GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

25 Mar 49

MEMORANDUM FOR THE CHIEF, GOVERNMENT SECTION

SUBJECT: Resolution for Establishing a Special Examination Committee in the House of Representatives

1. Under date of 24 March the Steering Committee of the House of Representatives submitted to Government Section for approval the draft of a "Resolution for Establishment of a Special Committee for Examination." The proposed committee will retain all powers and functions of the Muto Committee regarding illegal property transactions, and, in addition, will investigate "acts to discourage the will for tax payment as to lead the people to evade taxes illegally and as to disturb their payment of taxes; acts to impede the delivery of foodstuffs; acts to instigate labor disputes unreasonably; and other acts which have had serious evil influences upon the reconstruction of Japan and the responsibility therefor." Besides the foregoing proposals to investigate activities of the extreme right and the extreme left, the Resolution provides for examination by the committee of developments which have made "conspicuous contributions to science, culture, techniques etc, aiding greatly in the reconstruction of Japan."

2. All political parties agree to the suggestion for examining contributions to science, culture, etc., considering it window dressing and of no consequence. All parties, but more particularly the leftist groups, favor continuing investigations into illegal property transactions, although the Democratic Liberal Party is alleged to be extremely lukewarm about this matter andintends in one way or another to sabotage it. The Democratic Liberals and both factions of Democrats support the plan to investigate "certain evil influences affecting the reconstruction of Japan." The Social Democrat, Communist and Labor-Farmer parties strongly oppose delving into "evil influences," seeing in it an effort to expose and discredit "democratic movements carried on in the interests of the masses." The Democratic Liberals and the Democrats disclaim any intention to investigate "un-Japanese activities" under the cloak of the expression "evil influences" contained in the draft resolution.

3. Government Section is not being asked to subscribe to the aims of the proposers of this resolution, but only to interpose no objections to its adoption by the Steering Committee and then by the House of Representatives. It has been the policy of this section to clear such resolutions as a matter of routine unless they obviously violate an Occupation objective. This resolution violates no directive of this headquarters. Since the people's representatives are free to investigate any or all activities affecting the general

26

DECLASSIFIED E.O. 12958 SEC. 3(E) AND 3(D) OR (E) MAR 1 775 672

welfare, it is recommended that Government Section authorize the Steering Committee to adopt the resolution in its present form, or in any modified form which the Opposition may possibly force upon the Committee, so long as its purpose is made clear and all factions are accorded full liberty to be heard.

JUSTIN WILLIAMS
Chief, Parliamentary And
Political Division

1 Incl
Draft of the Resolution For Establishment
Of A Special Committee For Examination.

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

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

20 March 1949

MEMORANDUM FOR THE CHIEF, GOVERNMENT SECTION

SUBJECT: The Right of Minor Parties to Speak in the House of Representatives

1. The Communist mouthpiece, Akahata, charged on 19 March that the Democratic Liberal Party in the House of Representatives Steering Committee "rejected on its numerical strength the established principle of respecting the right of minor parties to speak. Aimed at forcing through the budget and gagging the minor parties, the Democratic Liberal Party decided that 20 Diet seats would comprise a speaker's unit over objections by minor parties, Communist Dietman SHIGA, and Socialist Dietman ASANUMA."

2. As in all legislative assemblies, procedures in the Japanese House of Representatives are fixed by written rules and by custom. Article 56 of the Diet Law stipulates, "The President of each House shall fix the calendar of proceedings and give advance notice of it to the House," and Article 56-2 provides, "Concerning the order of proceedings and other matters which the President deems necessary, he may consult only with a subcommittee selected by the House Steering Committee." Article 125 of the Rules of the House of Representatives states, "A member who desires to address the House shall submit previous notice to that effect to the Secretary General," and Article 126 of the Rules reads, "Members who have not sent in notice shall be allowed to speak after completion of all speeches made by members who previously gave notice." These provisions indicate that all members can speak freely during plenary sessions. But such is not the case. Time allotted for debate and the selection of speakers are matters carefully prearranged by representatives (actually plenipotentiaries) of all political parties and groups in the House Steering Committee of 30 members. Speaking time is divided between parties on the basis of their numerical strength, and if a given party is entitled to 30 minutes, it may, at its own discretion, assign 15 minutes to each of two speakers, 10 minutes to each of three speakers, or the full 30 minutes to a single speaker. Whether or not, therefore, an individual takes the floor depends entirely upon the bosses of the party to which he belongs. Since 1904, it has been the rigid custom of the House of Representatives to recognise only those parties or groups which have at least 25 members, thereby forcing smaller splinter factions to unite as bargaining groups in order to qualify for a share of the speaking time. But for this custom, a large party might conceivably divide itself into numerous groups for the sole purpose of obtaining a disproportionate share of speaking time. In the United States House of Representatives, where there never has been a problem of splinter

25

DECLASSIFIED E.O. 12958 SEC. 3.5(b) AND 3.6(b) OR (c) NNDG # 775 072

groups, debate on a single bill is invariably limited to a few hours, divided equally between proponents and opponents. Even here, it should not be supposed that any member can take the floor and speak his mind. According to custom, the Speaker recognizes only those members previously designated by the chairman of the bill-sponsoring committee and by the leading committee member of the opposition. The power exercised by these two persons in selecting speakers and assigning speaking time is identical with the power of the Steering Committee of the Japanese House of Representatives over the same matters. Without such controls, no legislature could conduct business.

3. During previous Diet sessions, it has been the policy of the House to allot a specified amount of speaking time to the "minor parties" as a whole, permitting them to wrangle over its division. The recent decision of the Steering Committee to allot time only to units with 20 or more members simply requires minor factions to band together prior to the assignment of speaking time instead of after. Of nine parties and groups in the House of Representatives, four (Democratic Liberals, Democrats, Socialists, and Communists) have more than 20 members each. The remaining five (People's Cooperatives, 14; Farmers, 8; Laborer-Farmer, 7; Social Renovation, 5; Fair and Just Club, 10) are affected by the ruling. If the Socialist Party, with 48 members, should receive 60 minutes to debate the budget, these five minor groups, with a total of 44 members, would be allotted a like amount. On a proportional basis, the Social Renovationists would have 6 or 7 minutes to analyze the budget! In the past, minor groups have agreed upon one or two speakers to voice their separate opinions, a Communist (when there were only 4) on one occasion, a Labor-Farmer on another, etc. No small faction was gagged then. No faction is being gagged now. None of the minor parties has thus far complained to Government Section of loss of rights or of a change in House policy. The Communists are the ones advocating a departure from established policy. If each minor faction of 5, or 8, or 10 were separately recognized, the projected Communist filibuster on key legislative bills during this session would be helped measurably.

JUSTIN WILLIAMS
Chief, Parliamentary and Political Division

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

16 March 1949

MEMORANDUM FOR THE CHIEF, GOVERNMENT SECTION

SUBJECT: Basic Revision of Election Laws as Proposed by the National Election Management Commission

1. On 14 March, Dr. UNNO Shinkichi, Chairman of the National Election Management Commission, volunteered to the undersigned an explanation of the following tentative conclusions regarding basic revision of the Election Laws reached by the Commission:

a. Public management of elections is sound and should be expanded;

b. Under a guarantee of complete freedom of speech, electioneering should be made more effective by

(1) increasing the number of competitive speech meetings and permitting unrestricted use of substitute speakers by candidates,

(2) authorizing and encouraging competitive street speech meetings with unrestricted use of substitute speakers by candidates,

(3) sponsoring free discussion of election issues and candidates by the people, at designated public places, under the auspices of election management committees;

c. Complete freedom of the press should be established, and restrictions on other written matter (bunsho) should be relaxed;

d. Membership on the National Election Management Commission should be reduced in number from nine to five persons;

e. All elections, national and local, for the House of Representatives, the House of Councillors, review of Supreme Court judges, school boards, agricultural committees, fishery association committees, food coordination committees, etc., should, by law, be placed under the supervision of the National Election Management Commission.

2. As viewed by the Commission, public management aims to accomplish two things, namely, to reduce exorbitant campaign costs and to equalize opportunities

DECLASSIFIED E.O. 12958, SEC. 3.5(b) AND 3.6(b) OR (c) NNDQ # 775 012

for candidacy to the extent that less affluent persons can afford to run. For an entry fee of 20,000 yen, each candidate in the recent election received services worth about 200,000 yen financed by the state. Although practically all candidates exceeded the legal limit on expenditures, individual expenses were nonetheless minimized, inducing numerous candidates of moderate means to stand for election. All free societies regulate their election contests. Japanese elections, for years subjected to the bureaucratic controls of the Home Ministry, were only recently placed under the supervision of a democratically controlled commission. Despite obvious defects, the public management plan is sound, according to the Commission, and will do more to elevate the character of elections than is possible under bureaucratic direction. As a means of "purifying politics," therefore, the National Election Management Commission is firmly convinced that public management should be extended.

3. Never in full sympathy with the restrictions on speaking which the Diet last summer wrote into the Law for Provisional Exceptions to Election Campaigns, Etc., the Commission favors almost complete freedom of speech for candidates and citizens alike during election campaigns. In the belief that the competitive speech meeting is the most successful single election experiment ever tried in Japan, the Commission would increase the number of such meetings arranged by election committees and at the same time remove all restrictions whatever on the use of proxies by candidates. The Commission would take even a bolder step by authorizing and encoureging additional competitive speech meetings in the streets and other public places, here, also, allowing substitute speakers without limit. Moreover, the Commission would defy precedent by sponsoring free popular discussion of election issues and candidates throughout the campaign at designated public places such as parks, railroad stations, temples, shrines, schoolyards, and the like. In factory compounds, discussion of election issues should be freely promoted under conditions agreed to by management and labor unions. The National Election Management Commission should encourage free discussion in these and other ways, interfering only to assure expressions of opinion on equal terms by all factions. If speech were thus freed, the Commission feels, all parties would train speakers especially to clash with communists and expose their real intentions and objectives. Under such conditions, Dr. UMNO said that he would be willing to resign his present position and take the stump himself against the communists.

4. The Commission, with some trepidation, is willing to recommend removal of all restrictions on the press during election campaigns and measurably to relax restrictions on other written matter (bunsho). In order to create an election atmosphere, the Commission would permit each candidate to put up four or five thousand posters at his own expense; at state expense, the Commission would furnish each candidate from twenty to thirty thousand postal cards

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

containing any message he desires. Complete freedom in printing and distributing campaign literature, the Commission believes, would bring about utter chaos. On the subject of press freedom, Dr. UNNO said that he and his colleagues were deeply impressed by General Whitney's firm convictions on press freedom and concluded, after "prolonged reflection," that Japan could ill-afford to shun one of America's most cherished inalienable rights. Except for the susceptibility of the poor and ignorant Japanese people to communism, the Commission would have no qualms. The communist monthly magazine, Shinso ("Truth"), for example, with a circulation of well over one hundred thousand copies, on a paper allotment for only thirty thousand, is avidly bought by the masses for its sensationalism. The monthly magazine, Sampu ("Cyclone"), on the other hand, exposes communism with a certain degree of restraint and therefore has a small circulation. The Commission fears that Akahata, ignoring custom and common decency, will publish large extra daily and weekly editions in support of communist candidates, knowing that Yomiuri, Asahi, Mainichi, and scores of prefectural dailies will observe certain ethical standards required of genuine newspapers. Notwithstanding the gullibility of the people, who are unduly swayed by specious and reckless communistic propaganda, the Commission is willing to propose absolute freedom of the press, taking, as Dr. UNNO said, a risk inherent in democracy. Between the end of World War I and the end of World War II, Japan regulated and restricted printed matter (bunsho), including newspapers, but did not prohibit it, because the communists were either underground or in jail; the growth of communism after 1945 accounts for the prohibitions on printed matter contained in Articles 19, 20, and 21 of the recent Law for Provisional Exceptions to Election Campaigns Etc. Communism versus freedom of the press, in a country where the people lack powers of discrimination, is the dilemma which the Commission has not yet completely resolved to its own satisfaction.

5. The Commission advocates reducing its membership from nine to five persons in order to avoid the probability of the appointment of a communist to that body in the near future. The present law stipulates that membership shall be in proportion to political party strength in the House of Representatives, by which standard the communists would be entitled to one member. By cutting the total to five, with the provision that not more than two members be recommended by a single political party, the communists would be excluded.

6. In recommending that all elections, national and local, be placed under the supervision of the National Election Management Commission, the members see the possibility of unifying election procedures in such a way as to minimize the communist menace. At present, the hodge-podge of election systems confuses and divides election committees, leaving them prey to the coordinated and relentless pressures of the communists.

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

7. As yet, the Commission has not deliberated on the single-seat, small-district election plan mentioned by Prime Minister Yoshida during the recent election campaign. Excepting certain changes in the House of Councillors Election Law, preparatory to next year's election, government circles, according to Dr. UNNO, have given no serious thought to election reforms. It is the intention of the Commission to have an election law amendment bill, incorporating its ideas, introduced into the present Diet, but whether as a government bill or as a Democratic Liberal Party member bill, it has not yet decided. Being a very delicate matter and thus far kept in strictest secrecy, the amendment plan will not be brought into the open until the Commission formulates its strategy. It anticipates a friendly reception to most of its recommendations by the Communist Party but considerable opposition from all other parties.

JUSTIN WILLIAMS
Chief, Parliamentary and Political Division

DECLASSIFIED E.O. 14032 SEC. 3(E) AND 3(D) OR (E) NNDB # 775 012

File
07

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

15 March 1949

MEMORANDUM FOR : Brigadier General Courtney Whitney
Chief, Government Section

SUBJECT : U. S. Recruitment

The following unusual situation has arisen in connection with our stateside recruitment for persons to fill vacancies on the Civil Service Division staff and I would appreciate your special consideration given to the matter.

Two men, Mr. Norman Woodbury and Mr. L. B. Steedman, both of whom are employed by the State of California, as Departmental Personnel officers, are interested in accepting positions on our technical staff. The men are well qualified, both from the standpoint of education and experience in public personnel work, to assume positions on our staff and we are desirous of employing them.

