executive officers of the party yesterday, the plan would be submitted for approval and adoption to the Government.

According to the plan, the party will ask the Government to appropriate ¥5 billion for use in improving production techniques and ¥10 billion for rationalization of industry, it was said.

ITO DENOUNCES RAID ON AKAHATA:

Ritsu Ito, member of the central committee of the Communist party, in a special press conference called at 1600 yesterday denounced the police raid on the editorial office of Akahata as a "police state action" contrived by the "reactionary Yoshida Cabinet", according to KYODO. To take such action because of violation of the Price Control Regulations by a single Communist was nothing but oppression of the party, Ito declared, adding that the party would redouble its efforts to "down the Yoshida Cabinet".

SMUGGLING INCREASES BY 2.5 TIMES OVER FIRST HALF OF LAST YEAR:

Smuggled goods amounting to about ¥130 million was seized during the first half of the year, according to an announcement yesterday by the Finance Ministry, KYODO reports. Cases of smuggling detected during the period were said to number 790 or 2.5 times that for the corresponding period last year.

CENSORED

UEDA DENIES POLITICAL INTENTIONS IN AKAHATA RAID:

Attorney General Shumkichi Ueda yesterday denied that the police raid on the editorial office of Akahata had any political implication but was made because the Akahata office was suspected of violation of economic control laws, KYODO reports.

METAL MINE WORKERS TO WITHDRAW FROM LIAISON COUNCIL:

The convention of the National Federation of Metal Mine Workers Unions yesterday voted 94 to 39 for withdrawal from the leftist All Japan Labor Union Liaison Council, JIJI PRESS reports. Twenty-three delegates cast blank ballots and one abstained from voting.

The convention also elected a new Central Struggle Committee after a non-confidence motion against the Committee was adopted by a vote of 94 to 37, according to the account. The non-confidence motion was based on the ground that the old committee had followed "a wrong course of action" in the Federation's past wage spring carried out a series of "non-shipment" strikes.)

KATO REFUSES WITHDRAWAL OF DIRECTIVE:

Chairman Etsuo Kato of the State Railway Workers Union, at a conference of leaders of the Democratization League, the Renovation League, and the Communist group held at the Union headquarters, yesterday rejected a proposal by the Chief Secretary of the Renovationists that Directive 9 calling a central committee meeting on 15 August, be withdrawn, JIJI PRESS reports.

COURT INJUNCTIONS REJECTED IN TOKYO-SHIBAURA ELECTRIC COMPANY DISPUTE:

The Yokohama District Court yesterday rejected applications for court injunctions by both labor and management in connection with the dispute of the Tokyo Shibaura Electric Company, according to KYODO. The labor union asked for confirmation of the validity of the labor contract, while the management asked confirmation of the validity of provisions prohibiting "unjust labor disputes".

The court pointed out that the Trade Union Law does not permit existence of a labor contract which disregards opposition from either labor or management. It also pointed out that the Constitution guarantees the right to labor to negotiate to improve its position or for maintenance of a living wage.

Japanese Press

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JAPANESE PRESS

1 August 1949

GEN. WHITNEY

Governmental News Items

MASUDA DENIES REPORT REGARDING POLICE REFORMS:

Chief Cabinet Secretary Kanechichi Masuda yesterday told the press that he had no information about a Headquarters letter to Prime Minister Yoshida in reply to a request for General MacArthur's views on the Japanese police system, according to MINSHU KEIZAI. Masuda said further: "Both the Government and the Democratic Liberal party are adhering to and seek the success of the Dodge program. The Cabinet has no intention of restoring the former police system and no Cabinet meeting has discussed such an issue as that reported by the foreign correspondent. The Government is/no position to say anything except that the foreign newsman's report is without basis in fact."

State Minister Higai, commenting yesterday on the report, said that he had no knowledge of a letter such as was reported by the press. He declared that the Government had no coordinated opinion regarding police reforms, that the issue had not been taken up at Cabinet meetings, and further, that "the Government hoped to make every effort toward effective operation of the present police system."

Attorney General Ueda yesterday told the press, according to the newspaper, that while State Minister Higai was negotiating with GHQ relative to reform of the police system, "the Government has no intention of restoring the pre-war police system."

"Regarding the release of purgees," Ueda said further, "the Screening Appeals Committee is now examining only the cases of appellants.... there can be no such thing as requesting the release of extreme rightists."

OVERALL REFORM OF POLICE SYSTEM NOT EXPECTED DURING SPECIAL SESSION:

According to TOKYO SHIMBUN, amendment of the police laws, which the Democratic Liberal party had hoped to present to the fifth Diet session, may be postponed even beyond the coming extraordinary session, except for the questions of (1) liaison between the national rural police and local police, and (2) national government support of local autonomous police. Such issues as "enhancement" of the strength and quality of the police, the functions and character of public safety commissions, and absorption into the national rural police of certain autonomous police, it was said, would be postponed until the next regular session since such revisions would require long and careful study.

RENOVATIONISTS TO REQUEST SRWU CONVENTION LATTER PART OF MONTH:

A two-day conference of the Renovationist faction of the State Railway Workers Union, which ended yesterday, denounced the opportunistic tendencies of Social Democratic elements within the Union and urged correction of undemocratic trends and prejudicial attitudes of the Communist faction, JIJI PRESS reports.

The conferees agreed to demand the holding of a national convention during the latter part of August to study and resolve, if possible, internal strife aggravated further by recent attacks by the Democratic League upon Communist leaders and the issuance of Directive O calling a Central Committee meeting on 15 August.