The main problem in connection with these applicants is that the State of California permits a leave of absence without pay for only a twelve month period and under our current rules employees must serve one year from the date of the arrival of their dependents or reimburse the government for travel expenses. These men are married and want to have their families join them while on duty in Tokyo. Both applicants have accrued annual leave in their present positions amounting to two months and would therefore be able to serve approximately fourteen months here. They could not, however, serve one year from the date of the arrival of their families according to the current rules concerning overseas employment agreements.

As you know, we have encountered much difficulty in finding well qualified persons who are willing to accept overseas assignments at this time when our need for adequate technical staff is of the utmost importance. Inasmuch as these two men offer the type of experience which would be extremely valuable to us in our current program, I would appreciate your cooperation in requesting the

DECLASSIFIED E.O. 12032 SEC. 3(E) AND 3(D) OR (E) NNDS # 775 072

Subject: U. S. Recruitment, Cont. 15 March 1949

Chief of Staff for a waiver of the rule requiring one year's service after the arrival of dependents for these two men to enable us to employ them for a period of approximately fourteen months.

BLAINE HOOVER
Chief,
Civil Service Division

BH:mw

MEMORANDUM:

1. Mr. J. R. Mead, G-1 Civilian Personnel, advises that although there is a 2 year employment agreement required for civilian personnel recruited in the states, he sees no reaon why an exception could nd be granted with respect to Woodbury and Steedman under circumstances as outlined by Mr. Hoover's memorandum.

2. Col W. E. Watters, G-1, Dependents and Billeting Control Division advises that it is difficult to obtain an exception to the current ruling that personnel must agree to remain 1 year following date of dependents' arrival in Japan, and that such an exception must be obtained from AC of S, G-1, or the Chief of Staff.

3. Col Watters estimated that due to the current and/housing shortage a new arrival in Japan with no previous overseas service would be requested to wait 8 to 10 months for his dependents to obtain priority and arrive in Japan.

4. Based on Col Watters estimate in Par 3 above, Mr. MacCoy, following discussion with Mr. Hoover, requested that no further action be taken in this case.

DECLASSIFIED E.O. 14032 SEC. 3(E) AND 3(D) OR (E) NNDA # 775 012

CROSS REFERENCE

FILE UNDER: Memos to Chiefs of Section

DATE: 10 Mar 1949

FROM: Gen G.I. Back TO: Ge n C.Whitney

SUBJECT: Pictures for publication

DOCUMENT FILED UNDER: Memos to Officers CLASSIFICATION

(11 March, 1949 Whitney to Back)

CABINET # 21 Drawer 4.

SHELF #

22

DECLASSIFIED E.O. 11652 SEC. 3(E) AND 3(D) OR (E) NNDG # 773 072

CROSS REFERENCE

FILE UNDER: Memos for Ch, GS

DATE: 9 march 49

FROM: General Whitney TO: General Marquat

SUBJECT: Press Translation

DOCUMENT FILED UNDER: Labor CLASSIFICATION

CABINET # 20, Drawer 2

SHELF #

21

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

GOVERNMENT SECTION

No. 2 (4) THE NATIONAL DIET 29 December 1948

BILLS NOT FAVORABLY ACTED UPON BY 4TH NATIONAL DIET

Of a total of 39 bills introduced during the 4th National Diet session, all were passed except the following 4, which were not reported out by committee:

1. Bill for Amendment of the Criminal Indemnity Law
2. Bill Concerning Drainage Structure for Railroad and Tramway
3. Bill Concerning Drainage Structure for Road and Bridge
4. Bill for Partial Amendment of the Diet Law

PARLIAMENTARY & POLITICAL DIVISION
(VS)

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

CROSS REFERENCE

FILE UNDER: Memos to Ch, GS

DATE: 8 Mar 49

FROM: Diamantes TO: Ch, GS

SUBJECT: Two elections where Communist candidates were elected

DOCUMENT FILED UNDER: 2 weeks file CLASSIFICATION

CABINET #

SHELF # Near shelf 61

20

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

memo to Ch, DS.

8 March 1949

MEMORANDUM FOR GENERAL WHITNEY

SUBJECT: Proposed Scapin Amending Scapin 1775 (12 Sept 47): Reduction of Governmental Expenditures.

1. Under an existing SCAP memorandum (Scapin 1775 dtd 12 Sept 47) and the implementing Japanese law (Law No. 171 of 1948), the Japanese Government recognizes only official prices and wages and setting contracts for supplies and services. These regulations were established to discourage the payment of blackmarket prices by the Government and reduce profiteering by Government contractors, especially on procurement for the Occupation Forces.

2. In the application of these regulations, the Japanese Government requires contractors to show the cost of all materials and labor before paying. It is believed by the Eighth Army and the Chief Engineer, FEC, that this system amounts to a cost-plus basis of contracting, with an undue amount of administrative red tape, delay and expense.

3. Both the Eighth Army procurement authorities and the Chief Engineer, FEC, have urged a relaxation in these regulations in order to permit lump sum and unit price bidding and contracting. G-4 has gone along.

4. ESS, which prepared SCAPIN 1775, feels that the restrictions imposed by that directive have served their purpose and may now safely be relaxed because:

a. Procuring agencies have instituted effective control systems.
b. Materials needed on construction jobs are mainly stocked under Eighth Army control.
c. Procurement demands are less urgent than formerly, allowing procurement authorities to rely more effectively on competitive bidding by contractors.

5. In view of the foregoing, recommend GS concur.

FR

for 8 Mar 49
approved by [illegible]

GS FILE

19

DECLASSIFIED E.O. 11,652 SEC. 3(E) AND 3(D) OR (E) NNDG # 775 012

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

4 March 1949

MEMORANDUM FOR : Brigadier General Courtney Whitney
Chief, Government Section

SUBJECT : National Personnel Authority Budget.

1. In compliance with the National Public Service Law, the National Personnel Authority has presented to the Cabinet its budget for the fiscal year 1949-50.

2. The budget as presented has been developed in cooperation with the staff of the Civil Service Division and has the approval of this division.

3. The appropriations provided in the budget are essential to effectively implement the program approved by the SCAP and defined as an Occupation objective.

4. The total appropriation (¥449 million) is a small item in the national budget.

5. The Cabinet referred the budget to the Ministry of Finance for review. We were informed that the Ministry of Finance reduced the National Personnel Authority budget by approximately 69%. The passage of this budget as revised would be the end of an effective civil service program in Japan.

6. The foregoing developments were reported to you 21 February 1949 and on your suggestion the undersigned invited Mr. Masuda, Chief Cabinet Secretariat in on that same afternoon and advised him in substance:

a. Not under pressure, but
b. National Personnel Authority program implements SCAP policy on civil service
c. National Personnel Authority a new organization and previous expenditures no criterion of requirements
d. In view of American expenditures to set up this program would be very difficult to explan to American legislative authority, failure of Japanese government to appropriate small amount necessary to make it effective
e. Requested that these expressions be conveyed to the Prime Minister as a message.

18a

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

7. On 3 March 1949 there being no evidence of any change in the position of the Government of Japan with respect to this budget and much evidence that it was being processed as revised by the Minister of Finance, Mr. Masuda was asked whether he had conveyed the message to the Prime Minister. He said due to the Prime Minister's indisposition he had not but that he had conveyed it to the Minister of Finance and would communicate it to the Prime Minister at a later date.

8. Meanwhile the skeletonized budget of the National Personnel Authority as revised by the Minister of Finance has been forwarded to Economic & Scientific Section as a recommendation of the Japanese Government and on this basis is under consideration by Economic & Scientific Section, and presumably will be acted upon at a very early date.

9. Legally the Diet can revise the National Personnel Authority budget but under present conditions such a revision will be very hard to effect.

10. Today we have the spectacle of a vital SCAP program, approved by SCAP personally and closely associated with SCAP under public statements, a program closely associated with the efficiency of administration and cardinal to the national recovery as well as to the democratization of Japan brought to the point of frustration by a reactionary bureaucratic clique which apparently does not approve of the SCAP program.

11. The Civil Service Division has done everything within its power to correct the situation. Obviously, higher authority must be invoked.

12. The matter is referred to you for consideration and action.

Blaine Hoover

BLAINE HOOVER
Chief, Civil Service Division

BH/hm

9 March 1949

Mr. Hoover

Take it up with ESS and Mr. Dodge. Can't cross wires with them.

CW

(original note destroyed)

DECLASSIFIED E.O. 11652 SEC. 3(E) AND 5(D) OR (E) NNDG # 773 072

HEADQUARTERS
HEADQUARTERS AND SERVICE GROUP
GENERAL HEADQUARTERS, FAR EAST COMMAND
APO 500

3 March 1949

MEMORANDUM FOR: Chiefs of Sections, GHQ, FEC and SCAP
Commanding Officers, Assigned and Attached Units
Headquarters and Service Group, GHQ, FEC

SUBJECT: West Point Memorial Dinner

1. Your assistance is requested in ascertaining the names of graduates and former cadets of West Point who plan to attend the West Point Memorial Dinner on Saturday, 19 March 1949, in Tokyo. Details as to hour, place, etc., will be announced later.

2. The charge will be approximately $3.00 per plate. This sum is expected to cover all costs. Payment will be made in cash on entrance into the dining room.

3. It is essential that facts concerning the number attending the dinner be ascertained as soon as practicable. It is therefore requested that each addressee forward to the Adjutant, Headquarters and Service Group, as soon as possible and not later than 7 March 1949, a list showing the full name of each graduate or former cadet and his class year who plans to attend the dinner.

4. It is hoped that all graduates and former cadets will find it practicable to attend.

5. Your prompt attention to this request will be appreciated.

James H. Wear

JAMES H. WEAR
Major, Cavalry
Adjutant

18

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

1 March 1949

MEMORANDUM FOR THE CHIEF, GOVERNMENT SECTION

SUBJECT: Cabinet attitude re implementation of laws establishing Telecommunications and Postal Service Ministries

1. In a conference yesterday afternoon with Mr. KORI Yuichi, Deputy Chief Cabinet Secretary, Major R. A. Harris and Captain C. F. Guida were fully informed of the Cabinet's aims and intentions regarding implementation of the laws enacted last November for setting up Telecommunications and Postal Service Ministries. The effective date of both laws is 1 April.

2. The enforcement date of all government reorganization laws, enacted or to be enacted, including the laws establishing Telecommunications and Postal Service Ministries, will be determined solely by the Cabinet. This interpretation of the Cabinet's responsibility was made by Chief Cabinet Secretary MASUDA and State Minister HONDA, following their conference with General Whitney on 25 February.

3. The Cabinet has no intention of implementing on 1 April the two ministerial reorganization laws already enacted, namely, the Telecommunications Ministry Estqblishment Law and the Postal Service Ministry Establishment Law. Its reasons are as follows:

a. Technical impossibility of formulating budgets for these two ministries alone by 1 April.

b. Necessity of streamlining the entire administrative structure in accordance with a single master plan, which must include telecommunications and postal services.

c. The possibility and perhaps the probability in the near future of converting the Telecommunications Ministry into a public corporation or a private enterprise.

d. The impossibility of affording the elaborate and expensive set-up required by the Telecommunication Ministry law for a country as impoverished as Japan.

e. The political undesirability of reorganizing, prior to 1 April,

17

the Telecommunications and Postal Service Ministries as prescribed by law which favors the top bureaucrats at the expense of personnel in the lower brackets.

JUSTIN WILLIAMS
Chief, Parliamentary and Political Division

Prepared by:

Major R. A. Harris
Captain C. F. Guida

Government Section

MEMORANDUM FOR: Chief, Government Section

21 February 1949

SUBJECT : Proposed SCAPIN Transmitting Principles for Japanese Farmers' Organizations.

1. In a check sheet dated 19 February 1949, subject as above, addressed to the Chief of Staff, Natural Resources Section has requested approval of a proposed SCAPIN which would:

a. Transmit to the Japanese Government a copy of "Principles for Japanese Farmers' Organizations" approved by the Far Eastern Commission on 9 December 1948 and transmitted to the Supreme Commander for his guidance by the Joint Chiefs of Staff as JCS Directive, Serial No. 97 (W 81395, dated 19 December 1948).

b. Direct the attention of the Japanese Government to said policy statement.

c. Instruct the Japanese Government to institute measures necessary to insure compliance with the statement.

d. Authorize direct communication between the JG and NRS for implementation of the SCAPIN.

2. This unprecedented proposal to transmit to the Japanese Government the literal text of a JCS policy directive to SCAP has little, if any, justification, while there are several cogent reasons against its approval.

a. The directive is for the guidance of the Supreme Commander, not the Japanese Government. In its implementation he has the normal executive discretion of his position and authority. He is not merely a transmittal agency.

b. According to the NRS check sheet of 2 February 1949 to the Chief of Staff, subject "Implementation of FEC 97" the principles cited in JCS 97 are in substantial agreement with the principles characterizing the Japanese agricultural cooperative program now being carried out under legislation already enacted pursuant to the Supreme Commander's memorandum of 9 December 1945 to the Japanese Government, subject "Rural Land Reform" (SCAPIN 411).

c. Although certain provisions of the JCS directive requiring consideration or further implementation are discussed in the NRS

Govt. Section

16

check sheet of 2 February 1949, these matters are currently the subject of pending discussion and coordination between Natural Resources Section and Economic and Scientific Section, or between Natural Resources Section and the Japanese Government. The solution or determination of these matters would not be accomplished by the mere transmittal to the Japanese Government of a copy of the Washington directive but would remain to be ironed out between NRS and ESS or NRS and the Japanese Government.

d. There is positive danger in transmitting the JCS directive to the Japanese who at times tend to adopt the letter while missing the spirit of a given instruction. In this connection Government Section has positive objection to transmitting to the Japanese in writing the instruction contained in paragraph 13b of the JCS directive since this might be literally construed by the Japanese authorities to require them to screen under SCAPIN 550 the numerous persons who hold office in the cooperative associations. Actually this policy has been and is being implemented by the Japanese Government in such fashion as not to require the re-creation of a full fledged purge division within SCAP.

RECOMMENDATIONS

a. That issuance of the proposed SCAPIN be disapproved.

b. That NRS continue its implementation of JCS 97 as it has in the past through its dealings with the Japanese Government, coordinating with ESS where that is necessary, and in the event of insoluble differences between NRS and ESS to define for command decision the specific issues involved in such intra-staff disagreements.

FRANK RIZZO,
Special Assistant.

Government Section

SECRET

13 February 1949

MEMORANDUM FOR: General Whitney.

SUBJECT : Subversive Activities in Communications Services.

In a memorandum dated 30 November 1948, addressed to the Chief, Civil Communications Section, Mr. W. L. Wardell, Deputy Chief, has called attention to activities of the Communist-dominated Communications Workers' Union aimed at (1) controlling the communications systems of Japan, (2) using this control to promote Communist gains in politics, government and labor, and (3) subvert Occupation objectives.

The memorandum presents convincing evidence that the first objective, namely, strategic control of communications facilities already lies within the grasp of the aforementioned union. CCD intercepts indicate that telecommunication facilities have been used to promote Communist Party interests, specifically in connection with the recent general election. Further, the precautions now known to be taken to use communications facilities for labor union activities when not under G-2/CCD surveillance point to evasion and confirm other indications of an intent to subvert Occupation objectives.

The memorandum makes the following recommendations:

A. Labor Policy.

(1) Require labor unions to incorporate.

(2) Require public regulation and audit of union finances.

(3) Establish procedures for democratizing labor unions.

(4) Establish neutral boards to supervise union elections and to settle labor disputes.

(5) Eliminate management and supervisory personnel from unions.

B. Political.

(1) Ban the Communist Party of Japan.

(2) Eliminate Communists and their sympathizers from the Government service.

15 A

SECRET

Mr. Hoover

C. Public Service.

(1) Authorize reasonable wage adjustments by executive action when demanded by prevailing conditions.

(2) Use of incentive payments and goods for accomplishment of given objectives in the Government service.

D. Governmental Changes.

(1) Establishment of reorganization boards to investigate and recommend improvements in governmental organizations and the use of public funds.

(2) Revision of governmental fiscal and accounting procedures and practices.

(3) Allocation of certain quantities of rationed goods for free market sale as luxuries to absorb excess purchasing power and to increase governmental revenues.

E. Information.

(1) Establish channels for furnishing to labor groups reliable information upon which union policies may be based.

(2) Establish a public information program to counteract the misinformation and misinterpretation being spread by Communist sources.

The report does not contain specific staff actions for approval. In a discussion with the undersigned Mr. Wardell explained that this was intentional for the recommendations are so broad and they relate to so many fields other than communications that before any staff actions could be profitably outlined it was considered desirable that there be a high level staff decision on the basis of which coordinated actions could be planned and launched. Civil Communications Section has been working with the Japanese Government to end the free use of communication facilities by labor union representatives for labor union and Communist propaganda purposes but feels that the Government's handling of the situation has been weak.

The Civil Service Division of Government Section, having examined the report and recommendations, notes that some of the recommendations cut across the field of Civil Service operations and suggest a conference between Mr. Wardell and the Civil Service Division staff in order to clear up points dealing with the control of labor organizations in government employment. The Civil Service Division concurs in the need for a new body of policy to counteract Communist activities. (See Tab A.)

In conversation with Mr. Wardell it was ascertained that subject report and its recommendations have not been discussed with either the Labor Division or the Price and Distribution Division of ESS, in whose fields a number of the recommendations clearly fall.

Taken altogether the recommendations amount to a program for a broad frontal attack on the Japan Communist Party and its supporters in labor organizations, whether governmental or private. If implemented by a series of specific coordinated staff actions, they would, as the memorandum itself states, involve a greater participation by SCAP in Japanese Government affairs than has heretofore been considered desirable. Furthermore, assuming that it were feasible by coordinating the interests of the various staff sections involved to launch a program along the lines recommended in the memorandum, two questions occur: (1) as to the probable success of the program and (2) as to whether it might not lead to worse ills than those which it is intended to cure.

Communism, either as a political movement or as a subversive force behind false fronts, is not to be defeated by Occupation fiat. It may, in fact, be given added strength by attempts to suppress it by force. Secondly, at this particular time, in view of the political complexion of the Government in power and its own announced program to combat the Communists in Japan, a SCAP program along the lines indicated might well serve as justification for renewal of acts of political suppression by the Government such as those which preceded the Pacific War. Rather than urge the Government in what is already its avowed purpose it may be preferable to observe whether its program stays within the bounds demanded by the constitutional Bill of Rights.

RECOMMENDATION

In view of the foregoing, recommend that Government Section take the following position:

(1) Elimination of Communist activities by either SCAP directive or suppressive government measures is undesirable.

(2) Unauthorized use of communications and other governmental facilities by individuals or groups of whatever political or labor affiliation should be eliminated by whatever measures may be necessary to accomplish the purpose.

(3) Similarly, any sabotage or attempted sabotage of Occupation objectives or any open defiance of the Occupation should be decisively dealt with.

(4) Civil Communications Section should maintain liaison with the Civil Service Division of Government Section for the exchange of information leading to remedial measures under the administration of the National Public Service Law on the one hand and through administrative measures of the Communications Ministry on the other.

SECRET

(5) Insofar as the recommendations of the memorandum fall within the province of the Economic and Scientific Section, the Civil Communications Section should effect liaison and coordination with that section.

FRANK RIZZO,
Special Assistant.

SECRET

COPY

CIVIL SERVICE DIVISION
GOVERNMENT SECTION

21 January 1949

MEMORANDUM FOR : The Record

SUBJECT : Labor and Communist Activities Affecting Occupation Force Communications Services and Objectives and Recommendations for Action in Connection Therewith.

We have considered the file submitted by Mr. W. L. Wardell under date of 30 November, 1948, to the Chief, Civil Communications Section and are of the following opinion:

1. Certain of the recommendations cut across the field of Civil Service operations. There are indications of inadequste information on the part of the author relative to certain elements in the Civil Service program. A conference between him and staff of this division should be held for the purpose of clearing up certain of these points. They deal largely with the control of labor organizations in government employment.

2. Fundamentally the situation calls for action on a much larger scale than anything contemplated in the foregoing paragraph. The simple fact is that utilizing labor relations as a vehicle, the Communists have taken over and now control, for all practical purposes, communications in Japan. While this is a basic and major threat to the success of the occupation and the future security of the country, it has been accomplished in a situation where the Communists are given political recognition status and dignity. It is therefore not within the scope of the National Public Service Law or the power of any existing government agency to throw them out. If it is to be done--and it should be done, there and elsewhere in the public service-- it must be by the formulation and administration of a new body of policy possibly involving legislation. The problem is so peculiar and so intricately meshed with the military situation that it is possible the move should be made as a military occupational action rather than one through normal channels measurable in terms of ordinary legislative policy either here or at home.

3. It is also recommended that information such as this file contains should be made available to the State Department and the Department of the Army for the education of staff there and the strengthening of the American position in FEC and other international situations.

/s/ Blaine Hoover
BLAINE HOOVER
Chief, Civil Service Division

BH:mw

SECRET

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

14 February 1949

MEMORANDUM FOR THE CHIEF, GOVERNMENT SECTION

SUBJECT: Judicial Police Officials

References:

Art. 247-251, "Code of Criminal Procedure" (old) Law No. 75, 5 May 1922 (Tab "A")

Art. 1-7, Imperial Ordinance, "Ordinance Concerning Judicial Police Officials and the Designation of Those to be Commissioned with Duties of Such Officials," No. 523, 29 Dec 1923 (Tab "B")

Art. 189-190, "Code of Criminal Procedure" (new) Law No. 131, 10 July 1948 (Tab "C")

"Law Concerning the Temporary Measures for the Designation of Judicial Police Officials," Passed Diet 30 Nov 1948 (Tab "D")

"Draft Bill for Partial Amendment to the Law Concerning Temporary Measures for the Designation of Judicial Police Officials" 8 Dec 1948, (now pending) (Tab "E")

"Draft Bill Concerning the Designation of Those to be Commissioned with Duties of Judicial Police Officials" 4 Dec 1948 (now pending) (Tab "F")

Art. 4, 46 "Police Law", Law No. 196, 17 Dec 1947 (Tab "G")

Report "Present Number of Judicial Police Officials" prepared by Attorney-General's Office, Japanese Government, 8 Dec 1948 (Tab "H")

I. THE PROBLEM PRESENTED

1. Japanese Government legislation currently in effect provides for the designation of an indefinite number of officials in the Japanese Government as "Judicial Police Officials."

Copy - for Maj. Hopkin

15

II. FACTS BEARING UPON THE PROBLEM

1. Chronology

a. "Code of Criminal Procedure", Law No. 75, 5 May 1922, established Judicial Police Officials. This Law places Judicial Police Officials on equal footing with District Procurators. (Tab "A")

b. Imperial Ordinance No. 525, 29 Dec 1923, is, in effect, the enforcement ordinance for Law No. 75, 5 May 1922. This Ordinance continues in existence. A law passed by the Diet 30 November 1948 actually specifies that the provisions of this Imperial Ordinance (1923) will temporarily govern Judicial Officials. (Tab "B")

c. (New) "Code of Criminal Procedure", Law No. 131, 10 July 1948, provides that any member of both National Rural Police or Local Police can be designated as a Judicial Police Official. (Tab "C")

d. "Law Concerning the Temporary Measures for the Designation of Judicial Police Officials", (30 Nov 1948) prolongs the provisions of the Imperial Ordinance (mentioned, b. above). As a temporary, stop-gap measure, it actually brings the provisions of this Imperial Ordinance to the same level with Diet Law. This practice is not procedurely correct and mitigates the authority of Diet law. (Tab "D")

2. Contemporary

a. "Draft Bill for Partial Amendment to the Law Concerning the Temporary Measures for the Designation of Judicial Police Officials", (now pending), 8 Dec 1948, is an amendment to the stop-gap law (passed 30 November 1948) and manifests the paramount importance of the Judicial Police Official System. It places the Imperial Guard, which is in fact under the jurisdiction of the National Public Safety Commission as specified in the Police Law of 1947, under a system that dates to 1922. The wording of this draft, however, cleverly circumvents violation of the Police law of 1947 by stating "An Imperial Guard shall, as prescribed by the National Public Safety Commission, perform duties as judicial police officials provided in the Code of Criminal Porcedure . . . . . etc." (Tab "E")

b. "Draft Bill Concerning the Designation of those to be Commissioned with Duties of Judicial Police Officials", prepared 4 Dec 1948, is now pending and ready for Diet passage. Prepared by the Attorney-General's Office, Japanese Government, it includes all the provisions of Imperial Ordinance No. 525, 29 Dec 1923, and when passed by the Diet, will complete action providing for Judicial Police Officials by Diet Law. This proposed Law does not indicate the definite number of Judicial Police Officials. It has far reaching provisions and includes minor officials of the Japanese Government in the Judicial Police Official System. (Tab "F")

c. "Police Law", No. 196, 17 Dec 1947, establishes a police force of 125,000. This law does not include, nor provide for, Judicial Police Officials.

The Imperial Guards include over 900 police, now designated as Judicial Police Officials. Since the Police Law (Art. 4) specifies that matters concerning the control of the Imperial Guard shall be under the jurisdiction of the National Public Safety Commission, this constitutes a major infraction of the Police Law. (Tab "G")

d. Japanese Government reports indicate that the actual number of Judicial Police Officials cannot be definitely ascertained and estimate the present number as 70,000. The following categories of officials are thus listed as "unknown" in report submitted by the Attorney-General's Office upon request of this headquarters.

Superintendents of reformatories, Chiefs of Juvenile Detention Houses and Juvenile Classification Offices

Reformatory Officials

Fishing Control Officials (Game Wardens) (Tab "H")

III. SUMMARY

The system of Judicial Police Officials has existed since 5 May 1922.

The Code of Criminal Procedure, 10 July 1948, allows the system to continue in existence. It states that Judicial Police Officials must be provided for in other laws but does not limit the size and scope of the System.

Since the Occupation, the Japanese Government, through a series of vague amendments, has prevented popular control (Diet action) from interfering with the system.

The Japanese Government has cleverly concealed the true meaning of these recent laws by (1) keeping effective Imperial Ordinance No. 528, 29 December 1923, which actually is that part of the old Code of Criminal Procedure referring to the system; and (2) risking a conflict with the Police Law of 1947 only on the issue of the Imperial Guard.

IV. CONCLUSIONS

Judicial Police, presently designated as such, are greater in number than the entire 30,000 National Rural Police Force.

They can become greater in number than the entire authorized Police Force in Japan of 125,000.

One of the most serious charges against the intent of the Japanese Government could now be made to the effect that it has kept alive a system whereby Japan could quickly revert to a police state after the Occupation is terminated.

V. ACTION RECOMMENDED

1. That the Japanese Government be instructed to conduct a survey to determine the minimum number of inspectors, wardens and safety officials necessary, under the jurisdiction of the National Government.

2. That the minimum number of inspectors, wardens and safety officials be restricted only to specific duties indicated by the individual Ministry or Agency under which they serve.

CAPT. T. DIAMANTES

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

F-L-E/M

10 February 1949

MEMORANDUM TO : Brigadier General Courtney Whitney
Chief, Government Section

SUBJECT : Comments of John W. Gibson, Assistant Secretary of Labor, Press Conference, Tokyo, 7 February 1949.

Further in this connection:

I have just received the following memorandum from Mr. MacDonald Salter, Chief, Classification and Compensation Branch, Civil Service Division.

"This morning I met with Messrs. Onogi and Nakagawa of the Administrative Management Agency. During the course of the conference they made certain comments concerning the effect of statements made by Mr. Gibson.