COMMITTEE TO DECIDE RICE PRICE:

A committee, to be known as the Rice Price Deliberation Committee, will be appointed during the month to decide a "proper and just price" for rice, KYODO reports. The committee will be composed of 25 representatives of producers, consumers, the Diet, and "men of learning and experience," and probably will be headed by Professor Seiichi Tohata of Tokyo University, said to be an authority on agricultural administration.

ACTION TO BE TAKEN TO DISPOSE OF STOCKS OF EXPORT GOODS:

The International Trade and Industry Ministry, to facilitate disposal of stockpiles of export goods, said to amount on 30 June to ¥1,800 million stored with the Mining and Manufactured Goods Corporation and ¥35,542 million in the hands of the Textile Goods Corporation, has decided (1) to reduce the floor price; (2) to hold exhibitions; (3) to distribute samples; (4) to institute competitive bidding in the domestic market; and (5) to conduct special sales at department and large retail stores.

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SEVEN JOINT BILLS AGREED UPON BY THE OPPOSITION PARTIES:

KYODO reports that the opposition parties at a conference on 29 July, agreed to submit seven joint bills to the forthcoming special Diet Session. The conferees included leaders from the Social Democratic Party, the Anti-Coalition Democrats, the New Political Council, and the Labor-Farmer Party. The bills which will be submitted are as follows:

1. An amendment to the Reconstruction Finance Bank Law. This amendmentwill revise the law in such a manner as to permit representatives from industry, labor, and other walks of life to participate directly with the RFB Policy Board. A credit security system will be established.

2. An amendment to the Bank of Japan Law. This amendment is designed to permit the representatives of industry and labor to participate directly with the Policy Board of the Bank of Japan.

3. A Special Bank Law amendment which will permit special banks to increase their capital. The amendment will also authorize the expanding of present limits set on bond issuances.

4. A revision of the Unemployment Insurance Law which will permit an increase in relief funds.

5. Amendment of the Livelihood Protection Law.

6. Revision of the Emergency Unemployment Relief Law.

7. Amendment of the Employment Security Law.

AGRICULTURE-FORESTRY MINISTRY DISCLOSES ITS DISMISSAL PROGRAM:

The Agriculture-Forestry Ministry disclosed on 30 July that 4,300 employees will be dismissed in accord with their personnel strength reduction program. At present there are 92,486 workers at the Ministry, but the Table of Personnel Law only permits 88,185. KYODO reports that the agencies which will be hardest hit by dismissals are the Food and Forestry Boards which will lose 2,357 and 1,131 employees respectively.

PRICE BOARD ANNOUNCES DECONTROLS:

The JIJI PRESS reports that the Price Board has decided to remove price restrictions on theater admission fees, compressed powdered coal, and briquettes. The decontrol will become effective 1 August.

CONSUMER PRICE INDEX SHOWS A RISE IN JUNE:

The Cabinet's Statistics Bureau yesterday announced the June consumer price index for urban areas. The price index was set at 511.1 which is an increase of 3.6 percent over May's figure, and 149 percent increase over the June, 1948, figure. The gain of vegetable and fish prices was largely responsible for the rise of the price index during the past month.

The average household expenditure was placed at ¥11,096 which was a decrease of 7.1 percent from the May figure. The KYODO report also showed that expenses for food constituted 64.3 percent of the total household expenditures.

FURUKAWA WORKERS STRIKE:

The KYODO NEWS reports that the 480 workers employed at the Yokohama plant of the Furukawa Electric Industry Company have gone on a twenty-four hour strike. The walkhout was ordered in opposition to the company's personnel cut plan.

FOUR COMPANIES RECEIVE DECONCENTRATION ORDERS:

The KYODO NEWS reports that four companies have received deconcentration orders from the Holding Company Liquidation Commission. This leaves only 11 firms yet to be disposed of. Originally 325 enterprises had beendesignated by the Holding Company Liquidation Commission for deconcentration. The four concerns which received deconcentration orders yesterday are: Mitsui Mining, Mitsubishi Mining, Toho Motion Pictures, and the Shochiku Motion Picture Company.

DECLASSIFIED E.O. 14,032 SEC. 3(E) AND 3(D) OR (E) NNDC # 773 672

JAPANESE PRESS 30 July 1949

Governmental News Items

EXPORT FIGURES RELEASED:

The Foreign Trade Bureau of the Economic Stabilization Board announced yesterday the results of a trade survey made for the period from January through June. During this period, Japan's exports were valued at $303,142,000. According to JIJI PRESS, this figure represents a two-fold increase over the export record of $145,000,000 made during the latter half of last year. A breakdown of the figures showed a very definite slump occurred during May of this year. ESB officials attributed this trade slump to the establishment of the new exchange rate ¥360 to the dollar.

TWO SUBCOMMITTEES FORMED IN THE HOUSE OF COUNCILLORS:

KYODO reports that the Legal Affairs Committee of the House of Councillors yesterday approved a proposal to establish two new sub committees for the Upper House. One subcommittee will deal with juvenile delinquency. The second will be designed to regulate subversive activities. It will be charged with drafting legislation which will enable the Government to prosecute extremists who commit unlawful acts under the guise of mass movements. The following Councillors were elected to serve on the committee: Heiichi Toyama, Shinichiro Matsumura, Tamae Fukagawa, Tsune Okabe and Takeo Sai.

DECONTROL OF TWENTY ITEMS ANNOUNCED:

The Price Board yesterday announced the decontrol of prices on some twenty commodities and service charges. JIJI PRESS reports that the decontrol of prices has been effected on those commodities which now have a balanced condition of supply and demand, or on those commodities which continued price control only hampered. Among the items which have been decontrolled are second hand cars, dental and medical machines, watches, chinaware, kitchen utensils, working tools, furniture, and electrical fixtures.

DECONTROL OF CHARCOAL FAVORED BY CABINET:

The Cabinet at its regular session yesterday agreed that the charcoal rationing system should be abolished. This was felt necessary because of the abolition of charcoal's special account in the national budget. JIJI PRESS recalled that firewood was also only recently decontrolled.

COAL CONTROL ABOLISHMENT BILL POSTPONED:

KYODO reports that the Democratic Liberal Party has decided to postpone the presentation of its bill to abolish the Coal Mine State Control Law until the next regular Diet Session. Previously, they had planned to submit this bill to the next special Diet Session. The decision was made in order to give priority to more urgently needed issues.

DECLASSIFIED E.O. 14,652 SEC. 3(E) AND 3(D) OR (E) NNDG # 775 012

COALITION DEMOCRATS ANNOUNCE DISINFLATION POLICY:

The coalition Democrats have presented to the Democratic Liberal Party a disinflation policy program. According to JIJI PRESS the program was adopted at a conference of high coalitionist Democratic leaders, including President Ken Inukai, Secretary-General Shigeru Hori, and Chairman Zentaro Kosaka of the Political Affairs Research Committee. Highlights of the program are as follows:

1. A disinflation program should be instituted with measures to safeguard against deflation.

2. Present financing regulations should be alleviated.

3. A fund for accommodating guaranteed loans should be established out of the loans collected by the Reconstruction Finance Bank.

4. The wholesaler system should be revived as a benefit to small business.

5. A council should be created to dispose of stockpiled goods.

6. Special companies should be created to manufacture the materials and equipment needed by the National Railway and Communications Accounts.

7. Raise the basic exemption point for income taxes.

TOKUDA CHARGED WITH VIOLATION OF ALLIED OCCUPATION POLICY:

JIJI PRESS reports that Secretary-General Tokuda of the Communist Party has been charged with making remarks inimical to the interests of the occupation forces. This was the charge filed against the Communist leader by Professor Takahashi of Minami High School on 28 July with the Akita District Procurator's Office. Professor Takahashi said the remarks were made by Tokuda while delivering an address at the Akita Prefecture Memorial Hall on 22 February.

EMPLOYMENT FIGURES RELEASED:

During the five-month period January through May, nationwide employment bureaus aided 424,261 persons gain employment. The figures released by the Labor Ministry also showed that during this period the number of workers employed on a provisional basis was 7,142,500. The survey stated that a total of 28,500 workers received permanent jobs with the Government, and 2,628,700 temporary work. JIJI PRESS also reported, that unemployment insurance paid by the Government during this five-month period totalled ¥484,849,676.

DECLASSIFIED E.O. 12958 SEC. 3(E) AND 3(D) OR (E) NNDG # 775 012

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

JAPANESE PRESS 29 July 1949

NEB ADVISED TO RECONSIDER 5-YEAR RECOVERY PLAN:

Chief Cabinet Secretary Kaneshichi Masuda yesterday told the press that Prime Minister Yoshida had asked the NEB to reconsider its 5-year economic recovery program, KYODO reports. The Prime Minister was reported dissatisfied over the plan because (1) it ignored the world economic situation by placing equal emphasis on light and heavy industry; (2) it followed the line of autarchy rather than that of free international trade; and (3) it failed to observe strictly the basic financial principles outlined by American Minister Joseph Dodge.

COMPILATION OF NEXT YEAR'S BUDGET TO BE DISCUSSED TODAY:

Finance Minister Hayato Ikeda yesterday told the press that the Cabinet today would discuss the basic plan for compilation of the budget for the 1950-51 fiscal year, according to KYODO. Ikeda said his Ministry holds the view that the budget should (1) slash price adjustment funds to less than one-half the amount in the budget for the current fiscal year; (2) reduce to the minimum funds for the redemption of Government debts; (3) reduce all expenditures insofar as possible to lessen tax burdens; and (4) lighten the financial burden of provincial governments.

Ikeda said further that the Government was planning to ask for an additional appropriation "within the scope of the Dodge financial policy" to cover damages caused by the typhoon "Della".

PRESENTATION OF BILL TO ABOLISH COAL LAW SHOULD BE LEFT TO DEMOCRATIC LIBERALS:

The question of submission to the next Diet session of a bill to abolish State control over coal mines is entirely up the Democratic Liberal party, Chief Cabinet Secretary Kaneshichi Masuda yesterday told the press, according to KYODO. He suggests that it was advisable that the bill be presented by Democratic Liberals and not by the Government "to give more authority to the bill." Masuda was noncommittal, however, as to the time for its presentation.

PLAN TO INCREASE FREIGHT RATES FORMULATED:

JIJI PRESS reports that a plan to increase railway freight rates by 70 per cent effective from 1 October, yesterday was presented to the State Railway Control Committee.

STRICT OBSERVANCE OF FISHING GROUND LIMITS URGED:

The Marine Products Board, to insure strict observance by Japanese fishing boats of the "MacArthur Line" in their fishing activities, is urging adoption of its plan of readjustment which calls for a 30 per cent reduction of trawl-boats operating in "western" areas, according to KYODO. The number of such vessels now in operation was 986 and it was proposed to reduce the number to 650 to preserve fishing resources and to avoid useless competition leading to violation of ground limits.