"These gentlemen indicated that the labor unions were considering Mr. Gibson's statement as an opportunity to reopen the whole issue and that they expected to press for the development of a situation similar to that provided by the personnel provisions for public corporations."

Blaine Hoover

BLAINE HOOVER
Chief
Civil Service Division

BH/hm

14

FILE

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

8 February 1949

MEMORANDUM TO: Brigadier General Courtney Whitney
Chief, Government Section

SUBJECT : Comments of John W. Gibson, Assistant Secretary of Labor, Press Conference, Tokyo, 7 February 1949.

Press reports of course vary in some detail concerning the comments of the Assistant Secretary. Inasmuch as the translations are all available to you, this memorandum will not attempt summarization.

In view of the extent to which the comments as reported in English translations cut across the field of Civil Service legislation and administration, this Division has made effort this forenoon to ascertain something of the Japanese reaction to the extent that such can be done without engaging in indiscreet inquiries.

Our informants regard the comments of the Assistant Secretary as serious in the extreme to the success of the Civil Service program. In this connection they make the following points:

1. It makes no difference whether Mr. Gibson spoke personally or officially; he was present in Japan as a member of a party organized around the Secretary of the Army, who is General MacArthur's superior, and presumably spoke with the Secretary's knowledge and approval--certainly not in opposition to the views of the Secretary. His expressions, therefore, carry by and large the weight attributed by the Japanese to a man in the position of the Secretary of the Army.

2. The probable effects of the statements as widely disseminated in the Japanese press will be several, viz: The Communist party will gain prestige as the result of the position taken by them in the last campaign which superficially at least is consistent with the Assistant Secretary's position. The ability of NPA to enforce the 48-hour rule and discipline generally has received a hard blow. The statement that SCAP and the Department of the Army, State and Labor are definitely considering revision of the National Public Service Law puts the entire law under shadow and question, makes the position of NPA weak and the general enforcement of the law difficult. It is probable that the Communists and possibly other opposition parties will seize upon these comments to reopen before the Diet the subject of revision of the

/3.

National Public Service Law; so, further to agitate on the law, casting doubts on the soundness and ultimate retention of the law, making its enforcement increasingly difficult, and associated legislation on compensation and other matters hard to get.

It was difficult to elicit ideas as to what might be done in this situation without asking questions that would be inappropriate under the circumstances, but the following came out of the conversations: The Japanese regard the comments of the Assistant Secretary of Labor as extremely damaging to the prestige and effectiveness of General MacArthur as the Supreme Commander for the Allied Powers. Any action taken along the lines of the Gibson suggestions would qualify General MacArthur's effectiveness to a startling degree. During the period immediately ahead, if uncertainty is permitted to exist, General MacArthur's effectiveness will still be qualified in view of the assumption that the Secretary's actions will be developed at a later date. If General MacArthur were at this time to come forth with an immediate, direct and specific disqualification of Gibson's remarks, a measure of control will be reestablished. However, statements by anyone less than General MacArthur under the circumstances would not accomplish the same result, and so had better not be made. If a delayed, ambiguous, or qualified statement were issued in the Commander's name, it would not accomplish the desired purpose and might better not be issued.

The foregoing comments are submitted principally for the purpose of presenting the Japanese reaction to the extent we are able to ascertain it and for whatever action you consider appropriate based thereon.

Blaine Hoover

BLAINE HOOVER
Chief
Civil Service Division

BH:jb

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

4 February 1949

MEMORANDUM FOR THE CHIEF, GOVERNMENT SECTION

SUBJECT: YANAGIDA, Seijiro
OBAMA, Toshie

1. YANAGIDA, Seijiro was declared a purgee by the Japanese Government 1 June 1946 for the reason that he was during the critical period:

a. Vice President of the Yokohama Specie Bank.
b. Director of their Overseas Funds Bank.

These organizations and positions are both categorically defined in Paragraph E of SCAPIN 550 as reason for purge.

YANAGIDA, who was Vice Governor of the Bank of Japan at the time of screening, withdrew from his position and made no appeal.

2. OBAMA, Toshie was purged by the Japanese Government 29 October 1947 for the reason that he was:

a. Councillor of Dai Nippon Genron Hokokukai.
b. Director and concurrently Chief of Editorial Bureau of the Blacklisted Chugai Shogyo Shimposha.

Dai Nippon Genron Hokokukai is listed in SCAPIN 548 as an ultranationalistic organization, and the provisions of SCAPIN 550 require categorically that all officers and influential members of such organizations be purged. Chugai Shogyo Shimposha was a Mitsui House organ owned by the Mitsui and reflected the Zaibatsu view. It was listed by the Japanese Government as an undesirable and jingo-istic publication.

OBAMA appealed to the Public Office Qualifications Appeals Committee of the Japanese Government 19 December 1947, but his appeal was rejected by that Japanese Government organization.

JACK P. NAPIER
Maj AGD

GS FILE

12

Government Section
Public Affairs Division

1 February 1949

MEMORANDUM FOR THE CHIEF, GOVERNMENT SECTION

SUBJECT: Far Eastern Commission Policy Concerning the Purge

1. The Far Eastern Commission policy decisions with regard to Trade Unions and Farmers' Cooperatives, the latter approved only six weeks ago, indicate full and specific acceptance of the purge program as basic policy. Both decisions state explicitly that persons subject to the purge directive of 4 January 1946 are unacceptable as officers of trade unions or of cooperatives. (See Tabs A and B.)

2. Throughout the first year following issuance of the purge directive the Commission received and distributed much detailed information concerning progress of the purge program. This material was culled from official radio reports from the Headquarters, from Japanese newspaper and radio reports. The most comprehensive of these reports was contained in General Whitney's statement to the Allied Council concerning implementation of the purge on 17 April 1946, which was distributed to the members of the Commission. (CL-010, 16 May 1946. See Tab C2.) A full progress report was submitted to Committee No. 4 by the United States member on 21 August 1946. (See Tab C3.) Following examination of this report, the Committee decided that "no further action was required on this matter, subject to the right of any member of the Committee to raise the issue later". (See Tab C4.)

3. The Soviet representative subsequently suggested to the Commission that it accept a policy decision calling for more speedy completion of the purge and recommending deletion of paragraph 5 of "Directive No. 550 of January 4, which permits the Japanese government under the pretext of 'irreplaceability' to keep in public office persons who fall undoubtedly under the purge directive of January 4". (See Tab C5.) In the course of discussion the Commission agreed "to postpone further consideration of this subject" pending receipt of information concerning points raised by the Soviet representative and on "other developments subsequent to the first report by the United States government on the purge". (See Tab C6.) The Headquarters did not receive another request for a formal report, but the Commission subsequently reproduced and distributed to all Commission members information copies of "Plan of Japanese Government for Purge of Local Government Agencies" (WI-066/1, 11 December 1946), "Plan of Japanese Government for Further Application of the Purge" (WI-066/2, 6 January 1947), and "Imperial Ordinance No. 1 of 1947 Re Purge" (CL-007/4). These reports were accepted without dissent or comment.

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4. An examination of the record of deliberations preceding final agreement on the Basic Post-Surrender Policy, announced by the Far Eastern Commission on 19 June 1947, reveals that the Commission evidently considered it unnecessary at any time to discuss that portion of the document which requires that "persons who have been active exponents of militarism and militant nationalism will be removed and excluded from public office and from any other position of public or substantial private responsibility". This provision remained substantially the same throughout the year that the document was under consideration. (See Tab D.) Since Commission members were fully informed concerning progress of the purge, mere acceptance was apparently considered sufficient.

5. Examination of Far Eastern Commission records reveals that the purge principle has been consistently recognized and accepted. The Policy for Revision of the Educational System, for example, issued on 27 March 1947, provides that "exponents of ultranationalistic, militaristic, or totalitarian ideas should be forbidden to teach or engage in other employment connected with education". (See Tab E.) A year later the principle was recognized in FEC-017/21, 30 March 1946, in the policy decision concerning Control of Japanese Military Activity, which forbids employment in the public service of career military personnel. (See Tab F.) The fact that the purge provisions of these policy decisions remained unchanged and undiscussed throughout the period of deliberation by the FEC and by its Committees suggests that the principle was so fully accepted that it did not warrant discussion.

6. Review of the radios received and dispatched during 1946 reveals that the Far Eastern Commission took an active interest in the purge. On several occasions it requested specific information concerning progress of the program or inquired concerning the status of certain individuals under SCAPIN 550. Copies of all these radios are included in Tab G.

7. Appended as Tab H are copies of documents, or extracts therefrom, which bear on the question of purge application.

OSBORNE HAUBEN
Chief, Public Affairs Division

File

1 February 1949

MEMORANDUM FOR CHIEF, GOVERNMENT SECTION

SUBJECT: IRAA, IRAPS, SONEN DAN, and Affiliates

1. Final domestic campaign of the professional militarists and their associates in the regimentation of their people for total war was establishment of a one-party state under the Imperial Rule Assistance Association - Japanese modification of the Nazi pattern.

2. First move in this careful operation was forced dissolution of Japan's political parties which, though generally subservient to the Military, did not fit into the pattern of a corporate state. No law was promulgated or ordinance issued directing the action. Rather, it was forced on cringing party leaders by "suggestion" from high military quarters. Thus, any possibility of concerted resistance to military dictatorship was removed, and the stage set for a one-party regime in the Hitlerian pattern.

3. In August 1940, coincident with the movement by the Military against political parties, Konoye, despite his avowals of opposition, bowed to demands, and included Chief of the Military Affairs Bureau of the War Ministry, Akira Muto, and Chief of the Naval Affairs Bureau of the Navy Ministry, Katsuro Abe, in a five-man Managerial Council which he appointed to conduct preliminary discussions of a "New Governmental Structure". This Council, aided by a Preparatory Committee whose membership is a roster of war criminals and near-war criminals (Tab "A"), and led by military strategists who demanded complete and open control of every phase of Japanese life, drew the blueprints from which IRAA was fashioned.

4. IRAA was not conceived as a political party but as a way of life. Control of every element was complete and assured through affiliated "Serve the Country" associations. Hideki Tojo was President. His most loyal supporters formed the directorate. His followers in every walk of life were the leaders, down to those village bosses whose feudal principles were the backbone of Japanese militarism. The Imperial Ex-Servicemen's Association, though forbidden political activity by Rescript, cooperated everywhere (Tab "B"). It continued all-powerful until its leaders fell under the weight of their failures.

5. IRAA's publicly-announced objective was: "To establish a New World Order and a New Order in the Greater East Asia based upon the Spirit of the Beginning of our Country" (Tab "C"). Dedication to the achievement of that objective brought seven of IRAA's founders to sentence by War Crimes Tribunal: SHIRATORI, KOISO, SUZUKI, HOSHINO, and HASHIMOTO were decreed life imprisonment; TOJO and MUTO hanged (Tab "D").

JACK P. NAPIER
MAJ AGD

CS FILE

10.

MEMBERS OF THE NEW POLITICAL ORDER PREPARATION COMMITTEE
(Shinseisei Junbi-Kai)

** HATO Akira (General)

** KOISO Kuniaki (General)

** HOSHINO Naoki

** SUZUKI Teiichi

* ANDO Kiyokuro (General)

* TAKAHASHI Seiichi (Admiral)

* HORAYASHI Seizo (Admiral)

* IDA Iwakuro

* KUHARA Fusanosuke

* IKO Hiroya

HATTA Yoshiaki

** HASHIMOTO Kingoro (Colonel)

HORIKIRI Zenjiro

OKADA Tadahiko

OGATA Takatoro

OGAWA Gotaro

OKOCHI Masatoshi

OKAZAKI Katsuo

OTA Kozo

KANEMITSU Tsuneo

KAWAISHI Shingoro

KAGAI Ryukuro

KAKANO Seigo

* KUZUU Yoshihisa

* GOZO Fumio

IZAKA Takashi

NAMBA Yonezo

NUMANO Isosuke

AKITA Kiyoshi

ASO Hisashi

ARIKA Rainei

** SHIRATORI Toshio

* SHORIKI Matsutaro

HIRAGA Yuzuru

SUNAZUGU Nobumasa (Admiral)

KOMOR Fumimaro

MATSUOKA Yosuke

YASUI Eiji

YAMADA Retsu

** TOJO Hideki (General)

TOSHIDA Zengo

OIKAWA Koshiro

KAZAMI Akira

KASHIDA Kunihiko

ISHIGURO Tadatsu

KOBAYASHI Ichizo

MURATA Shozo

ABE Hatsuro (Vice-Admiral)

* Arrested as War Criminal Suspect
** Convicted War Criminal

NATIONAL MOVEMENT FOR ASSISTING THE THRONE JRSA

SOURCE: The Japan Year Book 1941-42, page 178

"With regard to the Reservists' Association, both the Army and Navy Ministers have concurred in the view that because of the nature of the Movement and of the fact that they are after all members of the nation, the reservists should not only participate in it but also constitute the most active members of the Association. Inasmuch, however, as it is ordered in the Imperial Rescripts granted to the reservists on November 3, 1914, and December 3, 1927, and prescribed by Imperial Ordinance, the Reservists' Association as such may not concern themselves with politics; it is obviously not proper to incorporate the Reservists' Association into the central organ of the new structure."

GOVERNMENT SECTION

31 January 1949

(Translated by Mr. R. Aka - GS,
3 March 1948.
Source: Japan Yearbook - 1942)

AN OUTLINE OF THE PRINCIPLES GOVERNING THE OPERATION OF THE IMPERIAL RULE ASSISTANCE ASSOCIATION

Platform of the Imperial Rule Assistance Association

1. To devote to the practice of loyalism. That is, to exalt earnestly the great principle of God by professing the national structure which is the manifestation of the "supreme absolute universal truth," by observing the imperial edicts of Emperors, and by being faithful to one's duty.

2. To cooperate in the establishment of the Greater East Asia Co-Prosperity Sphere. That is, to promote the prosperity of the Greater East Asia Co-Prosperity structure, by completing it, and at the same time to strive willingly for the establishment of a new world order.

3. To cooperate in the establishment of an Imperial Rule Assistance Political Structure. That is, to establish powerful synthetic imperial rule assistance political structure by uniting economy, culture and living under the "imperial rule assistance spirit."

4. To cooperate in the establishment of the "Imperial Rule Assistance Economic Structure." That is, to endeavor to perfect the self-sufficient economy in the Greater East Asia by increased production through the establishment of a synthetic planned economy based upon the "Imperial Rule Assistance Spirit" and through the maximum display of science, ability, and originality.

5. To cooperate in the establishment of a new cultural structure. That is, we shall promote the growth of a sublime, refined, bright and cheerful but scientific new culture of Japan based on the spirit of our national structure, and internally to stimulate racial spirit and externally to strive for the enhancement of culture in Greater East Asia.

6. To cooperate in the establishment of a "new livelihood structure." That is, to endeavor for the establishment of "scientific livelihood structure," that would unify the people as members of a family under the ideal of state based upon loyalty and filial piety by developing an ideal and spirit that would propel the new era in accordance with the concept of imperial rule assistance.

(Translated by Mr. R. Aka - GS
Source: Japan Yearbook - 1941)

<u>Platform of the Imperial Rule Assistance Movement</u>

1. To establish a new world order and new order in the

Greater East Asia based upon the spirit of the beginning of our country.

2. To perfect the national defense structure by the demonstration of the total force of our country, the reformation of various administrations, and by the enhancement of the basic principle of our national structure.

3. To accomplish the loyal duties of the Imperial Rule Assistance through the cooperation and services rendered by the people in their respective duties.

The Covenant

1. This movement shall be called the Imperial Rule Assistance Movement participated by the people throughout the country.

2. The aim of this movement shall be to realize the platform of the association through the establishment of national organization supported and served by all the people, and through the efficient operation of the organization.

3. The Imperial Rule Assistance Association shall be established as an organ for supervising and guiding this movement.

4. The President shall appoint the members of this association from those who thoroughly understand the platform of this movement and who will actually carry out the platform.

5. There shall be the following officials in the association: President - 1, Vice-President - , Advisers - several, and Directors - (several will be permanent directors). The Prime Minister or a person appointed by the Prime Minister shall be the President. Vice-President, Advisers and Directors and Councillors shall be appointed by the President.

6. The President shall head the association and supervise its movement.

7. The Vice-President shall assist the President, and when necessary, shall represent the President.

8. Advisers shall give advice to the President.

9. Directors shall assist the President and discuss important matters pertaining to the association.

10. The central headquarters of the association shall be in Tokyo.

11. The secretariat with several divisions shall be established to handle the administration of the central headquarters.

There shall be one Chief in the central headquarters and one division chief and several deputy division chiefs in each division. The Chief of the central headquarters and division chiefs shall generally be appointed from among the permanent directors.

The Chief of the central headquarters, division chiefs

and deputy division chiefs are appointed by the President. Matters to be undertaken by each division shall be determined separately.

12. There shall be several councillors in the secretariat who shall participate in the planning and activities of the central headquarters. Councillors shall be appointed by the President.

13. The Central Cooperative Council shall be attached to the Central Headquarters. The members of the Central Cooperative Council shall be appointed by the President.

The President shall appoint half of the members from among those recommended by Prefectural (Do, Fu, Ken) Cooperative Councils.

14. Branch offices of this association shall be established at appropriate places in prefectures, cities, towns and villages (Do, Fu, Ken, Gun, Shi, Cho, Son). A Cooperative Council shall be attached to each branch office.

The composition of the branch office shall be identical to that of the Central Headquarters. The officials of the branch office shall be appointed by the President.

15. The expenditure of the association shall be paid by membership fees, government subsidies and other sources.

16. The enactment of regulations pertaining to the movement of the organization and amendments to the regulations shall be determined by the President.

(Translated by Mr. R. Aka - GS
Source: Japan Yearbook - 1942)

REORGANIZATION OF THE IMPERIAL RULE ASSISTANCE ASSOCIATION APRIL 2, 1941

(Announced April 2, 1941 by Japanese Government)

1. The President and the Advisers shall be the same as heretofore.

2. A position of Vice-President shall be newly created and shall assist the President in the administration.

3. An administrative organ and a deliberation organ shall be simultaneously created under the Vice-President.

4. Administrative Organ.

(A) General Affairs Bureau, Organization Bureau, East Asia Bureau and the Central Training School shall be established under the Chief Secretariat. Directors and Superintendent shall be the head of Bureau and the Training School respectively.

(a) The General Affairs Bureau shall be charged with such matters of administrative nature as general affairs, personnel affairs and accounts.

(b) The Organization Bureau shall be charged with matters on the establishment of national organizations such as local organizations, cultural organizations and economic organizations, and their operation and general publicity.

(c) The East Asia Bureau shall be charged with matters pertaining to East Asia problems (especially in regards to co-ordination with the various organizations for the development of Asia).

(d) The Central Training School shall be charged with matters pertaining to the training of members of the organization.

(B) A Councillor who will be directly responsible to the Chief of the Secretariat shall be established.

5. Investigation Committees shall be established as a deliberation organ and shall be charged with the investigation and deliberation of important matters. The various Investigation Committees shall comprise the executive and members. In actual operation of the various investigation committees, they shall constantly keep in close contact with the General Affairs Director. The Secretariat shall perform the secretarial duties for the various investigation committees.

6. The Central Cooperation Council shall be retained.

DECLASSIFIED E.O. 12958 SEC. 3(E) AND 3(D) OR (E) NNDC # 175 672

HASHIMOTO, Kingoro - Sentenced to life imprisonment by the International Military Tribunal for the Far East.

Army officer who early helped formulate the Japanese militarist conspiracy and advocated the expansion of Japan by force of arms. He was an ardent admirer of government by military dictatorship and detested political parties which played a weak part in opposing the schemes of conquest.

KOISO, Kuniaki - Sentenced to life imprisonment by the International Military Tribunal for the Far East.

As early as 1931 he joined the expansionist conspiracy by participating as one of the leaders of the bloody March Incident to overthrow the HAMAGUCHI Government and put into office a government favorable to armed conquest of Manchuria. Later as Overseas Minister he supported and took part in direction of the war in China and advocated advance of Japan "in all directions".

MUTO, Akira - Sentenced to hang by the International Military Tribunal for the Far East.

He was an officer on the staff of MATSUI in China from November 1937 to July 1938. It was during this period that the infamous "Rape of Nanking" was perpetrated by the Japanese Forces. Without doubt Muto knew of these atrocities but took no adequate steps to stop them. Again when he commanded the Second Imperial Guards Division in Northern Sumatra his troops committed atrocities for which Muto shares responsibility. During tenure of office under YAMASHITA in the Philippines a campaign of massacre, torture, rape and other atrocities was waged by the Japanese troops for which Muto definitely shared official responsibility. His was the history that typified gross breaches of the Laws of War.

D

SHIRATORI, Toshio - Sentenced to life imprisonment by the International Military Tribunal for the Far East.

Throughout his career as Ambassador to Rome, SHIRATORI along with OSHIMA, Ambassador to Germany, supported the conspirators who insisted on a general military tripartite alliance to carry out world domination by the force of arms. In his propaganda for expansion he advocated the attack on China and Russia, establishment of the "New Order", advancement to the South, and attack on Singapore. He continued to spread expansionist propaganda while he was adviser to the Foreign Office from August 1940 to July 1941.

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

SUZUKI, Teiichi - Sentenced to life imprisonment by the International Military Tribunal for the Far East.

As President of the Planning Board and Minister Without Portfolio, SUZUKI was present at most of the important conferences leading to the initiation and waging of the aggressive wars. He supported all issues brought up by the military conspirators at these conferences and therefore must assume responsibility as a major conspirator.

TOJO, Hideki - Sentenced to hang by the International Military Tribunal for the Far East.

In July 1940 TOJO became Minister of War and thereafter his history is largely the history of successive steps by which the conspirators planned and waged wars of aggression against Japan's neighbors.

He advocated and furthered the aims of Japanese armed aggression with ability, resolution and persistence. He bore major responsibility for Japan's criminal attacks on other Asiatic countries. TOJO was head of the War Ministry which was charged with care of the prisoners of war and civilian internees. The barbarous treatment of prisoners and internees was well known to him but he took no adequate steps to punish offenders and to prevent commission of these offences. He was directly responsible for the mass murder of thousands.

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

The persons listed below are all acquitted Class "A" war criminal suspects and held the indicated positions in the Imperial Rule Assistance Association and affiliated organizations. Other positions included under the provisions of SCAPIN 550 are also shown.

GOTO Fumio - Member, New Political Order Preparation Committee of IRAA
Vice-President, IRAA

ANDO Kisaburo - Former Home Minister
President, Imperial Rule Assistance Youth Association
Vice-President, IRAA
Chairman, National Cooperative Conference

KUZUO Yoshihisa - Director, IRAA
Advisor, Asia Development League of Great Japan

TAKAHASHI Senkichi - Admiral
Vice-President, Asia Development League of Great Japan
Member, Imperial Rule Assistance Political Consolidation Preparation Committee

KOBAYASHI Seizo - Admiral
Advisor, Political Association of Great Japan
President, Imperial Rule Assistance Political Structure

SHORIKI Matsutaro - President, The Yomiuri Newspaper
Member, New Political Order Preparation Committee of IRAA
Advisor, Asia Development League of Great Japan
Director, Political Association of Great Japan

IDA Iwakusu - Standing Director, IRAA
Chairman, Board of Asia Development League of Great Japan

KUHARA Fusanosuke - Advisor, IRAA

DECLASSIFIED E.O. 12065 SEC. 3(E) AND 3(D) OR (E) NNDG # 775 012

INO Hiroya - Recommended candidate of IRAA in 1942 elections
Director, IRAA
SHINTAI SEI JUMBIKAI (Komon)
(New Political Order Preparation Committee - Director)
IRAA Political Consolidation Preparation Committee Director
Former Agriculture & Forestry Minister
Former Minister of Overseas Affairs

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

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

27 January 1949

MEMORANDUM FOR THE CHIEF, GOVERNMENT SECTION

SUBJECT: Communist Election Victory

1. The Communist victory is not as significant as it may seem on the surface. In the 1947 election the Socialists and Communists combined polled 8,171,771 votes and this year the identical groups split into Socialists, Hirano Social Renovationists, Kuroda Labor Farmers and Communists got a total vote of 8,108,265, an actual decrease of 63,506 votes. While there was a decided swing to the left solely within leftist circles, the shift was more apparent than real. To Americans the difference between Shizue Kato's radicalism and Nozaka's subservience to Moscow is profound. While to the millions of Japanese laborers and young voters, from whom all shades of leftists draw their support, no distinction between the two schools of thought is made, except in the matter of "righteousness" and "sincerity". On this score the Showa Denko and textile donation cases discredited all Social Democrats and correspondingly boosted the stock of the Communists whose hands were "clean", aside from allowances which must be made to the Communists' superior skill in campaigning and exploiting an understandable amount of confusion which exists in the minds of the people.

2. To carry this point a step further, the Communists gained 31 seats almost entirely at the expense of the Socialist groups. In 26 of the districts where Communists won new seats, one or more Socialists, Social Renovationists or Labor Farmerites lost out. In no case did a Communist displace a Democratic Liberal. In two additional cases Communists won seats that had been vacant for many months and in two instances Communists defeated Democrats in districts which had not previously elected anybody from a leftist party. This accounts for 30 new Communist seats. The 31st seat was taken from Dr. Sakakibara, Japan's famed brain surgeon, who is not a professional politician to begin with and who refused to go with the Liberal party when it merged with the Shidehara Democrats under the name of the Democratic Liberal party. Stated correctly, the Democratic Liberals, who picked up some 112 additional seats, cut deeply into the ranks of all other political parties and factions except the Communists, while the Communist party made its gains totally at the expense of the leftist parties only, except in 5 districts where the leftist groups had not previously been represented.

3. The meaning of the two foregoing paragraphs is this: At the next election, on the assumption that the Socialist factions will unite and clean up internally and that all parties will have profited by the expert campaign techniques which the Communists have taught them, the Communists will be on the defensive against both the conservatives and the milder radicals, struggling more to hold what

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

Memorandum for the Chief, GS

they have than to make greater inroads on the other parties. Since all leftist elements combined have demonstrated that they cannot poll more than a maximum of approximately eight million votes, it stands to reason that the next contest for these eight million votes will be between the Communists and other leftist factions. If the conservatives become aware of this situation and select the right number of candidates wisely, they will have an excellent opportunity to pick up additional seats in marginal constituencies where the leftists may be expected to cut each others throats. Of course, a stupid administration on the part of the reactionaries, a possibility which should not be ruled out, could just as easily drive a considerable proportion of their present support into the opposing camps.

JUSTIN WILLIAMS
Chief, Parliamentary and Political Division

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

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

14 January 1949

MEMORANDUM FOR GENERAL WHITNEY

SUBJECT: Progress of the Election Campaign in Tochigi-ken.

1. The following account is based upon a two-day tour of inspection, 11-12 January, by Justin Williams and Captain C. F. Guida.

2. Situated north and east of Saitama-ken and Gumma-ken, Tochigi-ken is one of the more uniformly prosperous agricultural areas of the Kanto plain. It is for this reason perhaps that Communism has made relatively little headway there. At his official residence in Utsunomiya on 11 January Governor Kodaira entertained at luncheon the two Government Section representatives, Chairman Unno of the National Election Management Commission and several local Election Management Committeemen. The progress of the election was discussed at length. These Japanese officials laughed at reports that the people are not interested in the campaign and stated that as a matter of fact the people of Tochigi-ken are showing more interest than during any previous campaign they can remember. The new year slump is over, they said, and the campaign is now going full blast.