DECLASSIFIED E.O. 12958 SEC. 3(E) AND 3(B) OR (E) NNDB # 775 012

CONTROLS OVER ALUMINUM MAY BE LIFTED:

The MEB will decide at a meeting of executive officials on Friday its formal attitude toward the projected abolition of price and distribution controls over aluminum bar, JIJI PRESS reports.

LEFTISTS PROTEST "PASSIVE" ATTITUDE OF SOCIAL DEMOCRATIC PARTY TOWARD PERSONNEL CUT:

Three left-wing Social Democrats yesterday protested to secretary general Mosaburo Suzuki the party's "passive" attitude toward the personnel retrenchment program, KYODO reports. They questioned (1) the party's "passive" attitude toward the discharge program of the National Railway Corporation; (2) the party's collaboration with the Democratization League of the National Railway Workers Union which, they charged, aimed at splitting the union; and (3) the party's reluctance to clarify its attitude toward a rumored anti-communist coalition including the Democratic Liberals and the Social Democrats.

Suzuki told the group that the "passive" attitude arose from the fact that the discharges had been carried out on the basis of the Table of Personnel Organization Law which was enacted by the Diet. He asserted that the Social Democratic party strongly opposed splitting the railway union. As to the anti-Communist coalition, Suzuki said it was entirely out of the question.

152 LEFTIST UNION OFFICIALS DISCHARGED:

A total of 152 leftist union officials including 126 Communists and 26 renovationists were discharged under the personnel retrenchment program carried out by the State Railway Corporation, according to Saijiro Karai, chief of the Labor Administration Bureau of the Labor Ministry, JIJI PRESS reports. In addition to the leftist union officials, nine neutrals and seven Democratization League members were also dismissed, Karai said.

FEDERATION OF GOVERNMENT AND PUBLIC OFFICIALS UNIONS ISSUES STATEMENT:

The Federation of Government and Public Officials' Unions, following a 2-day conference of its enlarged committee and secretariat, yesterday issued a statement declaring its determination to open "a decisive fight for the safeguarding of industries of the fatherland and in defense of basic human rights," according to accounts by HIDEO KIKUCHI, KAIKYOKU and ASAHI. The statement was approved by all unions affiliated with the Federation with the exception of the Japan Teachers' Union which reserved its final decision.

The statement declared that great importance was attached to the fact that in the personnel dismissals of the National Railway Corporation members of the central struggle committee had been dismissed in a political plot designed to split the union.

A mass meeting was said scheduled for 6 August under the joint sponsorship of the All Laborers' Federation and the National Congress of Industrial Unions.

DECLASSIFIED E.O. 11652 SEC. 3(E) AND 5(D) OR (E) NNSC # 775 012

COMMUNICATIONS WORKERS UNION PUBLISHES "WHITE PAPER":

A "white paper" made public yesterday by the All-Japan Government Communications Workers Union, declared that postal savings and insurance funds totalling ¥130 billion should be brought under the "people's control" to safeguard the nation's communication system, JIJI PRESS reports. While telegraph and telephone communications now amount to about ten times that of pre-war service, the paper said, efficiency has fallen drastically. The document blamed not only the war for the slow rehabilitation of the communications service but also acceptance by "high-level" bureaucrats of "faulty equipment manufactured by big-capital" through "blackmarket deals".

The paper proposed (1) transfer to "people's control" of the postal savings and insurance funds totalling ¥130 billion; (2) assurance of a minimum wage of ¥5,000 for a 16-year-old communications worker; (3) safeguarding the technology and science of communications; and (4) establishment of a "people's government".

According to the account by MAINICHI, the union declared that instead of reducing personnel as contemplated by the Government, 50,000 additional workers should be employed to maintain present service.

DECLASSIFIED AUTH PARA SEC. 3(E) AND 3(D) OR (E) NNDC # 775 072

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

JAPANESE PRESS — 28 July 1949

Governmental News Items

GOVERNMENT TO ADHERE TO "DODGE LINE":

Prime Minister Shigeru Yoshida yesterday expressed the conviction that the Democratic Liberal party alone can carry out the program of a balanced budget, according to Chief Cabinet Secretary Kaneshichi Kasuda, JIJI PRESS reports.

The Prime Minister reaffirmed the necessity for adhering to the "Dodge line", declaring that "surgical operations" such as currency stabilization, industrial rationalization and administrative personnel reductions were vital to the restoration of the Japanese economy.

COMMUNICATIONS IMPROVEMENT PLAN:

JIJI PRESS reports that a total of ¥19 billion will be available for expansion and improvement of telecommunications facilities, including ¥11,400 million authorized on Monday by SCAP from the US Counterpart Fund. The Ministry proposes using the fund as follows:

1. Construction of urban telephone facilities, ¥5,400 million.
   a. Installation and repair of about 67,000 telephones.
   b. Construction and repair of 9 telephone bureaus.
2. Suburban telephone facilities, ¥2,300 million.
   a. Expansion of long-distance cable extending about 220 kilometers.
   b. Expansion of short-distance cable extending about 170 kilometers.
3. Installation of a cable between Honshu and Hokkaido.

NPA PROMULGATES REGULATION:

A regulation promulgated yesterday by the National Personnel Authority provides that teachers and professors who have appealed for re-examination of their qualifications under the purge provisions arbitrarily may be suspended from office pending action on the appeals by the Central Teachers and Professors Screening Commission, according to JIJI PRESS. If the purgee is found to be eligible upon re-screening, he may immediately apply for reinstatement, it was said.

BUDGET ADJUSTMENTS DEPEND UPON SHOUP RECOMMENDATIONS:

Kazuyuki Kawana, chief of the Budget Bureau of the Finance Ministry, yesterday told the press that no adjustment will be made in the budget for the 1949-50 fiscal year until after receipt of the tax recommendations of the Shoup Mission, KYODO reports.

SUPPLEMENTARY BUDGET TO BE DRAWN:

According to JIJI PRESS, Finance Ministry sources yesterday said that formulation of a supplementary budget for the current fiscal year, as had been under consideration in connection with subsidy reductions, will be [illegible] the Government is now [illegible].

DECLASSIFIED DATE PUBL. 5(E) AND 5(D) OR (E) NNDG # 775 072

77 PER CENT FILE INCOME TAX RETURNS:

An estimated 6,500,000 persons, or 77 per cent of the nation's taxpayers, at the end of June had filed income tax returns amounting to 368 billion, or 40 per cent of the income tax goal for the present fiscal year, the National Tax Board yesterday revealed, according to JIJI PRESS.

LEGAL ACTION TO BE TAKEN AGAINST EMPLOYER PAYMENT OF FULL-TIME UNION EMPLOYEES:

The Labor Section of the Osaka Prefectural Office had decided to take legal action against employers who continue to pay wages to full-time officials of trade unions in violation of the revised Trade Union Law, JIJI PRESS reports. A survey conducted by the section indicated that full-time union officials are still being paid salaries at 270 plants in Osaka prefecture.

REPATRIATES LEAVE REPATRIATION BOARD OFFICE:

Repatriates, who since 25 July had resorted to "sit-down" tactics in front of the Repatriation Relief Office to press their 10-point demand, dispersed at 2030 hours on Tuesday after selection of 40 representatives to remain in Tokyo to continue their "struggle", KYODO reports.

REPATRIATES LEAVE SHINYO MARU:

KOKUMIN reports that the 1,629 repatriates aboard the Shinyo Maru yesterday ended their "delaying tactics" going ashore at 1100 hours. They had refused to cooperate with officials at Maizuru in completing demobilization procedures, spending two nights aboard the ship after it landed on 25 July.

According to KYODO, an unsigned note given to a crew member of the Shinyo Maru apologized for the trouble they had caused and said that their "silence tactics" and refusal to cooperate were not in accordance with the will of all repatriates remaining on the ship. "We are being forced to obey because of the fear of red punishment", the note said, adding "We have no freedom of speech but a powerful organization forces us to coordinated action".

DECLASSIFIED: E.O. 12958, SEC. 3.5(b) AND 3.6(b) OR (c) NND # 775012

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DECLASSIFIED E.O. 12032 SEC. 3(E) AND 3(B) OR (E) NNDG # 773 072

Japanese Press

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

JAPANESE PRESS

27 July 1949

Governmental News Items

LOANS EXTENDED TO STATE RAILWAYS AND TELECOMMUNICATIONS MINISTRY:

The Finance Ministry yesterday extended with SCAP approval, according to JIJI PRESS, loans totalling ¥6,991 million to the Telecommunications Enterprise Special Account (¥1,372 million), and to the State Railway corporation (¥5,619 million).

The paper this morning reports that the State Railway Corporation reportedly has worked out details of a plan for allocation of its loan.

REVISION OF RAILWAY CHARGES CONSIDERED:

According to KYODO, the National Railway Corporation is studying further revisions of passenger and freight rates on the government railways. They were said to be considering a decrease by about 20 to 30 per cent in passenger fares and an increase in freight charges. The objective of the revision was to cover insofar as possible a deficit during the current fiscal year estimated at about ¥10 billion.

PARTIAL TRANSFER OF IMPORT TRADE TO PRIVATE SOURCES:

Transfer of import trade to private sources on a limited scale will be effected around 15 August, according to Ministry of International Trade and Industry sources, JIJI PRESS reports.

COAL DISTRIBUTION CORPORATION NO LONGER NEEDED:

Heitaro Inagaki, Minister of International Trade and Industry, yesterday told newsmen that he saw no reason for the continued existence of the Coal Distribution Corporation, according to JIJI PRESS.

Inagaki said that the Coal Mine State Control Law should be considered separately from the Coal Distribution Corporation. He observed that neither a revision of the law nor its abolition should be carried out hurriedly.

CHARCOAL CONTROLS TO BE ABOLISHED:

According to KYODO, Chief Cabinet Secretary Kaneshichi Hazuda yesterday told the press that the Government would consider the question of abolishing controls over charcoal at a Cabinet meeting tomorrow. He said, however, that both the Government and the Democratic Liberal party had agreed to discontinuance of the Special Account for charcoal.

DECLASSIFIED E.O. 11652 SEC. 3(E) AND 3(D) OR (E) NNDG # 775 072

ARBITRATION AND MEDIATION COMMITTEE MEMBERS ANNOUNCED:

The Cabinet yesterday formally selected members of the Public Enterprises Arbitration Committee, the National Railways Mediation Committee, and the Monopoly Mediation Committee, KYODO reports.