3. Governor Kodaira, a prominent manufacturer as well as a successful politician, campaigned for the House of Representatives three times before the war as a member of the Minseito Party and presently his son, an ex-Diet member, is running in Tochigi's 2nd district as a Democratic Liberal. The Governor's observations regarding the current election campaign, therefore, carry some weight:

a. Posters. Despite the fact that in pre-war elections some candidates were known to have put up as many as a million posters, they are not of much actual value. They advertise a candidate's name but never his platform; worst of all, they are of tremendous expense and can be afforded only by the wealthy. At this time a candidate could not put up 1,000 posters for less than 80,000 yen, the sum required for paper, printing, paste and labor, and, if fancy posters were used, the cost would be correspondingly higher; besides, posters are an unsightly blight on the countryside. Anyway, posters serve only to provide a circus atmosphere for the electors and if that is what they want, then the local election committees can plaster them over every telephone pole, bulletin board and fence in the prefecture, provided money is appropriated for this purpose. But to date no candidate, old or new, and no citizen has thought to complain about the lack of posters.

b. Competitive Speech Meetings. Obviously Tokyo reporters as they wander through the countryside are making only superficial observations without looking

8

DECLASSIFIED E.O. 12,032 SEC. 3(E) AND 3(D) OR (E) NNDG # 775 072

behind the scenes for events of real significance. The most important development in the history of Japanese election campaigns, competitive speech meetings arranged by locally elected management committees, is operating very successfully in this prefecture. To support this statement the Governor referred to information compiled by the Tochigi-ken Election Management Committee: as of 10 January, 31 competitive speech meetings had been held in Tochigi's 1st district. At one of these meetings there were 50 people in attendance, at each of 5 other meetings, between 200 and 500 persons; but on each of the 25 other occasions, attendance was above 500 and in 4 instances above 1,000. At only one meeting, however, were there as many as 100 women. (See attached table).

4. Following the Governor's luncheon, the party attended the first competitive speech meeting held in Utsunomiya, a city of about 100,000. Assembled in Education Hall, the largest auditorium in the city, were more than 2,000 people by actual count, occupying all seats and packing the aisles; in the corridor leading from the front entrance to the auditorium about 150 others stood patiently listening. There were no more than 20 women present and no children at all. Each of 8 candidates explained his case as completely as possible to an audience which at all times was particularly attentive. Miss Togano, Social Democrat, the sixth speaker, stated at the beginning of her speech that she had been elected twice before and was hopeful of being elected again. Then she turned to the subject of socialism and said that it was a world trend, referring to the decline of capitalism and to Truman's election as a victory for labor. Next she explained American aid to Japan and the meaning of the nine-point Economic Stabilization Program, as well as the projected single exchange rate. Finally, she discussed foreign affairs in general, making much of the fact that she had been a member of the Foreign Affairs Standing Committee of the House of Representatives. All other speakers, with variations of course, talked along similar lines.

5. Later in the afternoon another competitive speech meeting was attended at Kitsuregawa-machi, a community of 1,000 families about 15 miles from Utsunomiya. Here in the elementary school auditorium, 700 farmers, including about 10 women, were listening attentively to 9 speakers. The Communist speaker employed a technique which rival candidates in time will be forced to adopt: since each speaker appears just long enough to deliver his own prepared speech, he cannot refute the arguments of the others; the Communist, however, engaged in 6 or 7 minutes of rebuttal on the basis of notes jotted down for him by colleagues in the audience. At the conclusion of this meeting, one listener confided to the GS visitors that most of the speakers talked down to the farmers as if they did not know much; only one, he said, a Democrat running for the first time, talked straightforwardly and sincerely about the everyday problems which confront farmers. But, he concluded, the opportunity afforded by the competitive speech meeting to compare and evaluate the arguments of all candidates will be most helpful to the community

DECLASSIFIED E.O. 12065 SEC. 3(E) AND 3(D) OR (E) NNDG # 775 012

at election time.

6. Tochigi prefectural election officials said that individual speech meetings arranged by local committees on five days' notice are not proving very successful. Although every family in the community is informed by buraku chiefs, town criers, bulletin board notices and 10 posters announcing individual speech meetings, the people turn out only in small numbers, apparently preferring to hear candidates at competitive speech meetings or in the streets. They feel that abolition of megaphone squads, which candidates formerly hired at their own expense to announce individual speech meetings, is all to the good. However, they advocate return to the practice of each candidate hiring 3 or 4 assistants to relieve him of certain traveling and speaking burdens. Currently the candidate may have speakers to assist him, but only if he is present, save for 6 competitive speeches. Although this restriction does not deprive the electors of opportunities to learn the campaign issues, it frequently places too heavy a strain on the candidates.

JUSTIN WILLIAMS
Chief, Parliamentary and Political Division

1 Incl:
Tab A

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

COMPETITIVE SPEECH MEETINGS (as of 10 January)

TOCHIGI PREFECTURE

Source: Tochigi Management Committee

Date	Area	No. of Candidates Participating	No. of deputy speakers	No. of candidates absent	Attendance Male	Female	Total
5 January	Kanuma City	7	--	1	800	20	820
"	Awano-machi	6	1	2	485	15	500
6 January	Itaka-mura	6	--	2	450	50	500
"	Nikko-machi	7	--	1	980	20	1000
7 January	Imaichi-machi	7	--	1	710	90	800
"	Fujiwara-machi	7	--	1	210	90	300
8 January	Yaita-machi	7	--	1	485	15	500
9 January	Kurohane-machi	6	--	2	750	50	800
10 January	Otawara-machi	6	--	2	660	40	700
5 January	Otawara-machi	8	--	-	800	25	825
6 January	Kuroiso-machi	8	--	-	580	20	600
"	Nishi-Nasuno-machi	8	--	-	700	50	750
"	Kunimoto-mura	6	1	2	30	--	50
8 January	Tawara-mura	7	2	1	190	30	220
9 January	Karasuyama-machi	8	--	--	575	25	600
10 January	Bato-machi	7	1	1	540	60	600
5 January	Ashikaga-shi	6	--	1	1150	50	1200
"	Onata-machi	6	--	1	450	50	500
6 January	Sano-shi	6	--	1	500	25	525

Date	Area	No. of Candidates Participating	No. of deputy speakers	No. of candidates absent	Attendance Male	Female	Total
6 January	Tanuma-machi	7	1	--	950	50	1000
7 January	Fujioka-machi	7	1	--	210	90	300
8 January	Mibu-machi	5	-	2	490	10	500
9 January	Mamada-machi	5	-	2	480	20	500
10 January	Kugeta-machi	5	2	2	492	8	500
5 January	Moka-machi	6	1	1	380	20	400
6 January	Kugeta-machi	5	2	1	340	10	350
7 January	Mamada-machi	7	1	1	420	30	450
8 January	Iwafune-mura	6	-	1	1125	75	1200
9 January	Sano-shi	6	1	1	650	50	700
9 January	Tanuma-machi	5	2	2	1050	50	1100
10 January	Ashikaga-shi	5	-	2	1160	40	1200
10 January	Omata-machi	4	-	3	650	100	750

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

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

13 January 1949

MEMORANDUM FOR THE CHIEF, GOVERNMENT SECTION

SUBJECT: Election Law Violations

1. Howard Porter, Legal and Government Division of Military Government Section, Eighth Army, called at 1630 hours to report that warrants have been issued to permit search of Social Democratic and Communist party headquarters by the police. The warrants were issued on the basis of suspicion that the Social Democratic and Communist parties have published or issued materials which violate the Law concerning Provisional Exceptions to Election Campaigns and Others. This information was given to Mr. Porter by Colonel Abrams of the Tokyo Military Government Team.

2. Mr. Porter also reported having been informed by the Kyoto Military Government Team that the Communist candidate in one of the Kyoto election districts had declared in a speech last night that General MacArthur's policies have been misleading the Japanese people. MG is preparing to take action against this candidate on charges of violating SCAPIN 16.

OSBORNE HAUGE
Chief, Public Affairs Division

DECLASSIFIED E.O. 14,652 SEC. 3(E) AND 3(D) OR (E) NNDG # 775 072

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

12 Jan. 1949

MEMORANDUM FOR: CHIEF, GOVERNMENT SECTION

SUBJECT : Alleged Election Law Violations

1. Akahata yesterday issued a special pre-election edition containing pictures and brief identifying statements concerning all Communist candidates for the House of Representatives. In the Osaka area police confiscated the edition on the ground that it violated Articles 18, 19 and 32 of the Law Concerning Provisional Exceptions to Election Campaigns and Others.

2. Police yesterday raided Communist Party Headquarters in Kyoto to obtain evidence concerning illegal publication and distribution of election propaganda in disregard of the law cited in Para. 1. Copies of a local party newspaper and some handbills were confiscated.

3. The Law provides that each candidate shall be permitted to publish one advertisement in a newspaper designated by the National Election Management Commission or one of its local subsidiaries. The Law also contains injunctions against the free distribution of handbills, posters, postcards, etc.

4. Osaka and Kyoto officials apparently interpreted the provisions cited above to mean that newspaper articles or editorials constitute advertisements and therefore violate the law. It is held, moreover, that these newspaper editions fall within the provisions of Art. 19 which bans the free distribution of handbills, posters, postcards, etc.

5. A general application of the interpretation cited in Para. 4 would make it impossible for any newspaper to support individual candidates.

6. The National Election Management Commission has been asked to inform local administration committees, the police and procurators' organizations that the law should not be interpreted to prevent newspaper support for individual candidates.

O. I. HAUGE

6.

DECLASSIFIED E.O. 11652 SEC. 3(E) AND 5(D) OR (E) NNDG # 773 072

12 January 1949

MEMORANDUM FOR THE CHIEF, GOVERNMENT SECTION

SUBJECT: Telephone "Rights".

1. The existence of "rights" of indefinite duration to telephone service whether actually used or merely held by subscribers either for future use or for speculation is a continuing hindrance to full utilization of existing telephone facilities in Japan and a source of economic and social injustice. Cognizant of this fact, CCS has tried for some time to induce the Japanese Government by persuasion to discontinue the practice. Finally convinced that such discontinuance by the Japanese on their own responsibility is politically not feasible, CCS in the summer of 1948 initiated staff action for the issuance of a SCAPIN directing the Japanese Government to cease recognizing the validity of telephone "rights" or their transfer.

2. Upon the recommendation of the Legal Section, the proposed SCAPIN was modified so as to continue to recognize "rights" outstanding at the time of the issuance of the directive but to set a deadline of March 31, 1949, up to which time lines and equipment will continue to be reserved against such outstanding "rights". Thereafter the "rights" would not constitute unqualified options on equivalent telephone equipment and service but would entitle the holder to have his application for service accepted in accordance with the priority classification of his "right".

3. In the original staff action, CCS had the concurrence of ESS, LS and G-4 and a "No objection" from the Government Section. On September 18, 1948, General Fox, in a memorandum for the Chief of Staff, recommended that no action be taken by GHQ at that time, on the ground that Occupation objectives were not vitally involved.

4. On 7 January 1949, General Fox, in a memorandum for the Chief of Staff, stated that the change in the situation brought about by the Economic Stabilization program now indicates more vigorous action by General Headquarters, and recommended approval of the proposed SCAPIN, a related letter to 8th Army, and a press release.

Govt. Sec. files

5

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

5. The Civil Communications Section is anxious to secure early approval of its recommendation in order to allow as much time as possible between issuance of the directive and the 31 March deadline which coincides with the end of the Japanese fiscal year and with the effective date of the Communications Ministry reorganization.

6. The proposed action will result in an immediate sharp drop in the market value of telephone "rights" and eventually in its total or nearly total extinction as new telephone equipment becomes available. It is reported that these rights have changed hands for as high as 55,000 yen, that they fell to 8,000 yen when the system of requiring new subscribers to buy 36,000 yen of special government bonds was instituted, but that there has since been a rise to about 16,000 yen.

7. On 11 January 1949, in a telephone conversation with Mr. W. L. Wardell of CCS, the undersigned ascertained that the unwillingness of the Japanese Government to take the action necessary to correct the existing situation still exists and that neither the Communications Ministry nor the Diet is likely to sponsor such action without a directive from SCAP.

8. Recommend the Government Section concur in the proposed action.

FRANK RIZZO
Special Advisor

DECLASSIFIED E.O. 12032 SEC. 3(E) AND 3(B) OR (E) NNDG # 775 012

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

10 January 1949

MEMORANDUM FOR THE CHIEF, GOVERNMENT SECTION

SUBJECT: Publicity for the Election, 23 January 1949.

Mr. C. Mayer, CIE Central Motion Picture Exchange, telephoned Government Section this date to report that motion pictures of the U. S. Presidential election had been readied with Japanese narration for distribution throughout Japan on Wednesday, 12 January 1949. One hundred reels have been prepared.

Highlights of Reel

Conventions
Campaigning
Events of Election Day and Night at both Republican and
Democratic Headquarters
Governor Dewey calling upon President Truman
President Truman

The Japanese narration contains the paragraph of General MacArthur's New Year's Message to the people of Japan that relates to the elections.

Mr. Mayer stated that he needed additional publicity to bring these reels to the attention of the Japanese people.

He was assured that Government Section would notify the proper agency of the Japanese Government of this film and urge that it be given wide publicity.

T. Diamantes
T. DIAMANTES
Capt. Inf.

4

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

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

5 January 1949

MEMORANDUM FOR THE CHIEF, GOVERNMENT SECTION

SUBJECT: GS Periodical Reading Room

1. On or about 1 February, depending upon date of receipt of periodicals from the United States, the Government Section Periodical Reading Room will be opened to make available to Occupation personnel and high Japanese government officials 22 daily newspapers and 15 weekly and monthly magazines. Announcement of the availability of this service will be made by checksheet to all general and special staff sections (Tab A).

2. As a service to Japan, the above periodicals will be donated to the National Diet Library after they have been kept in the Government Section Periodical Reading Room for a specified period (daily newspapers, 1 week; weekly magazines, 2 weeks; monthly magazines, 1 month).

3. The following recommendations are submitted:

a. EQUIPMENT:

(1) In order to make the most recent issue of each of 22 newspapers readily accessible to readers, 5 newspaper racks, each accommodating 5 papers, will be necessary (Tab B). As subsequent editions are received, the preceding day's newspaper will be removed from the rack and placed in its proper bin in the shelves for back-issues (Tab C), where it will be available for one week from the stamped date of receipt by GS. Thus a full week's edition of each newspaper will be on hand in the Reading Room.