Public Enterprises Arbitration Committee

Itsutaro Suehiro, Chairman of the Central Labor Relations Board
Kazuo Imai, Deputy Chief of the new Pay Execution Headquarters of the Cabinet
Kamaso Moriki, Managing Director of the Railway Assistance Association

National Railways Mediation Committee

Shinkichi Miwa, Managing Director of the Railway Cooperative Society
Shunso Tate (former Lower House member of the Labor-Farmer party)
Keizo Fujibayashi, professor, Keio University

Monopoly Mediation Committee

Asago Yamamoto, director of labor, Mitsui Mining Company
Minoru Takano, secretary-general, Japan Federation of Labor Unions

REPATRIATES REFUSE TO COOPERATE IN LANDING PROCEDURES:

Repatriates aboard the Shinyo Maru, which reached the port of Maizuru at 1545 hours on Monday, refused to cooperate with repatriation officials by filling out demobilization cards and other records, according to KYODO. They spent the night on the ship and at 1530 hours yesterday, despite advice and instructions given over a public address system, the majority were said still refusing to cooperate in landing procedures.

The paper further reports that a complaint may be filed by the Civil Merchant Marine Committee, which operates the repatriation ships, against repatriates of the Shinyo Maru who allegedly put the captain of the ship before a "people's trial" while at sea.

REPATRIATES PRESENT DEMANDS:

KYODO reports that about 158 repatriates, who called at the Repatriation Relief Board Monday afternoon to present a 10-point demand which included payment of ¥15,000 per individual as travelling expenses, discontinuance of specially designated repatriate trains, and permission to display red flags, spent the night in front of the Board office after failure to reach agreement on their demands. Some were said to have dispersed early the next morning but about 100 others joined the remaining "sit-downers".

JAPANESE FISHING BOAT BOMBARDED AND SUNK

According to HAINICHI, on the night of June 10, fishing boat No. 105, the Akashi Maru, operating out of Shimonoseki, was machine-gunned and sunk by a ship of

DECLASSIFIED BY: 1.4(b) SEC. 3(E) AND 3(D) OR (E) NNDG # 775 012

unknown nationality at a point 12½.5 longitude and 27 north latitude at about 0100 hours. Five crew members, including the skipper were instantly killed and two others seriously injured. Four survivors, picked up by the Christobal, a Panama boat, and taken to Hongkong on 12 June, were returned to Shimonoseki on 25 July aboard the British ship Sangora, according to the report.

A number of fishing boats were said to have recently been missing in the southwestern sea off Kyushu, causing increasing unrest among boat crews operating from the Shimonoseki base.

DECLASSIFIED E.O. 11652 SEC. 3(E) AND 3(D) OR (E) NNDG # 775 012

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

JAPANESE PRESS

26 July 1949

Governmental News Items

YOSHIDA CABINET WILL BE FORCED TO RESIGN IN SEPTEMBER, TOKUDA SAYS:

Communist party secretary-general Kyuichi Tokuda yesterday told the leftist sponsored national convention of farmers that the Yoshida Cabinet would be forced to resign by September, according to KYODO. He based his prediction on the following:

1. Labor struggles against enforcement of personnel reductions, in connection with which much remained to be done regarding state railways.

2. Confusion over the food situation which would intensify during the off-crop season.

3. Counter-offensive by the people against unjust taxes.

4. The crisis in the financial situation of provincial governments.

5. Devastation of industries resulting from make-shift counter-measures against natural disasters such as floods.

According to the account by AKAHATA, Tokuda warned that with the fall of the Yoshida Cabinet other forces would try to succeed the Democratic Liberal Cabinet, adding "we have only to kick them down".

Tokuda promised that the Communist party would act (after the fall of the Yoshida Cabinet) to (1) abolish taxes imposed upon the masses; (2) oppose foreign trade on unequal terms; and (3) abolish bureaucratic controls, to be replaced by a popular control system of cooperatives for a three-year period. At the end of the three-year period, he said, an era of planned economy would be begun.

"RESORT TO FORCE" RESOLUTION NOT ILLEGAL, KATO TELLS EXAMINATION COMMITTEE:

Ryuzo Kato, chairman of the National Railway Workers Union, testifying before the House of Representatives Examination Committee yesterday, said that he considered the union's "resort to force" resolution to be legal. The question of legality, he said, would result from implementation of the resolution.

ABOLITION OF LOCAL AGENCIES OF NATIONAL GOVERNMENT URGED:

In accordance with a resolution adopted on Sunday at an extraordinary meeting of presidents of provincial assemblies, JIJI PRESS reports, representatives of the group yesterday called on Hotaro Inagaki, Minister of International Trade and Industry, Shinso Oya, Transportation Minister, State Ministers Ichiro Honda and Kosaemon Kimura, and Chief Cabinet Secretary Kanehichi Masuda to request abolition by the end of the month of prefectural branch agencies maintained by the Agriculture and Forestry Ministry and the International Trade and Industry Ministry.

DECLASSIFIED E.O. 12,652 SEC. 3(E) AND 3(B) OR (E) NNDG # 775 012

OPPOSITION REQUESTS EARLY CONVOCATION OF DIET:

Seiichi Omura, chairman of the Rules Committee of the House of Representatives yesterday promised representatives of the Social Democrats, Opposition Democrats, New Political Council, and Labor-Farmers that he would urge the Government to reply in the near future to their formal request for early convocation of the Diet submitted on 7 July, according to JIJI PRESS.

HONDA PLAN PROBABLY WILL BE EFFECTIVE IN OCTOBER:

The so-called Honda plan, which abolishes local branch offices of the national government probably will be implemented in October, KYODO reports.