(2) To make the 15 magazines most accessible, a tilted magazine shelf (Tab D) is recommended, with horizontal ledges to prevent magazines from slipping out of their designated spaces. Each issue of weekly magazines will remain on the shelf for two weeks; monthlies will be on display for one month. If this shelf is built with the upper edge against the wall at a height of 5 feet and the lower edge 4 feet from the ground, all magazines will be within easy reach of readers and no additional storage space will be necessary, since a horizontal ledge 1 inch deep will accommodate two issues of any weekly magazine.

(3) For the convenience of readers, a long conference table and 8 chairs will suffice.

(4) A desk and chair for the Reading Room Custodian are necessary.

3

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

b. SPACE NEEDED: One room, or portion thereof, approximately 16 x 20 feet.

c. ROOM LAYOUT: (Tab E).

d. PERSONNEL: One enlisted man, the Reading Room Custodian, will be on duty during the hours that the room is open (0800 - 1700, Monday through Friday; 0830 - 1230, Saturday). However, during lunch hours, the GS Charge of Quarters will serve in place of the Custodian. The Custodian will be supervised by the GS Librarian (Harry Scolinas).

e. PROCESSING PERIODICALS: All incoming periodicals will be routed to the Chief, Public Affairs Division (Mr. Hauge), who will distribute an equitable number of them to professional staff members whom he shall designate to scan them within an hour or two for articles of interest to the Chief, Government Section. Each staff member so designated will return the periodicals, together with a notation of the titles of pertinent articles, the page reference and periodical in which they may be found, and any comments he deems necessary, to the Chief, Public Affairs Division. The latter will consolidate all notations made by the scanners and call them to the attention of the Executive Officer, who in turn will inform the Chief, Government Section. The Chief, Public Affairs Division will then turn all periodicals received over to the Reading Room Custodian for stamping with date of receipt and arrangement on the shelves and racks. Reading materials will not be withdrawn from the Reading Room, except by consent of the Executive Officer.

f. UTILIZATION OF MATERIALS BY DIET LIBRARY: Dr. Kanamori, Chief Librarian, National Diet Library, was ecstatic in expressing his appreciation of the generous offer by Government Section to make American periodicals available to the Japanese public through the Diet Library. "What a magnificent New Year's gift to Japan!" he exclaimed. "The utilization of these materials will be our number one project during 1949. In recent months we have received a few American magazines and one weekly newspaper. But the prospect of receiving so varied a collection of magazines and daily newspapers is almost breath-taking!" Dr. Kanamori and his assistant, Mr. Nakai, immediately began planning for their use. For the American periodicals, they suggested using half of the spacious chamber now containing only Japanese periodicals. Magazine racks, display shelves, newspaper racks, reading tables, and chairs are already available. They requested permission to hang a sign on the wall stating that the American materials had been made available through the courtesy of Government Section, GHQ, SCAP, and in addition to stamp each acquisition in the same manner. They have a newspaper storage room where old copies will be preserved. Anyone requesting to use an outdated paper need only ask the staff member on duty in the room to secure it for him. At the end of each year, they plan to have the volumes of magazines bound. "We will guard them carefully," Dr. Kanamori stated, "so that not a single issue will be lost." To facilitate liaison with Government Section, Dr. Kanamori will appoint one of his staff members to act as courier, to pick up

DECLASSIFIED E.O. 12958 SEC. 3(E) AND 3(D) OR (E) NNDG # 773 012

all materials from Government Section at whatever intervals the latter suggests. Dr. Kanamori concluded, "My enthusiasm for this project is beyond my power of expression. I regret only that our temporary cramped quarters prevent the use of a complete room for the American periodicals. That will be our goal for the future."

Helen Loeb
HELEN LOEB
Parliamentary & Political Division

6 Jan 48
approved by General Whitney

5 Incl:
Tab A to Tab E

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

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

CHECK SHEET

(Do not remove from attached sheets)

D R A F T

File No.:

Subject: GS Periodical Reading Room

Note No.:	From: Govt Sec	To: All General & Special Staff Sections	Date:

1. 1. On approximately 1 February, Government Section will open to members of the Occupation a reading room where current issues of the following 22 American daily newspapers and 15 weekly and monthly magazines will be available:

NEWSPAPERS: Albany Globe; Atlanta Journal; Baltimore Sun; Boston Globe, Christian Science Monitor; Chicago Daily News, Tribune; Milwaukee Journal; Minneapolis Star-Tribune; New York Herald Tribune, Times, Wall Street Journal, World Telegram; Philadelphia Bulletin; Richmond Times-Union; San Francisco Chronicle; Seattle Post Intelligencer; St. Louis Post-Dispatch; Washington, D. C. Post.

MAGAZINES: Atlantic Monthly, Colliers, Far Eastern Survey, Foreign Affairs, Fortune, Harpers, Newsweek, Pacific Affairs, Pathfinder, Saturday Evening Post, State Department Publications, Survey Graphic, Time, U. N. Publications, U. S. News and World Report.

2. Current issues of newspapers will be retained in the reading room for one week, weekly magazines for two weeks, and monthly magazines for one month, after which time they will be donated to the Japanese National Diet Library. Subsequent issues will continue to arrive by airmail and water transportation.

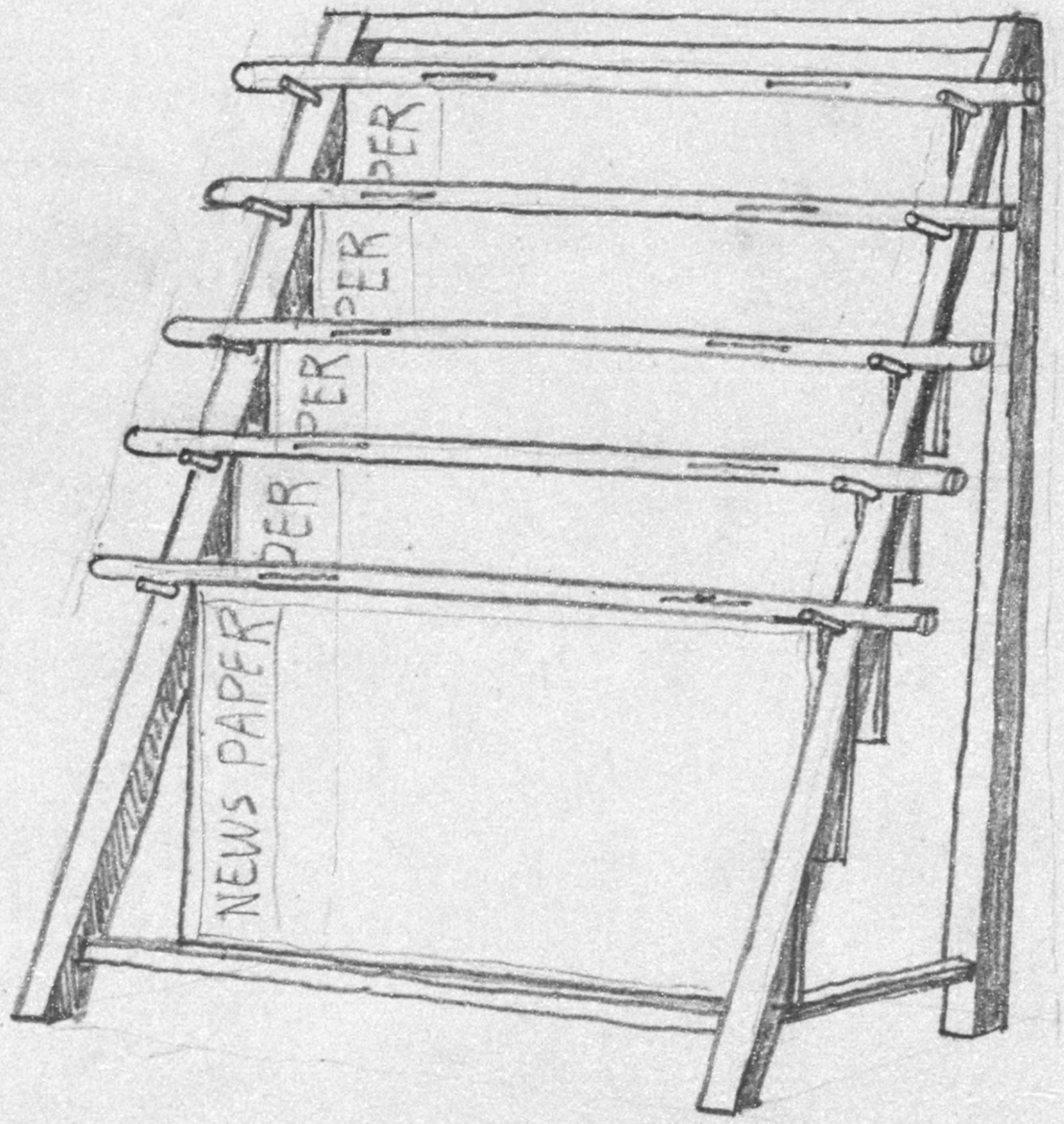
3. The reading room, located in Room 615, Dai Ichi Building, will be open from 0800 to 1700, Monday through Friday, and from 0830 to 1230 on Saturday. The exact opening date will be announced in advance in the Daily Bulletin.

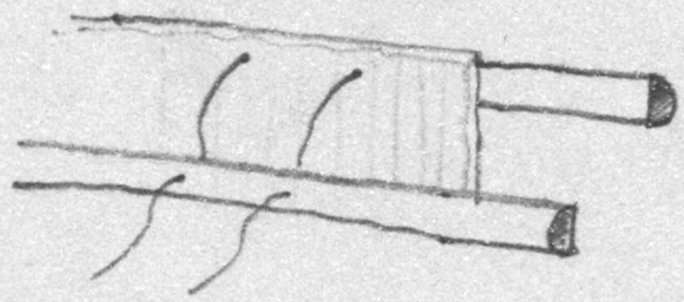
C. W.