COAL PRODUCTION GOOD:

Coal output during the period 10 to 20 July reached 1,086,400, or 102.2 per cent of the goal, according to an announcement by the Natural Resources Board, JIJI PRESS reports.

Coal stocks on hand, according to the Board, are expected to amount to about 3,000,000 tons by the end of the month.

EARLY ABOLITION OF COAL CONTROLS MAY BE IMPOSSIBLE, MASUDA SAYS:

Chief Cabinet Secretary Kaneshichi Masuda yesterday told the press that since the special Diet session would last only about a month there would be insufficient time to study both the legislative and budgetary aspects of abolition of state controls over coal, KYODO reports. He thought, however, that it might be possible to effect a partial revision of the control law.

65 KOREANS ARRESTED FOR ILLEGAL ENTRY:

According to KYODO, 65 Koreans have been arrested in Niigata prefecture for illegal entry from a smuggling ship on Saturday night. Seventy to 80 passengers were said to have been landed.

Fourteen of about 25 Koreans, landed in the same area on 17 July, have also been arrested, according to the account.

OSAKA PUBLIC SAFETY COMMISSION DENIES TSURUGA STORY:

The Osaka City Public Safety Commission yesterday issued a statement denying as groundless the Osaka Mimpo story of "horror-stricken Tsuruga", KYODO reports. One hundred persons were said to have been arrested at 1200 hours yesterday in connection with the "wall gazette".

Osaka city police asked that a nation-wide search be conducted for Daizo Takeda, 41, editor-in-chief of the Osaka Mimpo, who has disappeared.

DISPLAY OF RED FLAGS PROHIBITED BY METROPOLITAN GOVERNMENT:

According to TOKYO SHIMBUN, an order issued yesterday by the metropolitan government forbids the display of red flags within metropolitan government buildings. The order was said based on a Headquarters memorandum dated 1 January.

TAIRA RIOT COMMUNIST DIRECTED:

The House of Representatives judiciary committee yesterday approved by a majority vote, with Communist members dissenting, a report of investigation of the Taira Police Station riot which found the disturbance to be Communist-directed action of mass violence designed to foment social unrest, JIJI PRESS reports. Reasons for the decision were (1) police station attacked by force approximately ten times that of police; (2) incidents occurred in adjacent Fukushima, Koriyama and Wakamatsu cities almost simultaneously with Taira incident indicating that actions planned; and (3) police telephones tapped which obstructed police activities.

The Government was advised to take proper action to cope with such actions of violence including a reorganization of the police to provide increased coordination between procuratorial and police systems. The Government was advised also to be on the alert to prevent possible moves on the part of extreme rightist elements, capitalizing on the Taira incident, to revive their influence.

YOUTH ARRESTED ON INTIMIDATION CHARGE:

According to KYODO, a young man who gave his name as Masao Kawamoto, Nagasaki city, was arrested Saturday at the Maebashi post office for sending a postal card to Prime Minister Shigeru Yoshida on which he had written "Look out. Prime Minister will face danger in August". An employee of the post office, who noticed the unusual correspondence, informed the police. The writing was said similar to that on a post card sent to the Prime Minister through the same post office on 22 July.

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

JAPANESE PRESS

25 July 1949

Governmental News Items

FORMATION OF NATIONAL COALITION URGED BY TOMABECHI:

Giso Tomabechi, chairman of the anti-coalition Democrats, in a press interview yesterday urged the formation of a national coalition government, excluding the Communists, KYODO reports. He predicted that the Yoshida Cabinet would be "driven to the wall" by the end of the year if its present economic policies were continued. When this occurs, he said, an all-inclusive national coalition, based on anti-communism from the international viewpoint should be formed. Participation of the Social Democrats in such an "anti-Communist" coalition would be vitally important, according to Tomabechi.

According to the account by MAINICHI, Tomabechi, referring to the proposed conservative merger, declared that the merger was a past issue, adding that there would be no large-scale participation by the coalition faction.

Tomabechi declared that the anti-coalition Democrats "cannot support the anti-Communist policies of the Democratic Liberals", according to TOKYO SHIMBUN. It is necessary to consider anti-communism from an international point of view, he declared, working toward realization of a peaceful democratic revolution, keeping in mind always protection of the Constitution against the extreme left and the extreme right. "If the Democratic Liberals discard their extreme rightist policy we shall be glad to cooperate with them", he said.

DEMOCRATIZATION LEAGUE ADOPTS POLICY OF "STRUGGLE THROUGH DIET":

Leaders of the Democratization League of the National Railway Workers Union, who met for a two-day conference in Ueno city on Saturday and Sunday, approved Directive 0 which called an emergency meeting of the Central Committee, and agreed on an action policy of "struggle through the Diet", according to JIJI PRESS. Attending the conference were Chairman Ritsuo Kato and 13 other Democratization League members of the Central Struggle Committee, and 130 delegates from district councils.

The conferees agreed to strive for a united union despite opposition from the Communists and Renovationists. They decided further to abandon the 'resort-to-force' policy decided upon at the Atami conference in favor of furtherance of the welfare of union members through lawful means.

NEW INTEREST RATES TO BE ANNOUNCED:

KYODO reports that the Finance Ministry during the next few days will announce readjustments of current rates of interest, formulated by the Policy Board of the Bank of Japan, effective from August.