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

5 Newspaper Racks

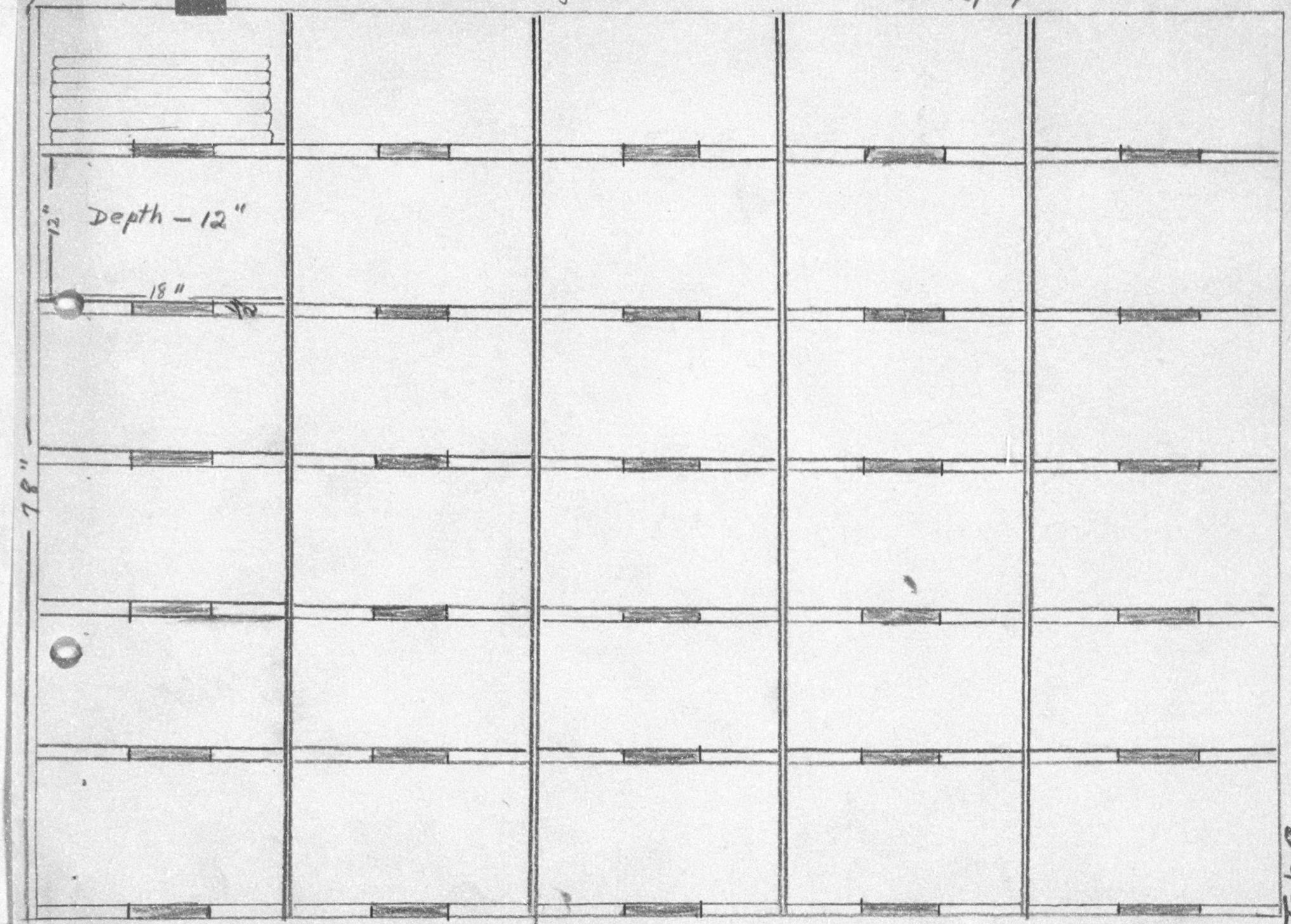
TAB B





Tab B

Bin Shelves for Back Issue Newspapers



Tab C

Tab 2

DESIGNED AND DRAWN TO COMPLY WITH SEC. 3(B) AND 3(E) ANSI A117.1-1992

Tilted Shelf for magazines

Atlantic Monthly

Foreign Affairs

Pacific Affairs

Pathfinder

U. N. Publications

State Dept Publications

Far Eastern Survey

Harpers

Newsweek

Survey Graphic

Time

U. S. News + World Report

Colliers

Fortune

Saturday Evening Post

Lot D

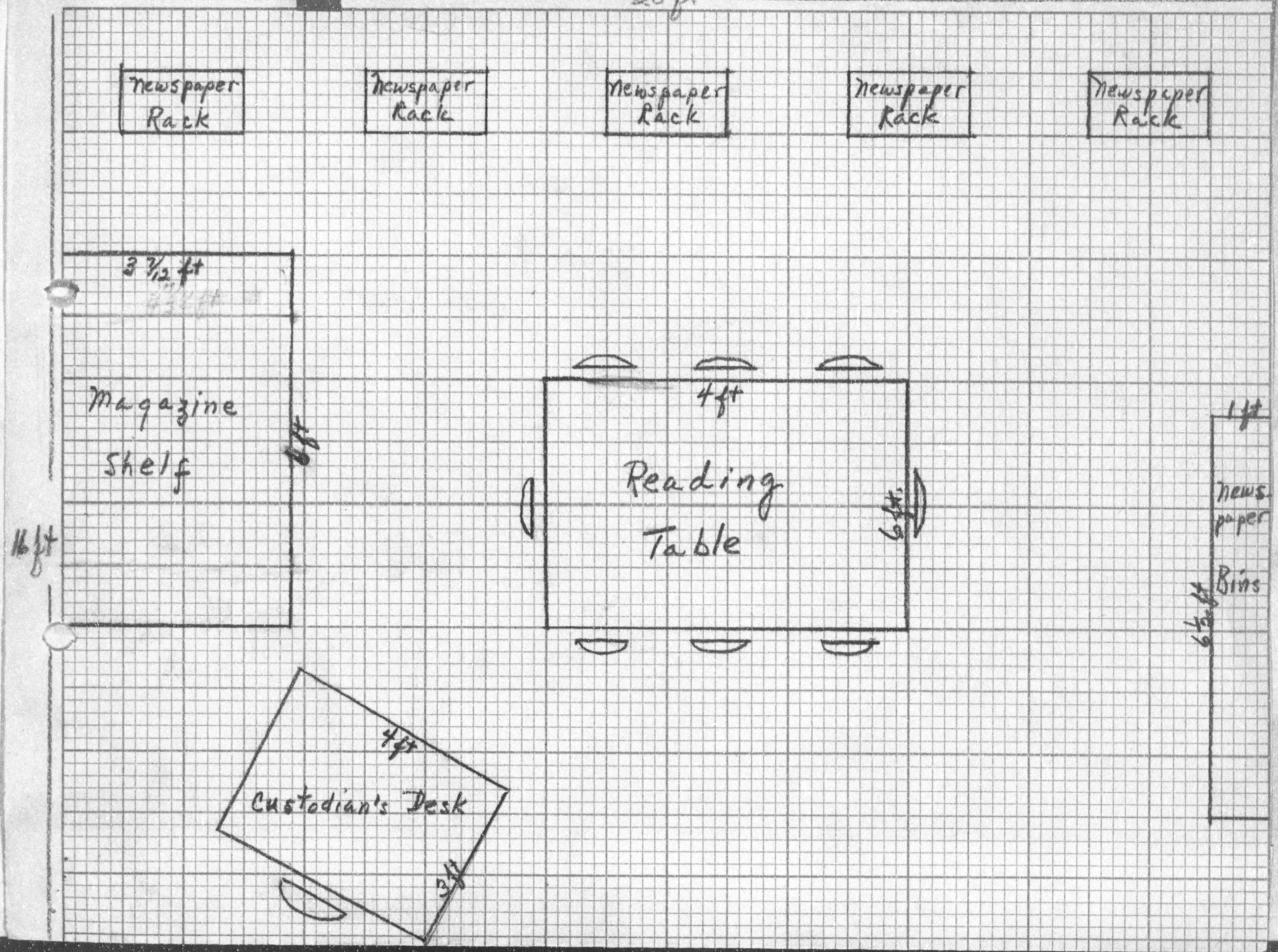
12"

13"

15"

72"

Floor Plan


20 ft
Newspaper Rack
Newspaper Rack
Newspaper Rack
Newspaper Rack
Newspaper Rack
3 1/2 ft
Magazine Shelf
16 ft
4 ft
Reading Table
3 1/2 ft
1 ft
Newspaper Bins
4 1/2 ft
4 ft
Custodian's Desk
3 ft

Floor Plan

20 ft

Newspaper Rack

Newspaper Rack

Newspaper Rack

Newspaper Rack

Newspaper Rack

3 1/2 ft

Magazine Shelf

8 ft

16 ft

4 ft

Reading Table

6 ft

1 ft

Newspaper Bins

6 1/2 ft

4 ft

Custodian's Desk

3 ft

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

4 January 1949

MEMORANDUM FOR THE CHIEF, GOVERNMENT SECTION

SUBJECT: Textile Scandal

The Textile Scandal originated with the arrest of a member of the Kyoto Metropolitan Police on the charge of receiving a bribe of 10,000 yen in cash and one suit on 5 August 1948. This investigation led to the arrest of Juro Suzuki, Chief of the Textile Bureau, Commerce and Industry Ministry, on suspicion of having accepted several hundred thousand yen from several industrialists as a reward for illegal allocations of textiles. Interrogation of Suzuki disclosed the fact that Kiyoshi Umemura, age 47, president of the Toa Kogyo Company of Toyohashi, Aichi prefecture, had in addition to bribing members of the Commerce and Industry Ministry, made large political donations.

The Tokyo Metropolitan Police Board, Criminal Affairs Bureau, Second Section, was conducting the investigation of the Textile Scandal. The Second Section had, up to the 21st of September, conducted the field investigation of the Showa Denko case. On this date all the books and records were removed by CID and delivered to Government Section. The members of the Second Section led by their Criminal Affairs Bureau Chief, Jiro Fujita, greatly resented their being withdrawn from the investigation of the Showa Denko case and decided that this Textile case would be sensational. The investigation was not conducted according to any given plan and as a result they were unable to determine exactly where the money used by Umemura for political donations originated. They did, however, check Umemura's bank account. It was through this investigation that checks were found for the following people:

1. Jiro Hoshijima, Liberal-Democratic party, 1,500,000 yen

2. Kato Kanju, Labor Minister, Social Democratic party, 500,000 yen

G.S. Files

2

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

3. Mosaburo Suzuki, Social Democratic party, 500,000 yen. It is questionable whether this money was given to Suzuki personally or to the Shakai Keizai Kenkyusho (Social Economic Research Club).

4. Takeo Kimura, 200,000 yen

5. Shizue Kato, 300,000 yen

6. Shuzo Inaba, 500,000 yen, for the Sekai Keizai Kenkyusha (World Economic Research Club)

7. Bujo Ishiguro (Takeshige), 200,000 yen

8. Saburo Miyagawa of the Toyo Keizai, 1,500,000 yen

9. Hiroo Wada, house valued at 2,000,000 yen

10. Tanzan Ishibashi, 3,500,000 yen

The procurators had allowed the Metropolitan Police to carry on this investigation independently as the relationship between the Second Section and the Tokyo District Procurators' Office had been far from desirable.

On 22 November the Chief of the Second Section of the Metropolitan Police Board reported to the undersigned and stated that the investigation was a failure. He had hoped that he could arrest Jiro Hoshijima, Liberal-Democrat, but after interrogating his son, Toichi Hoshijima, from the 10th of November, he could in no way find reasonable cause to arrest Jiro Hoshijima. At this point, the Tokyo District Procurators took over the investigation for final review. During the course of investigation the case was completely reviewed.

On 3 December a letter from Shigeru Yoshida to Umemura was delivered to the procurators' office by a member of Umemura's Company. On the 7th of December, plans were laid to first interrogate Umemura regarding the letter, and on or about the 12th, to interrogate Prime Minister Yoshida, then on the 13th and 14th Hoshijima was to be interrogated. On the 15th Banboku Ono was to be interrogated. The only evidence the procurators had was the letter from Yoshida to Umemura and the 1,000,000 yen and 500,000 yen checks from Umemura to Hoshijima which were cashed by Hoshijima.

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

The Liberal party headquarters had been previously searched at the time of Gonpachi Matsushita's arrest in the Showa Denko case. At this time no records on their party fund could be found. Similarly, Banboku Ono's house had been searched relative to the Showa Denko case and no account books of the Liberal-Democratic party could be found. Therefore, it was necessary to have Yoshida state that he had seen either the check or the money that had been given to Hoshijima from Umemura. In the case that Yoshida had written the letter without seeing the money, it was hoped that Hoshijima could be charged with embezzlement. After the interrogation of Hoshijima they had planned to interrogate Banboku Ono regarding this money in his capacity as Secretary-General in charge of party funds at the time of registration on 31 December 1947.

On the same day, Mr. Muto was requested to delay investigation of the Textile Scandal in the Diet until such time as the procurators had finished their interrogation, but suddenly on 11 December, while Mr. Muto was sick in bed, the committee decided to summon all those concerned with the Textile Scandal. On the afternoon of the 11th, the undersigned, realizing what was going to happen, requested the temporary chairman, Ishida, member of the House of Representatives, to report to the Procurator General's office to discuss the investigation by the Diet. Mr. Ishida was given full details of the procurators' plan to investigate the Textile case and was told that if Yoshida, Hoshijima and Ono were called before the Diet Committee and made statements under oath which legalized this donation as a donation to the individuals, they were in essence killing any chance of making this a criminal case. Due to the lack of any further existing evidence Mr. Ishida fully sympathized with the position of the procurators, but stated that it was beyond his power to stop this Diet investigation and that the witnesses were already in the Diet building awaiting questioning.

In the Diet, Yoshida testified that he wrote the letter at the request of Hoshijima, who received the money as a personal donation. Banboku Ono testified that he had been approached by Hoshijima at which time Hoshijima stated that he would like to donate some or all of the money to the party. Ono refused this money as a donation to the party on the grounds that Hoshijima had already donated his quota of 500,000 yen. Hoshijima's testimony matched the testimonies of Yoshida and Ono to the minutest detail.

Had it not been for the bad relationship between the procurators and police, the Textile Scandal would probably have

DECLASSIFIED E.O. 11,652 SEC. 3(E) AND 3(D) OR (E) NNDG # 775 072

hit far higher positions. Since the removal of Jiro Fujita as Chief of Criminal Investigation Bureau, the relationship between the procurators and the Metropolitan Police has improved.

With the application of the new Code of Criminal Procedure, if any cases such as the Showa Denko case are to be investigated, the investigating agencies will have to use more modern and up-to-date investigation methods and carry on intensive preliminary investigations. It was necessary to conclude most of these cases by 31 December as any indictments that were brought after 31 December, even though they fell under the same case, would be tried in a separate court under the new procedure.

MAKOTO MATSUKATA

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

Government Section

APO 500,
10 January 1949.

MEMORANDUM FOR: Director General,
Cabinet Secretariat.

SUBJECT : Temporary Reinstatement of
YANAI, Yuzo

1. Reference Memorandum from Japanese Government, dated 25 October 1948, subject: Application for Reappointment of YANAI, Yuzo, former President of Oki Electric Co. Ltd.

2. The reinstatement of YANAI, Yuzo as President of the Oki Electric Co. Ltd. (Oki Denki K.K.) is authorized until 10 April 1949. On or before that date YANAI, Yuzo will be removed from public service.

GS

COURTNEY WHITNEY,
Brigadier General, U. S. Army,
Chief, Government Section.

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

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

4 January 1949

MEMORANDUM FOR GENERAL WHITNEY:

SUBJECT : Request for Temporary Appointment and Retention in Office of Yuzo Yanai

1. The Oki Electric Company has applied for permission to appoint as President for a period of three years Yuzo Yanai, former official and President of the company purged on 15 May 1947 under the economic provisions of the Purge for having held the positions of Standing Auditor of the Yasuda Trust Company from December 1937 to December 1939, Counsellor of the Yasuda Holding Company from May to November 1945 and the Standing Director of the Oki Electric Company from January 1940 to February 1944.

2. The reinstatement for a period of three years could hardly be called temporary, and if granted would constitute a transparent evasion of the terms of the Purge Directive. It would be preferable, if the case were sufficiently meritorious, to grant complete exemption and to label it as such.

3. The case for exemption as presented in Yanai's letter to the Prime Minister rests on the contention that, although he held the positions stated, he did not in fact exercise the executive or policy making functions customarily associated with those positions and that he was in fact not an influential person in either the Yasuda concerns or the Oki Electric Company. If this contention were accepted on its face value, it would negate the present plea for reinstatement on the grounds of executive experience and ability of such high order as to make his services indispensable to the hoped for recovery of the company's position in the industry.

4. Mr. Feissner, Director of the Analysis Division, Civil Communications Section, in favorably endorsing the application for Yanai's retention has stressed the difficult position in which the company finds itself in the absence of experienced management and has expressed the opinion that Yanai's assumption of the presidency would help the company in composing its labor and financial difficulties, making possible the securing of assistance from both Japanese banks and foreign companies. It appears that the situation has deteriorated to such an extent that reorganization cannot be avoided but such reorganization, if it becomes necessary, presumably can be carried out more effectively with Yanai than without him.

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

4 January 1949

Subject: Request for Temporary Appointment and Retention in Office of Yuzo Yanai

5. In view of the above, recommend that Yanai be granted reinstatement for a maximum of ninety days for the purpose of giving the company an opportunity to find another candidate for the presidency who is not subject to the Purge and in the meantime allow Yanai to do whatever he can to compose the company's present difficulties.

Frank Rizzo

FRANK RIZZO
Special Assistant