GHQ WHITNEY

SEVEN MORE ARRESTED IN OSAKA AREA:

Osaka municipal police yesterday arrested Hideji Sato, 23, chairman of the Communist Committee in the Toyonobe District, and six others on charges of violation of the Press Code, KYODO reports. Their arrest brought to 69 the number arrested in connection with publication of the "wall gazette", according to the report.

According to an account by JIJI PRESS, an announcement yesterday by Headquarters of the 25th Division indicated that some of those arrested in connection with the "wall gazette" may be tried by Occupation courts.

COMMUNIST MAYOR ARRESTED:

ASAHI reports that Socho Kimura, Communist mayor of Kibe village, Shimane prefecture, and eight other Communists on Saturday were arrested for violation of the Pharmaceutical Law.

REPATRIATE DECLARES POWS JOINED COMMUNIST PARTY IN ORDER TO RETURN HOME:

KYODO reports an interview with Shigeru Mizuhara, former captain of Japan's professional baseball team, the Giants, who yesterday arrived in Tokyo from the Soviet Union. Mizuhara declared that repatriates "had to sign a letter of gratitude to Stalin in order to board the repatriation ship," adding that "the letter could be signed only by members of the Communist party". Those refusing to join the party were sent back to the hinterlands of Siberia, therefore, he said, all repatriates became members of the party. Mizuhara said, however, "I believe that real Communists are few".

Mizuhara revealed that leaders of repatriation groups, supposedly elected through democratic methods, actually were chosen by a certain clique whom they did not dare oppose. He said that the leaders, knowing the great desire of POWs to return home, used "threats, fear and surveillance" to rule over them with an iron hand.

In conclusion, Mizuhara urged the people of Japan to consider these facts and treat kindly those who have been repatriated.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

JAPANESE PRESS

24 July 1949

Governmental News Items

SOCIAL DEMOCRATS PRESENT DEMANDS TO GOVERNMENT:

Chief Cabinet Secretary Kaneshichi Hasuda yesterday told representatives of the Social Democratic party who called to present demands agreed upon by a meeting of the Central Executive Committee that the Government had no intention of revising either the Table of Personnel Organization Law or economic policies, according to KYODO.

The Chief Cabinet Secretary indicated that resumption of collective negotiations would be possible with a National Railway Workers Union reorganized along sound, democratic lines.

They were further told that the Government expects to convoke the next Diet session late in September, about one month after receipt of the tax recommendations of the Shoup Mission expected about 20 August.

SOCIAL DEMOCRATIC STATEMENT CRITICAL OF GOVERNMENT AND RAILWAY AUTHORITIES:

A statement issued yesterday by the Central Executive Committee of the Social Democratic party confirmed support of the Democratization League of the National Railway Workers Union against both the Government of Prime Minister Shigeru Yoshida and the Communist party, JIJI PRESS reports. The attitude of both the Government and the State Railway authorities was sharply criticised as being in disregard of the independent nature of the Union and encouraging the tendency by "reactionary capitalists" to ignore its existence.

The statement asserted that the crisis in the dispute between the Union and the Government had been caused by the Communist party's destructive tactics based on illusions of "revolution". The Communist party, the statement declared, has dealt "unfathomable" blows to the working masses which have been capitalized upon by "reactionary" political groups.

Immediate reorganization of the union was urged in order that collective bargaining with the authorities could be begun.

TOKYO UNIVERSITY PRESIDENT STRESSES NEED FOR CONTROL OF POLITICAL ACTIVITIES:

President Shigeru Nambara of Tokyo University yesterday presented to a conference of about 69 state university presidents, sponsored by the Education Ministry, a motion which stressed the need for immediate legislative action to control political activities among teachers and students, according to JIJI PRESS. The issue was referred to a sub-committee headed by Nambara for further consideration.

NEGOTIATIONS BEGUN ON 1950-51 BUDGET:

JIJI PRESS reports that the Government has begun negotiations with SCAP relative to the budget for the 1950-51 fiscal year budget. The budget was said expected to total about ¥755,000,000,000, or ¥155,000,000,000 less than the 1949-50 budget.

RENOVATION LEAGUE REFUSES TO RECOGNIZE DIRECTIVE:

The leftist Renovation League of the State Railway Workers Union, in a statement issued yesterday, rejected Chairman Ritsuo Kato's directive calling an urgent meeting of the Central Committee of the State Railway Workers Union, JIJI PRESS reports.

The statement assailed the Democratization League for its "conspiracy to usurp leadership of the Union instead of opposing the illegal discharge of 17 members of the Central Struggle Committee."

A statement issued by the Communist faction of the Union refuted the directive as a "subversive measure" designed to split the union, according to JIJI PRESS. The statement stressed the readiness of the Communist group to cooperate with "conscientious" members of the Democratization League to strengthen unification of the union and to safeguard the interests of union members.

KYODO reports that the Communist faction of the Union yesterday announced that union headquarters would be moved temporarily to the Nishigahara branch office of the union where the "union headquarters would be re-organized excluding the Democratization Leaguers".

MOUNTING COAL STOCKS DISCUSSED:

Representatives of the Economic Stabilization Board, the International Trade and Industry Ministry and the Democratic Liberal party yesterday discussed the mounting coal surplus, KYODO reports. A draft plan presented by the ESB was said to be centered around abolition of the Coal Distribution Corporation, abolition or alleviation of production and distribution controls on coal, and abolition of the Coal Mine state Control Law. No opposition was raised to the plan, according to the account. Another meeting in the near future will continue discussions off the problem.